



# Notes to the Company Financial Statements

**December 31, 2017**



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Company Financial Statements and Notes of Aéroports de Paris SA at December 31, 2017

**Income Statement**

(in millions of euros)

	Notes	2017	2016
Revenue	5.1	2,820	2,744
Changes in finished goods inventory	5.2	(2)	6
Capitalised production	5.3	61	56
Reversal of provisions and expense transfers	5.8	42	46
Operating subsidies		1	2
Other operating income	5.4	29	14
<b>Operating income</b>		<b>2,951</b>	<b>2,868</b>
Purchases and external expenses	5.5	(832)	(818)
Taxes other than income taxes	5.6	(247)	(251)
Employee benefit costs	5.7	(590)	(585)
Other operating expenses		(24)	(24)
Depreciation, Amortisation and provision	5.8	(477)	(471)
<b>Operating expenses</b>		<b>(2,170)</b>	<b>(2,148)</b>
<b>Operating income</b>		<b>781</b>	<b>719</b>
Financial income		141	70
Financial expenses		(151)	(143)
<b>Financial income</b>	<b>5.10</b>	<b>(10)</b>	<b>(72)</b>
<b>Income before tax</b>		<b>771</b>	<b>648</b>
Extraordinary income		130	120
Extraordinary expenses		(150)	(132)
<b>Extraordinary income</b>	<b>5.11</b>	<b>(20)</b>	<b>(12)</b>
Employees' profit sharing	5.12	(22)	(22)
Income taxes	5.9	(223)	(214)
<b>Net income</b>		<b>506</b>	<b>399</b>



## Assets

(in millions of euros)	Notes	As at Dec 31, 2017			As at Dec 31, 2016
		Gross Amount	Amortization or depreciation	Net amount	
Intangible assets	6.1	265	(202)	63	59
Property, plant and equipment	6.1	11,933	(6,012)	5,921	5,787
Fixed assets in progress	6.1	998	-	998	792
Advances and deposits	6.1	23	-	23	37
Financial assets	6.2	1,483	(50)	1,433	1,363
<b>I - Fixed assets</b>		<b>14,702</b>	<b>(6,264)</b>	<b>8,438</b>	<b>8,038</b>
Inventories		15	-	15	16
Advances and deposits		3	-	3	16
Trade receivables	6.3	420	(16)	404	441
Other receivables	6.3	316	(8)	308	127
Marketable securities	6.4	1,404	-	1,404	1,566
Cash	6.4	117	-	117	63
Prepaid expenses	6.5	28	-	28	15
<b>II - Current assets</b>		<b>2,302</b>	<b>(24)</b>	<b>2,277</b>	<b>2,244</b>
<b>III - Bond redemption premiums</b>	<b>6.6</b>	<b>15</b>	<b>-</b>	<b>15</b>	<b>15</b>
<b>IV - Translation adjustments - Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>4</b>
<b>Total assets</b>		<b>17,020</b>	<b>(6,288)</b>	<b>10,733</b>	<b>10,301</b>

## Liabilities

(in millions of euros)	Notes	As at Dec 31, 2017	As at Dec 31, 2016
Share capital		297	297
Premiums		543	543
Revaluation difference		23	24
Reserves and retained earnings		2,061	1,922
Profit/loss for the period		506	399
Interim dividend		(70)	(69)
Investment grants		49	43
Regulated provisions		1,173	1,140
<b>I - Equity</b>	<b>6.7</b>	<b>4,583</b>	<b>4,298</b>
<b>II - Provisions</b>	<b>6.8</b>	<b>431</b>	<b>434</b>
Financial debt	6.9	4,806	4,446
Trade payables and related accounts	6.10	126	181
Tax and employee-related liabilities	6.10	250	261
Debts on fixed assets and other liabilities	6.11	373	523
Deferred income	6.5	162	158
<b>III - Debts</b>		<b>5,717</b>	<b>5,569</b>
<b>IV - Bond redemption premiums</b>		<b>-</b>	<b>-</b>
<b>V - Translation adjustments - Liabilities</b>		<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>10,733</b>	<b>10,301</b>



## Cash flow statement

(in millions of euros)

	Notes	2017	2016
<b>Operating income</b>		<b>781</b>	<b>719</b>
Net depreciation and provisions for liabilities and expenses		439	439
Financial income and expenses (excluding debt)		(8)	8
<b>Change in working capital</b>	<b>7.1</b>	<b>3</b>	<b>(79)</b>
Tax expenses paid minus tax received		(276)	(221)
<b>Cash flows from operating activities</b>		<b>940</b>	<b>867</b>
Disposals of holdings		1	3
Acquisition of holdings	6.2	(50)	(9)
Purchase of property, plant, equipment and intangible assets	6.1	(791)	(774)
Change in other financial assets	6.3	(144)	(6)
Proceeds from sales of fixed assets (net of the change in receivables)		36	27
Dividends received	5.10	87	32
Change in debt and advances on asset acquisitions		(47)	29
<b>Cash flows from investing activities</b>		<b>(908)</b>	<b>(698)</b>
Capital called but unpaid		-	-
Capital grants received in the period		6	15
Net disposal (purchase) of treasury shares		-	12
Dividends paid	6.7	(261)	(258)
Proceeds from long-term debt	6.9	504	7
Repayment of long-term debt	6.9	(142)	(4)
Change in other financial liabilities	6.11	(130)	93
Net financial interest paid		(105)	(109)
<b>Cash flows from financing activities</b>		<b>(128)</b>	<b>(244)</b>
<b>Change in cash and cash equivalents</b>		<b>(97)</b>	<b>(75)</b>
Cash at opening		1,617	1,692
Cash at closing	7.3	1,520	1,617



## NOTE 1 Description of activity

Aéroports de Paris, public limited company since 2005 owns and operates the three main airports in the Paris region (Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget), 10 general aviation aerodromes and the Issy-les-Moulineaux heliport. Its mission is governed by an "Economic Regulation Agreement" signed with the State. The current contract is in force for the period of 2016-2020;

Its business lines are primarily the following:

- ◆ Aviation activities - As an airport operator, Aéroports de Paris is involved in all stages of the journey through the airport of passengers and goods, by optimising the flow of aircraft and of cargo, as well as passenger flows, security checkpoints and baggage;

To do this, the company:

- continuously improves the quality of its aeronautical infrastructure and relevant access points in compliance with the investment programme outlined in the Economic Regulation Agreement "ERA" and
- offers a range of services adapted to the needs of passengers, airlines and freight operators.
- ◆ Retail and services - As a lessor, land developer, business sponsor and manager, Aéroports de Paris is involved in the operations:
  - of shops, bars and restaurants within airport terminals, through joint ventures (such as Société de Distribution Aéroportuaire, Média Aéroports de Paris and Relay@ADP),
  - of car parks and rental premises in airport terminals.

- ◆ Real estate - Aéroports de Paris has considerable land reserves and has full ownership over high quality assets surrounding its terminals. This enables the company to:

- manage real estate projects to meet its own needs and those of businesses seeking to establish operations within its airports and
- manage assets (business strategy, refurbishments), lease management (generally long-term leases), and offer real estate services to its customers.

Additionally, Aéroports de Paris has shareholdings in businesses that work in airport activity (design and operation) in France and abroad.

See Note 4.4 Revenues



## NOTE 2 Relations with the subsidiaries

### 2.1 Tax consolidation

Aéroports de Paris operates under a tax consolidation system with companies in which it directly or indirectly holds over 95% of the share capital. (cf note 6.2 Table of subsidiaries and shareholdings) The tax consolidation conventions that link Aéroports de Paris to its subsidiaries are all strictly identical and state:

- ◆ that the subsidiary is to pay the parent company the same amount as the tax it would have otherwise paid had it been taxable separately;
- ◆ that the subsidiary is not entitled to any debt rights in the event of the latter having a tax deficit.

### 2.2 Cash management

Aéroports de Paris SA has implemented a centralised cash management system. Its subsidiaries integrate the system, in compliance with the regulations in force. Under this system, Aéroports de Paris SA has entered into cash pooling agreements with its main subsidiaries. These cash pooling agreements provide for the pooling of euro and dollar accounts under centralising euro and dollar accounts, respectively. This pooling, which is achieved by automatically equalising subsidiary accounts to the centralising account on a daily basis, ensures the best possible management of both loan support and investment of cash surplus.

Euro payments made in advance by Aéroports de Paris to the subsidiaries bear monthly interest at the EONIA rate +0.65%. Those made by the subsidiaries to Aéroports de Paris bear monthly EONIA interest rates.

Advance payments in US dollars are remunerated at the LIBOR overnight rate +0.65%, if made by Aéroports de Paris or LIBOR overnight -0.07%, if made by the subsidiaries. .

It is specified that if EONIA and/or LIBOR overnight minus the spread of -0.07% rates were to become negative, monthly rate for advance payments would have an upper limit of 0%.

Current accounts as part of the cash pooling agreements between Aéroports de Paris and its subsidiaries are presented as "other debts" when there is a credit balance and as "other receivables" when there is a debit balance.



## NOTE 3 Significant events

### Agreement with FEDEX

As part of the "Extension 2 Project", Fedex informed Groupe ADP its desire of developing a European Hub. This project resulted in several agreements providing for:

- ◆ a lease for the construction, by a third party, of an additional sorting building;
- ◆ the extension of existing leases until 5 September 2048;
- ◆ leases of new storage areas.

The contractual terms provide for an indemnity in case of early termination by Fedex in favor of Aéroports de Paris SA covering the entirety of the remaining rent until the initial term expires.

### Sale of 80% of Hub Safe

On 29 September 2017, Groupe ADP completed the sale of its 80% interest in Hub Safe, a subsidiary specialised in airport security, to Groupe Samsic after obtaining the necessary regulatory approvals. Groupe ADP still holds a 20% stake in Hub Safe. The shareholders' agreement provides for the continuation of Hub Safe's current contracts with Aéroports de Paris SA until 2024.

This sale led to the recognition of a capital gain of 27 million euros after reduction of the sale costs.

### New organisational structure of ADP SA's subsidiaries in three new segments

- ◆ Innovation, with the creation of ADP Invest 1
- ◆ International, with the acquisition of TAV Airports and its subsidiary Tank Owa alpha GmbH
- ◆ Real estate, with Aéroports de Paris's transfer of shares in ADP Immobilier Tertiaire and DDP Immobilier Industriel to its subsidiary ADP immobilier (see Note 6.2 Financial assets)

### The steering of international activities, with ADP International

In 2017, ADP Group consolidated the management of its international activities under the same entity, ADP International (formerly ADP Management) Aéroports de Paris SA thus transferred its shares in ADP Ingénierie to ADP International (cf. Notes 6.2 "Financial Assets").

### Funding

In January 2017, Aéroports de Paris SA repaid 135 million euros on a loan with a nominal value of €186 million (denominated in CHF of 200 million), which had become due. In December 2017, Aéroports de Paris SA issued a bond for an amount of 500 million euros. This issuance bears interest at 1% and reaches maturity on 13 December 2027. The net proceeds from the bond issue are intended to finance investments





## NOTE 4 Accounting principles applied to the financial statements

### 4.1 Accounting principles

Aéroports de Paris' annual accounts are drawn up in compliance with accounting principles and methods defined in regulation no. 2014-03 of the Accounting Regulatory Committee of 5 June 2014 and modified by the regulation ANC 2015-06. (Applicable to fiscal years opened as from<sup>er</sup> January 1st 2016) and ANC 2015-05 (applicable as from the financial year opened on January 1st 2017 – See Note 4.2).

### 4.2 Changes in accounting principles and comparability of periods

New developments introduced by the ANC 2015-06 regulation applicable prospectively as from the financial year opened on January 1st 2016 concern the evolution of the technical loss on merger. New rules led to a reallocation of the Aéroports de Paris's business assets:

- ◆ Technical loss on merger is allocated on specific accounts in the same aggregate than the assets to which they are allocated to (tangible, intangible, financial or current assets). It is amortized, depreciated and written-off under the same conditions than their underlying assets.

Regulation No. 2015-05 of 2 July 2015, applicable to the annual financial statements as from the financial year opened on January 1st 2017, supplemented the current provisions of the French PCG relating to futures contracts and hedging obligations. This regulation has no significant impact on Aéroports de Paris SA. (See Note 6.9 "Financial debts").

The other methods used are identical and comparable to the previous fiscal year.

### 4.3 Basis of valuation used in preparing the financial statements

The preparation of the financial statements requires management to use their own judgment, make estimations and assumptions that affect the book value of certain assets, liabilities, income and expenses or the information mentioned in the annexed notes.

These estimations and assumptions are made on the basis of past experience and information or situations existing at the date of the accounts. Depending on the evolution of these assumptions and situations, the estimated amounts in the accounts may differ from the actual values.

### 4.4 Revenues

ADP SA revenue breaks down as follows

#### Airport and ancillary fees

The pricing of these fees is governed by the Economic Regulation Agreement (ERA) for the 2016-2020 period signed with the French State (except for the service fee for assistance to the disabled people and those with reduced mobility). This multi-annual agreement sets the cap for airport fees for the 2016-2020 period. Under these regulations, the airport operator receives a fair return on capital invested as part of its missions within the regulated scope. In the event that the investment plan is not complied with (see Note 6.2 "property, plant and equipment / tangible assets") This scope includes all Aéroports de Paris activities at airports in the Paris region with the exception of activities related to retail and services, land and real estate activities that are not aviation-related, activities linked to security and safety financed by the airport tax. Also included in this scope is the management by Aéroports de Paris SA of assistance with soundproofing for local residents.

Fees are recorded for the period during which the service is provided.

**Airport fees** include fees per passenger, landing fees and parking fees, calculated respectively according to the number of boarded passengers, parking time and the weight of the aircraft.

**Ancillary fees** include fees for the provision of facilities such as check-in and boarding desks, baggage sorting facilities and fixed installations for the supply of electricity; fees for support services for disabled people and those with reduced mobility; and other ancillary fees linked to check-in and boarding technology, airport circulation (badges), and the use of solid waste shredding and de-icing stations.

#### Revenue from airport safety and security services:

Aéroports de Paris SA receives revenue within the context of its public service mission for security, air transport safety, rescue and firefighting of aircrafts. This revenue covers the costs incurred in this mission. It is paid by the Direction Générale de l'Aviation Civile (DGAC) which funds it through the airport security tax levied on airlines companies. This revenue is recognized as the estimated costs eligible for reimbursement by the DGAC are incurred. . The Group carries out an analytical allocation of its costs in order to determine those incurred for its missions, some of which may not be exclusive to these missions, especially certain depreciation and maintenance expenses, certain rental expenses and taxes other than income taxes.



### Revenue from retail and services

Revenue from retail and services is comprised of variable rents paid by business activities (shops, bars and restaurants, advertising, banks and currency exchange, car rental agencies, other terminal rentals) that are accounted for as income for the financial year in which it was generated; and rental income which corresponds to the fixed income received attached to leased areas in airports. This aggregate also includes the revenue related to the construction of a metro station in Paris-Orly on behalf of the company "Société du Grand Paris". As studies and works of the metro station will be carried out over the period from 2016 to 2024, Aéroports de Paris SA recognize the revenue using the percentage of completion method. In so far as the overall profit or loss on completion of this project cannot be reliably determined, the revenue is taken account in the limit of the costs incurred.

### Revenue from car parks and access routes

Revenue concerns mainly the management of car parks and access (roads, shuttles, bus stations etc.) and is recorded when the customer is using the service.

### Revenue from industrial services

Industrial services comprise: production and supply of heat for heating purposes, production and supply of cool air for air-conditioned facilities and chilled water distribution networks, the supply of drinking water and waste water collection, waste collection and the supply of electrical current. This revenue is accounted for during the period in which the service was provided.

### Real estate revenue

Real estate revenue is comprised of rental income from real-estate shares related to airport activity (except airports) and diversified real estate. This revenue is derived from operating leases. Fixed payments are on a straight-line basis over the term of the lease. Rental charges due from tenants are accounted for as rental income.

### Other revenue

Other revenue include:

Financial income generated as the lessor on financial leases is recognized as revenue in order to provide an accurate picture of the financial performance, notably in the real estate segment, where these proceeds are recognized.

## 4.5 Fixed assets

### Gross value

Intangible and tangible fixed assets are valued at cost.

Assets produced in-house include all costs directly linked to producing and putting the relevant asset into operation. These costs include:

- ◆ The acquisition cost of goods used to construct the asset,
- ◆ The cost of employees involved in the construction and commissioning of the asset,
- ◆ Other essential and unavoidable costs towards producing and putting the asset into operation for the purposes of the company's intended use.

As part of the 2016-2020 ERA signed with the State, the Group is pursuing an investment program in the regulated scope (see Note 4.3 "Revenue – Airport Fees", which defines the "regulated" scope and which must respond both to the effective implementation of an investment envelope of 2 978 million euros over the period but also to an investment schedule.

## Amortisation and depreciation



The amortisation of fixed assets is determined by the rhythm of consumption of economic benefits. This is generally on a straight-line basis.

The expected useful lives for the main assets are the following.

Software, patent and licenses	4 to 10 years
Airport terminal and underground car park buildings	30 to 60 years
Non-terminal buildings	20 to 50 years
Airport terminals and non-terminal furnishings	10 to 20 years
Land development	20 years
Turning areas, aprons, bridges, tunnels, roads	10 to 50 years
Baggage handling equipment and facilities	10 to 20 years
Airbridges	20 to 25 years
Security and safety facilities and equipment	5 to 20 years
Computer hardware	5 years

The useful lives are reviewed at each closing on the basis of the program of investment and rehabilitation of existing assets, so that they reflect the expected useful lives.

for these to reflect the expected duration of use.

Aéroports de Paris uses options provided within tax legislation in terms of accelerated depreciation. The difference between tax depreciation and straight-line depreciation is accounted for as a regulated provision on the balance sheet.

#### 4.6 Financial assets

Equity securities are entered on the balance sheet at their acquisition cost without acquisition fees.

Their value is examined at the end of each period by referencing the value in use. This is estimated on the share of equity that the securities represent, translated at the year-end exchange rate for foreign companies and rectified, if necessary, to account for the embedded value of the companies. The methods used to evaluate the latter take particular account of forecast cash flows and comparable multiples.

If the value in use of these securities becomes inferior to their accounting value, a depreciation for the difference is recorded.

Loans and receivables are entered at their nominal value plus accrued interest. A depreciation may, if necessary, be recorded in the case of probable loss characterised by a decrease in repayment nominal value.

Following the adoption of the ANC 2015-06, technical losses on merger allocated to financial assets, which were formerly classified as intangible assets until 2015 year-end, are since January 1<sup>st</sup> 2016 classified in the "Other financial assets" caption. These items are made of the discrepancy between

the net assets received and the book value of securities of the merged company.

Once a year, these technical losses are submitted to an impairment test and if need be, a depreciation is booked permanently. Indeed depreciation on technical losses cannot be reversed.

#### 4.7 Depreciation of long-term assets

At each closing date, Aéroports de Paris determines whether there is an index showing that an asset may have lost significant value. Where there is an indication of depreciation, an impairment test is performed as follows:

- ◆ Aéroports de Paris measures any depreciation of long-term assets by comparing the book value of the assets, regrouped in asset groups if applicable, with their recoverable value, which is generally calculated through the net current value of future cash flow method. When this recoverable amount is significantly lower than the value entered in the balance sheet, a depreciation is recognised for the difference in "Depreciation";
- ◆ the discount rates used for these purposes are based on the Weighted Average Cost of Capital for each of the assets or asset groups in question;
- ◆ the future cash flows are established on the basis of the assumptions validated by the Management.



#### 4.8 Inventories

Inventories are composed of consumable goods- such as spare parts, safety components, small maintenance equipment and production, in stock to be charged to third parties. Spare parts and maintenance equipment are recorded at their cost of acquisition and are measured at the weighted average cost. Engineering studies are valued at full cost.

If the net realizable value of the stocked item falls below the average weighted cost, depreciation is recorded for the difference.

#### 4.9 Receivables

Receivables are valued at their nominal value. Those in foreign currency are converted at the closing exchange rate, for the non-written down part of the receivables.

These receivables may be written down to take into account the difficulty of recovery, in application of the following method:

- ◆ unrecovered debts are transferred to bad debts if they are unbalanced on the date of the opening of a recovery or judicial liquidation procedure, and when the risk of non-recoverability is significant (predictable voluntary liquidation, cessation of activity of foreign customers)
- ◆ bad or litigious debts are written down following the status of each accounting document (debt prior to voluntary liquidation, claim pending, litigation, etc.) or the solvency of the customer for debts due (legal proceedings pending, foreign customers without assets in France, etc.)

#### 4.10 Marketable securities

Securities are accounted for at their historical acquisition value. When the liquidation value of these securities is greater than the purchase price, it cannot be used as carrying value in the balance sheet; otherwise, any unrealised loss results in a write-down.

#### 4.11 Issuance expenses and redemption premiums of bonds

Expenses for the issuance of bonds are directly entered as financial expenses on the date of issuance. When the issuance price is lower than the redemption value, the difference is recognised as an asset and is entered as a financial expense spread across the duration of the loan.

#### 4.12 Prepaid expenses and deferred income

Payables entered that relate to commodities or services not yet received are entered on the assets side of the balance sheet under "Prepaid expenses".

Payables entered that relate to commodities or services not yet delivered are entered on the liabilities side of the balance sheet under "Deferred income".

#### 4.13 Asset and liability translation differences

On the closing date for the Group financial statements, when the applied exchange rate has modified the euro amounts previously entered, the translation differences are entered on the assets side of the balance sheet when the difference is an unrealised loss and on the liabilities side of the balance sheet when the difference is an unrealised gain. A provision for exchange rate risk is entered for unrealised losses.

#### 4.14 Investment subsidies

Aéroports de Paris is allocated equipment subsidies in order to acquire or create fixed assets. The subsidies are entered under equity and are recorded in tandem with the depreciation schedule of the associated assets.

#### 4.15 Regulated provisions

Regulated provisions consist mainly of accelerated depreciations. These additional depreciations are recorded with the sole aim of obtaining tax benefits and do not reflect any depreciation of the underlying asset. They are entered as equity under the "regulated provisions" section to compensate for the extraordinary income.

#### 4.16 Provisions for risks and expenses



Provisions for risks and expenses are mainly comprised of employee benefit provisions, which cover staff benefits on a long-term basis.

### Long-term staff benefits

Employee benefit provisions cover defined benefit schemes and other long-term benefits but do not cover defined contribution schemes.

#### DEFINED BENEFIT SCHEMES

Aéroports de Paris funds all of the following defined benefit schemes in order to meet its employee benefit obligations:

- ◆ retirement benefit schemes;
- ◆ mutual health insurance for the retired;
- ◆ PARDA pre-retirement scheme;
- ◆ three additional retirement benefit schemes ;
- ◆ Rewards for long-service

The company's net obligation regarding defined benefit schemes is evaluated separately for each scheme. This is done by estimating the amount of future benefits acquired by employees in exchange for services rendered during the current and past periods. This amount is updated in order to determine its current value, and reduced by the fair value of

the scheme's assets and unrecognised past service costs. The discount rate is equal to the rate, at the closing date, based on high-quality bonds with a maturity date close to that of the company's commitments. A qualified actuary performs the calculations by using the projected unit credit method.

The fraction of cumulative unrecognised actuarial differences exceeding 10% of the highest amount between the bond's current value for defined schemes and the fair value of the scheme's assets are entered on the profit and loss statement over the expected average remaining working lives of employees participating in the scheme.

The actuarial assumptions are outlined in note 6.8.

#### OTHER LONG-TERM BENEFITS

The Company's net obligation for long-term benefits, other than retirement schemes, is equal to the amount of future benefits acquired by employees in exchange for services rendered during the current and past periods. These benefits are discounted and deducted, if necessary, from the fair value of the scheme assets invested. The discount rate is equal to the interest rate, at the closing date, based on high-quality bonds with maturity dates close to those of the company's commitments. The amount of the obligation is determined by using the projected unit credit method. Actuarial differences are entered on the profit and loss statement during the period in which they occur.



## DEFINED CONTRIBUTION SCHEMES

Defined benefit schemes are post-employment benefit schemes whereby an entity pays fixed contributions into a separate entity and will have no legal or constructive obligations to pay any additional contributions. The contributions to be paid to a fixed contributions scheme are entered as expenses linked to employee benefits when they are due. Contributions paid in advance are recorded as an asset to the extent that a cash refund or a reduction in future payments is available.

## Other provisions for liabilities and expenses

Other provisions for liabilities and expenses are intended to cover liabilities inherent in the company's line of business, liabilities resulting from litigation, fines or penalties.

These provisions are accounted for when they meet the following criteria:

- ◆ There is an obligation towards a third party arising from a past
- ◆ event where it is likely or certain that it will result in a disbursement of funds to the benefit of that third party with no equivalent consideration from that beneficiary;
- ◆ The amount can be reliably estimated.

Contingent liabilities are detailed in the notes to the financial statements when the entity has a potential obligation towards a third party arising from events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

(see Note 8 "Off-balance sheet commitments and contingent liabilities")

## 4.17 Payables

### Financial payables

#### FOREIGN CURRENCY TRANSACTIONS

At year-end, foreign currency denominated monetary balances, except for those hedged by currency swap contracts, are translated at closing exchange rates. Perfectly hedged operations, particularly financial payables in foreign currencies, are presented at the hedged rate.

## DERIVATIVE FINANCIAL INSTRUMENTS

Aéroports de Paris manages market risks related to fluctuations in interest rates and rates of exchange through the use of derivative financial instruments, particularly interest rate swaps and currency swaps. All these instruments are used for hedging purposes and are strictly backed up by assets. The income and expenses related to the use of these derivative instruments for hedging are entered symmetrically with the accounting of the income and expenses of the hedged transactions. Equalisation payments received or paid during the setting up of swaps covering both the principal sum and the interest are entered for the duration of the contracts as an interest rate adjustment.

## Other debts

Operating payables and other debts are accounted for when in accordance with a company order, the goods have been delivered or the service has been carried out.

## 4.18 Definition of net cash and cash equivalents

Net cash and cash equivalents are constituted as financial instruments, which allow Aéroports de Paris to manage short-term cash requirements and surpluses without taking any major risks.

Net cash is composed of:

- ◆ Cash accounts,
- ◆ Deposit accounts,
- ◆ Time deposit accounts,
- ◆ investment securities that do not present a significant risk of a change in value due to their nature and that can easily be converted into cash flow because of an available market or potential buyer,
- ◆ short-term investments which do not carry any material impairment risk and can be converted instantly into cash, less bank overdrafts and related accrued interest.



## NOTE 5 Notes to the income statement

### 5.1 Breakdown of revenue

The segment information below is presented in accordance with the internal reporting and the sector benchmarks presented to the Group's Chief Operating Officer:

(in millions of euros)	Activities			2017	2016
	Aviation	Retail and services	Real estate		
Airport fees	1,056	-	-	1,056	1,003
Revenue from airport safety and security services	487	-	-	487	480
Retail activities	-	440	2	442	432
Rental income	27	109	188	324	326
Ancillary fees	230	13	-	243	232
Car parks and access roads	-	171	-	171	175
Industrial services revenue	-	41	-	41	42
Other revenue	16	29	11	56	54
<b>Total</b>	<b>1,816</b>	<b>803</b>	<b>201</b>	<b>2,820</b>	<b>2,744</b>

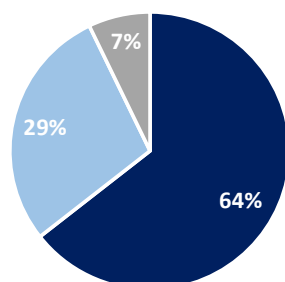
Turnover increased by +2.7% (+76 million euros) in 2017 and amounts to 2 820 million euros. This increase is mainly explained by:

- ◆ An increase in airport fees (+53 million euros), due to a rise in passenger traffic (+4.7 % compared to last year) and a favorable mix effect.
- ◆ An increase in Ancillary fees, which increased by 11 million euros, which are attributed in particular to airplane deicing (+5 million euros) due to climatic conditions early in the year and the PMR fees (+5 million euros) connected to the rise in passenger traffic (+4.7%)
- ◆ An increase in commercial activities (+10 million euros), and particularly shops before customs (+5 million euros) and bars and restaurants (+4 million euros), fueled by good traffic momentum
- ◆ a rise in the RLSSA (+7 million euros) due to an increase in sub-contracting (+8 million euros)

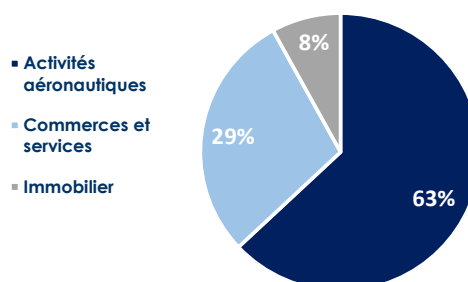
This increase is offset by:

- ◆ A decrease in car parks income (-4 million euros) due to a drop in ticket prices and lower activity
- ◆ A decrease in rental income (-2 million euros)
- ◆ A decrease in industrial services revenue (-1 million euros) especially in the thermal and cooling segments

Breakdown of revenue 2017



Breakdown of revenue 2016



## 5.2 Changes in finished goods inventory

Engineering studies transferred to inventories amount to -2 million euros. This is mainly explained by the recognition of study fees in Revenue.

and correspond on the one hand to engineering studies carried out by Aéroports de Paris employees valued at full cost and on the other hand, the purchase of studies.

## 5.3 Capitalised production costs

(in millions of euros)

	2017	2016
Capitalised production	61	56

Capitalised production primarily represents the internal cost related to employees who participate in projects for the construction of company assets, particularly in studies, works supervision or project-management assistance.

## 5.4 Other operating income

(in millions of euros)

	2017	2016
Other	26	12
Penalties received	3	3
<b>Total other operating income</b>	<b>29</b>	<b>14</b>

The other operating incomes mainly concern:

- ◆ The benefits received by CDG Express Etudes for 8 million euros and by Société du Grand Paris for 7 million euros for the works carried out on the site of Aéroports de Paris
- ◆ A business tax relief for 9 million euros





## 5.5 Purchases and external expenses

<i>(in millions of euros)</i>	<b>2017</b>	<b>2016</b>
Electricity	(26)	(25)
Water, gas and fuel	(12)	(12)
Operational supplies and small-format equipment	(12)	(11)
Other consumables	(15)	(19)
<b>Consumables</b>	<b>(65)</b>	<b>(67)</b>
General sub-contracting	(478)	(459)
<i>Security</i>	(230)	(223)
<i>Cleaning</i>	(74)	(73)
<i>Transport</i>	(34)	(29)
<i>Other</i>	(141)	(134)
Maintenance and repairs	(134)	(130)
Post and communication costs	(30)	(29)
Insurance	(11)	(13)
Remuneration of intermediaries and fees	(25)	(25)
Advertising, publications, public relations	(31)	(35)
Rental and leasing expenses	(18)	(18)
External personnel	(6)	(10)
Other external expenses	(34)	(32)
<b>External expenses</b>	<b>(767)</b>	<b>(751)</b>
<b>Total purchases and external expenses</b>	<b>(832)</b>	<b>(818)</b>

External purchases and expenses amount to 832 million euros as of 31 December 2017, compared to 818 million euros in the previous year. This represents an increase of +1.7% (-14 million euros).

Purchases consumed decreased by 2 million euros compared to last year, with an increase in purchases of weather-related supplies at the beginning of the year, which were offset by lower expenses on the Société du Grand Paris.

Subcontracting increased by 19 million euros, with an increase of 7 million euros in security services, 5 million euros in transport services (Bud direct convention, EBITDA neutral) and 7 million euros in other (especially, an increase in guarding, PRM and the establishment of a new fee on connecting luggage).

Maintenance and repair increased by 4 million euros compared to last year, especially at CDG.

Advertising rose by 4 million due to the launch of the brand in 2016.

Savings of 4 million euros on external personnel with a global effort on all directions and giving preference to long-term recruitment.



## 5.6 Taxes other than income taxes

<i>(in millions of euros)</i>	2017	2016
Property tax	(93)	(91)
Territorial financial contribution	(57)	(63)
Non-refundable VAT on safety expenditure	(54)	(52)
Tax on earnings	(21)	(21)
Other taxes	(22)	(24)
<b>Taxes other than income taxes</b>	<b>(247)</b>	<b>(251)</b>

Duties and taxes are down by 2% and amount to 247 million euros as of 31 December 2017.

- The rise in Property taxes are due to the entry into force of the reform on rental value as of 2017 will be limited by legal mechanisms.

## 5.7 Employee benefit costs

<i>(in millions of euros)</i>	2017	2016
Salaries	(381)	(380)
Social security expenses	(165)	(165)
Profit-sharing bonus	(13)	(14)
Works Council	(19)	(18)
Tax credit for competitiveness and employment	4	4
Other employee expenses	(17)	(12)
<b>Employee benefit costs</b>	<b>(590)</b>	<b>(585)</b>

Employee benefit costs amounted to 590 million euros as of 31 December 2017 and are on the rise (-5 million euros) compared to last year.

The decrease in average headcount of -0.6% resulted in a decrease in employee benefit costs by approximately -2.4 million euros.

Other employee expenses include the PEE/PERCO contributions and meals for employees of Aéroport de Paris outside the restaurants managed by the employee committee.

The contributions were up by 3 million euros in 2017 compared to 2016, due in part to the employee share scheme, Agatha, which were recorded as exceptional charges.



## 5.8 Operating depreciations, amortisations and reversals

<i>(in millions of euros)</i>	2017		2016	
	Additions	Reversals	Additions	Reversals
Intangible assets	(19)	-	(14)	-
Property, plant and equipment	(420)	-	(398)	-
<b>Depreciation and Amortisation of fixed assets</b>	<b>(439)</b>	<b>-</b>	<b>(412)</b>	<b>-</b>
Provisions for risks	(11)	17	(8)	11
Provisions for expenses	(24)	18	(33)	19
<b>Provisions for liabilities and expenses</b>	<b>(36)</b>	<b>35</b>	<b>(41)</b>	<b>30</b>
Trade receivables and related accounts	(3)	6	(2)	16
<b>Depreciation of receivables</b>	<b>(3)</b>	<b>6</b>	<b>(2)</b>	<b>16</b>
<b>Transfer of operating charges</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>1</b>
<b>Total</b>	<b>(477)</b>	<b>42</b>	<b>(471)</b>	<b>46</b>

Provisions for risks and charges amount to 36 million euros, including, in particular provisions for commitments linked to retirement benefit schemes of 22 million euros.

The amount of reversals of provisions for doubtful and contested receivables amount to 6 million euros. At the same time, doubtful receivables are entered as a loss amounting to 5 million euros.

## 5.9 Income tax expenses

### Break down of tax

<i>(in millions of euros)</i>	Income before tax	Taxes	Net income excluding profit sharing
Current result	771	(233)	538
Extraordinary income	(20)	6	(14)
Tax consolidation revenue	-	4	4
<b>Total (excluding profit sharing)</b>	<b>751</b>	<b>(223)</b>	<b>528</b>

Aéroports de Paris does not recognise deferred tax in its statutory financial statements.



The table below presents temporary differences that will give rise to the recognition in the future of an income tax liability or a tax credit.

<i>(in millions of euros)</i>	As at Dec 31, 2017	As at Dec 31, 2016	Change
Participation of employee's profit sharing	(22)	(23)	1
Provisions for exchange losses	-	(4)	4
Provisions for employee benefit obligations	(373)	(380)	7
Other non-deductible provisions	(38)	(10)	(28)
Cost of studies and supervision of works (FEST)	(35)	(46)	11
Acquisition cost of securities investments	(10)	(10)	-
Amortization of securities investments acquisition costs	10	9	1
Property option exercise (Ex. Leasing)	(6)	(6)	-
<b>Deductible expenses for the period on subsequent periods</b>	<b>(475)</b>	<b>(469)</b>	<b>(6)</b>
Translation adjustments - Asset	-	4	(4)
Regulated provisions	1,173	1,140	33
<b>Deducted charges of subsequent periods for the period</b>	<b>1,173</b>	<b>1,143</b>	<b>30</b>
<b>Total temporary differences</b>	<b>698</b>	<b>674</b>	<b>24</b>

Future income tax liability estimated at 165 million euros as at 31 December 2017 (203 million euros as at 31 December 2016). The valuation has taken into account a decrease in the tax rate from 34.43% to 25.83% in 2022 in compliance with the finance law approved at the end of December 2017. The decrease in tax rate generated a reduced future tax liability based on the tax planning schedule.



## 5.10 Financial income

Financial income in 2017 amounted to €10 million and includes:

<i>(in millions of euros)</i>	2017	2016
Income from investments	109	32
Swap interest income	9	14
Other financial income	23	24
<b>Financial income</b>	<b>141</b>	<b>70</b>
Interest on loans	(108)	(113)
Swap interest charges	(6)	(7)
Other financial expenses	(37)	(23)
<b>Financial expenses</b>	<b>(151)</b>	<b>(143)</b>
<b>Financial income</b>	<b>(10)</b>	<b>(72)</b>

Financial income amounts to 141 million euros and is mainly made up of:

- ◆ Dividends received (109 million euros) of which 61 million euros from ADP international and 23 million pending from TANK ÖWA alpha;
- ◆ Interest income from swaps amounting to 9 million euros 9.

Financial expenses for the 2016 financial year are primarily made up of interest charges on borrowings and swaps amounting to 57 million euros. 2017 The evolution of these types of expenses is consistent with the variation of borrowings and swaps on borrowings (see note 6.9 Financial Payables)

- ✓ Other financial income is mainly made up with:
  - ✓ Reversal of depreciation of ADP Ingénierie current account of 9 million euros
  - ✓ Reversal of provisions for risks of Cœur d'Orly Investissement, amounting to 2 million euros
  - ✓ Exchange gains amounting to 4 million euros
- ✓ Other Financial expenses contains:
  - ✓ Additional depreciation of securities amounting to 20 million, out of which 9 million euros for ADP Ingénierie, 6 million euros for EPIGO, 2 million euros for TANK OWC BETA and 1 million euros for ADP Investissement.
  - ✓ Exchange losses amounting to 15 million euros



### Breakdown of Group<sup>1</sup> and non-Group net financial income

<i>(in millions of euros)</i>	Income from investments	Amortisation and reversal of provisions	Other financial income and expenses	Total
Schiphol Group	12	-	-	12
Société de distribution aéroportuaire	2	-	-	2
ADP International	61	2	-	63
ADP Immobilier Tertiaire	1	-	2	3
SAS Coeur d'Orly Investissement	-	2	-	2
Hub One	3	-	-	3
ADP Immobilier	-	-	-	-
TANK ÖWA alpha GmbH	23	-	-	23
TANK ÖWC beta GmbH	-	(2)	(9)	(11)
Média ADP	2	-	-	2
Others	3	(8)	-	(4)
<b>Group Financial result</b>	<b>109</b>	<b>(6)</b>	<b>(7)</b>	<b>96</b>
Net financial income	-	-	-	(104)
Other financial income and expenses	-	-	-	(2)
<b>Financial result outside the Group</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(106)</b>
<b>Financial income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10)</b>

<sup>1</sup> Here, the Group encompasses all subsidiaries and shareholdings held by Aéroports de Paris.



## 5.11 Extraordinary income

<i>(in millions of euros)</i>	2017	2016
Accelerated depreciation write-off	73	35
Other extraordinary income from assets	36	55
<b>Extraordinary income from assets</b>	<b>109</b>	<b>90</b>
Reversal of provisions for liabilities and expenses	19	14
Other extraordinary income	2	16
<b>Sundry exceptional income</b>	<b>21</b>	<b>30</b>
<b>Extraordinary income</b>	<b>130</b>	<b>120</b>
Accelerated depreciation expenses	(107)	(71)
Other extraordinary expenses on assets	(20)	(40)
<b>Extraordinary expenses on assets</b>	<b>(127)</b>	<b>(111)</b>
Provisions for extraordinary liabilities and expenses	(20)	(3)
Other extraordinary expenses	(3)	(19)
<b>Sundry extraordinary expenses</b>	<b>(23)</b>	<b>(21)</b>
<b>These adjustments relate mainly to the depreciation of intangible assets (concession agreements, customer relationship)</b>	<b>(150)</b>	<b>(132)</b>
<b>Extraordinary income</b>	<b>(20)</b>	<b>(12)</b>

In 2017, the main variations in fixed assets is related to the sale of a 80% stake in Hub safe, which generated proceeds of 24 million euros.

Extraordinary expenses are also made of special amortization expenses amounting to 107 million euros

## 5.12 Profit sharing

<i>(in millions of euros)</i>	2017	2016
Employees' profit sharing	(22)	(22)



## NOTE 6 Notes to the balance sheet

### 6.1 Fixed Assets

<i>(in millions of euros)</i>	As at Dec 31, 2016	Increase	Decrease	Transfers to and from other headings	As at Dec 31, 2017
Concessions and similar rights, patents, licences, brands, procedures, and similar rights and values	242	-	-	23	265
<b>Intangible assets</b>	<b>242</b>	<b>-</b>	<b>-</b>	<b>23</b>	<b>265</b>
Land	53	-	-	-	53
Land development	30	-	-	2	32
Buildings	10,904	-	(59)	529	11,373
Buildings on third party land	5	-	-	-	5
Industrial plant and equipment	163	-	(6)	12	169
Other tangible fixed assets	356	-	(74)	19	300
<b>Property, plant and equipment</b>	<b>11,509</b>	<b>-</b>	<b>(139)</b>	<b>562</b>	<b>11,932</b>
<b>Fixed assets in progress</b>	<b>792</b>	<b>791</b>	<b>-</b>	<b>(585)</b>	<b>998</b>
<b>Advances on fixed assets suppliers</b>	<b>37</b>	<b>13</b>	<b>-</b>	<b>(27)</b>	<b>23</b>
<b>Total</b>	<b>12,580</b>	<b>804</b>	<b>(139)</b>	<b>(27)</b>	<b>13,218</b>

### Main investments during the year:

The investments made during 2017 amount to 791 million euros and are mainly made up with the following projects :

#### ◆ At Paris-Charles de Gaulle Airport

- further work to set up a system of conveying, handling and increasing security of luggage at the satellites S3 et S4 of Terminal 2E ;
- la renovation of Terminal 2B and its junction with Terminal 2D;
- completion of the construction of the new office building;
- the acquisitions of the northern part of the office building "le Dôme" at Roissy;
- the upgrading of the rainwater treatment systems;
- construction of junction between international satellites in Terminal 1;
- the relocation of the taxi stand;
- the rehabilitation of the RER train station at Roissy
- works on the facades of Terminal 1 satellites;

#### ◆ at Paris-Orly Airport :

- continuation of construction works of the junction between the South Terminal and the West Terminal;
- redesign of the international departure pathway of the South Terminal;
- extension work on the golf areas and compliance work at the LGN-LJS turn;
- extension of Hall 1 at Orly West;
- the second phase of the renovation of runway 4;
- the construction of additional boarding gates in Hall A of the South Terminal;
- the inversion of the screening and the control posts at the intersection of the international departure pathway in the South Terminal;
- the continuation of the renovation of the Orly Tech business sector;

- ◆ For Paris-Le Bourget airport, investments have focused mainly on work in anticipation of the construction of the future Grand Paris station and the preparation of the North Atlas area.





In 2017, Aéroports de Paris made significant investments in its support functions and platform projects, including the purchase of standard 3 baggage inspection equipment compliant with European regulations, upgrading the restrooms to standards and IT equipment

#### **Main Disposals**

- the new headquarters at Paris-Charles de Gaulle;
- the acquisition of the northern part of the office building "le Dôme" at Roissy;
- the last two aircraft stations of the extension of the East Jetty of the South Terminal at Paris-Orly;
- the new pavillon d'honneur of Paris-Orly;
- the completion of the renovation of runway 4 of Paris-Orly;
- the passageway linking the Cœur d'Orly sector to the South terminal;
- standard 3 baggage inspection equipment in compliant with European regulation, on both platforms;
- the construction of additional boarding gates in Hall A of the South Terminal;
- facilities in the Cœur d'Orly sector;
- the third phase of the preparation of the area of Aveniraises in Paris-Orly;
- standard-complying restrooms on both platforms;
- a rainwater drainage pipe, as part of works to upgrade the management and treatment systems of polluted water in winter at Paris-Charles de Gaulle.



## Depreciations and Amortisations

(in millions of euros)

	As at Dec 31, 2016	Increase	Decrease	As at Dec 31, 2017
Concessions and similar rights, patents, licences, brands, procedures, and similar rights and	(183)	(19)	-	(202)
<b>Intangible assets</b>	<b>(183)</b>	<b>(19)</b>	<b>-</b>	<b>(202)</b>
Land development	(18)	(1)	-	(19)
Buildings	(5,366)	(392)	48	(5,711)
Buildings on third party land	(5)	-	-	(5)
Industrial plant and equipment	(107)	(10)	6	(111)
Other tangible fixed assets	(223)	(16)	74	(166)
<b>Property, plant and equipment</b>	<b>(5,722)</b>	<b>(420)</b>	<b>127</b>	<b>(6,012)</b>
<b>Total</b>	<b>(5,904)</b>	<b>(439)</b>	<b>127</b>	<b>(6,214)</b>

## Revaluation of fixed assets

Certain fixed assets were revalued as part of the legal revaluations in 1959 and 1976.

(in millions of euros)

	Revalued values			Depreciation of the revaluation difference		Net revaluation difference (6) = (2) - (5)
	Gross value (1)	Increase in gross value (2)	Total (3) = (1)+(2)	Exercise (4)	Cumulative (5)	
Land	19	23	41	-	-	23
<b>Non-depreciable fixed assets</b>	<b>19</b>	<b>23</b>	<b>41</b>	<b>-</b>	<b>-</b>	<b>23</b>
Land development	1	-	1	-	-	-
Buildings	309	275	585	1	271	5
<b>Depreciable fixed assets</b>	<b>310</b>	<b>275</b>	<b>586</b>	<b>1</b>	<b>271</b>	<b>5</b>
<b>Total</b>	<b>329</b>	<b>298</b>	<b>627</b>	<b>1</b>	<b>271</b>	<b>28</b>



## 6.2 Financial assets

### Book Value

<i>(in millions of euros)</i>	As at Dec 31, 2016	Increase	Decrease	Fusion	As at Dec 31, 2017
Share investments	1,316	55	(8)	(35)	1,328
Receivables from to share investments	55	44	(7)	-	92
Loans	9	-	(1)	-	8
Other financial assets	48	16	(9)	-	55
<b>Total</b>	<b>1,428</b>	<b>115</b>	<b>(25)</b>	<b>(35)</b>	<b>1,483</b>

The main variations relate to:

- ◆ the capital increase of ADP Immobilier Tertiaire for 17 million and 16 million for the creation of ADP Invest 1.
- ◆ The contribution to ADP International (formerly ADP Management) of ADP engineering shares for a carrying amount of 20 million euros.

The change in "Receivables from share investments" is mainly due to dividends receivable at 31 December 2017 and the repayment of a 6 million euro loan by ADP Immobilier Tertiaire.

### Depreciation

See Note 4.7 Depreciation of long-term assets

Impairments of securities amounted to €50 million of which:

<i>(en millions d'euros)</i>	As at Dec 31, 2016	Increase	Decrease	Restructuring	As at Dec 31, 2017
ADP Immobilier industriel	-	(1)	-	1	-
TANK ÖWC beta GmbH	(26)	(2)	-	-	(28)
SAS Coeur d'Orly Investissement	(11)	-	-	-	(11)
EPIGO	-	(6)	-	-	(6)
ADP Ingénierie	(25)	(10)	-	35	-
ADP Immobilier	-	(1)	-	-	(1)
TANK ÖWA alpha GmbH	(3)	-	-	-	(3)
Other	-	(1)	-	-	(1)
<b>Total</b>	<b>(65)</b>	<b>(21)</b>	<b>-</b>	<b>36</b>	<b>(50)</b>

The 35 million euro depreciation of ADP Ingénierie shares was transferred from one item to another, in order to bring a carrying amount of the shares to ADP International.



Table of subsidiaries and shareholdings

\*Consolidated subsidiaries

(in millions of euros)	Share capital	Other equity (1)	Share of capital held by ADP in %	Book value of shares held		Unrefunded loans and advances granted by ADP	Guarantees given by ADP	Revenue excluding VAT	Profit/loss for the period	Dividends received and receivable by ADP
				Gross	Net					
<b>Subsidiaries</b>										
ADP International - France	112	44	100%	119	119	-	15	14	(62)	61
ADP Invest - France	-	-	100%	1	1	-	-	-	-	-
ADP Invest 1 - France	16	-	100%	16	16	-	-	-	-	-
Hub One - France	41	45	100%	41	41	-	-	86	5	3
SAS Coeur d'Orly Investissement - France	11	(18)	100%	11	-	-	-	-	(1)	-
ADP Immobilier - France	66	26	100%	93	92	7	-	-	-	-
TANK ÖWA alpha GmbH - France	-	660	100%	625	622	-	-	-	22	23
TANK ÖWC beta GmbH - France	-	9	100%	38	9	-	-	-	(6)	-
<b>Other acquisitions/equity investments between 10% and 50%</b>										



## Company Financial Statements and Notes of Aéroports de Paris SA at December 31, 2017

(in millions of euros)	Share capital	Other equity (1)	Share of capital held by ADP in %	Book value of shares held		Unrefunded loans and advances granted by ADP	Guarantees given by ADP	Revenue excluding VAT	Profit/loss for the period	Dividends received and receivable by ADP
				Gross	Net					
ADPLS Présidence - France	-	-	50%	-	-	-	-	-	-	-
Média ADP - France	2	10	50%	1	1	-	-	53	4	2
Société de distribution aéroportuaire - France	1	9	50%	1	1	5	-	721	5	2
EPIGO - France	1	(2)	50%	6	-	-	-	61	(6)	-
EPIGO Présidence - France	-	-	50%	-	-	-	-	-	-	-
Relay@adp - France	3	6	49%	1	1	-	-	83	6	2
SCI Roissy Sogaris - France	6	1	40%	2	2	-	-	-	-	2
SAS CHENUE LE BOURGET - France	1	-	40%	-	-	-	-	-	-	-
CDG Express Etudes - France	-	-	33%	-	-	-	-	-	-	-
Hub Safe - France	3	10	20%	3	3	-	-	75	4	2
Egidium - France	-	1	20%	1	1	-	-	-	-	-
Schiphol Group - Pays-Bas	85	3,863	8%	370	370	-	-	-	-	12
<b>Other investments</b>										
CCS France - France	-	-	20%	-	-	-	-	NC	NC	-
PACIFA - France	-	-	12%	1	1	-	-	-	-	-
IDF Capital - France	20	-	1%	-	-	-	-	NC	NC	-
Civi.Pol Conseil - France	2	-	1%	-	-	-	-	NC	NC	-
<b>Total</b>				<b>1,328</b>	<b>1,280</b>	<b>12</b>	<b>15</b>			<b>109</b>

Several subsidiaries changed their corporate name in 2017 as indicated below:

- ◆ Aéroports de Paris Management is renowned ADP International ;
- ◆ Aéroports de Paris Investissement is renowned ADP Immobilier Industriel ;
- ◆ Roissy Continental Square is renowned ADP Immobilier tertiaire ;
- ◆ Ville Aéroportuaire Immobilier is renowned ADP Immobilier ;
- ◆ ADPM1 has changed is renowned ADP Invest.



### 6.3 Operating receivables

(in millions of euros)

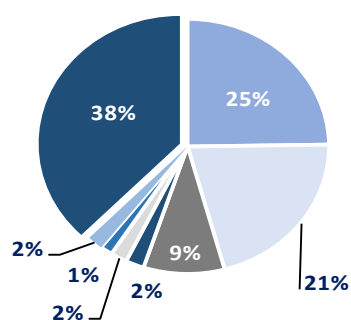
	As at Dec 31, 2017	As at Dec 31, 2016
<b>Trade receivables and related accounts</b>	<b>420</b>	<b>460</b>
Staff costs and related accounts	3	-
Taxes other than income taxes	117	71
Current accounts	187	66
Other debtors	10	8
<b>Other receivables</b>	<b>316</b>	<b>145</b>
<b>Total</b>	<b>736</b>	<b>605</b>

#### Main trade receivables at year-end

(in millions of euros)

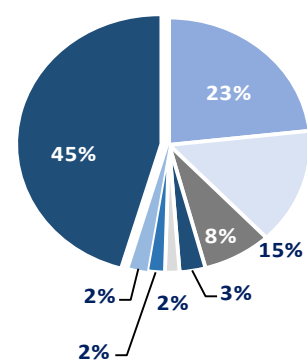
	As at Dec 31, 2017	As at Dec 31, 2016
Air France	98	114
Direction Générale de l'Aviation Civile	62	97
Société de Distribution Aéroportuaire	33	43
Société du Grand Paris	13	10
Easy Jet	7	9
Federal Express Corporation	9	6
Air Mediterranee	8	8
Trade receivables under €5 million	190	174
<b>Total</b>	<b>420</b>	<b>460</b>

Breakdown of operating receivables 2016



- Air France
- Direction Générale de l'Aviation Civile
- Société de Distribution Aéroportuaire
- Société du Grand Paris
- Easy Jet
- Federal Express Corporation
- Air Mediterranee
- Créances clients inférieures à 5 millions d'euros

Breakdown of operating receivables 2017



## Current accounts

Current accounts, in other receivables, are as follows:

<i>(in millions of euros)</i>	As at Dec 31, 2017	As at Dec 31, 2016
SAS Coeur d'Orly Investissement	23	23
ADP Ingénierie	2	20
TANK ÖWA alpha GmbH	134	-
TANK ÖWC beta GmbH	-	-
ADP Invest	2	-
<b>Fully Consolidated Subsidiaries</b>	<b>162</b>	<b>43</b>
Société de distribution aéroportuaire	15	17
EPIGO	3	-
CDG Express Etudes	6	4
Other	1	2
<b>Associates and joint ventures</b>	<b>25</b>	<b>23</b>
<b>Total</b>	<b>187</b>	<b>66</b>

The acquisition of an additional 8.12% of the capital of Turkish subsidiary TAV Airports was financed by ADP SA through an advance in the associate's current account to the subsidiary TANK ÖWA alpha GmbH.

## Depreciation of current assets

The depreciation of current assets amounted to €23 million :

<i>(in millions of euros)</i>	As at Dec 31, 2017	As at Dec 31, 2016
Trade receivables and related accounts	(16)	(19)
Current accounts	(7)	(18)
<b>Total</b>	<b>(23)</b>	<b>(37)</b>

## Maturity structure of receivables

The table below presents, for each type of receivable, the remaining duration for that the receivable to become payable:

<i>(in millions of euros)</i>	Gross Amount	Payment		
		<1 year	1 to 5 years	>5 years
Receivables from to share investments	92	31	25	36
Loans	8	2	3	3
Other capitalised receivables	4	4	-	-
<b>Receivables from fixed assets</b>	<b>104</b>	<b>37</b>	<b>28</b>	<b>39</b>
Trade receivables and related accounts	420	420	-	-
Other receivables	316	316	-	-
<b>Receivables from current assets</b>	<b>736</b>	<b>736</b>	-	-
<b>Prepaid expenses</b>	<b>28</b>	<b>22</b>	<b>4</b>	<b>2</b>
<b>Total</b>	<b>868</b>	<b>795</b>	<b>32</b>	<b>41</b>



#### 6.4 Marketable securities and cash

<i>(in millions of euros)</i>	<b>As at Dec 31, 2017</b>	<b>As at Dec 31, 2016</b>
Marketable securities	1,404	1,566
<i>Of which Treasury shares</i>	1	12
Cash	117	63
<b>Total</b>	<b>1,521</b>	<b>1,629</b>

The short-term investments of Aéroports de Paris consist in investment funds (SICAV).

#### 6.5 Prepaid expenses and deferred income

The Prepaid expenses amount to 28 million euros and consist mainly of items relating to:

- insurance contracts subscribed,
- the participation in work carried out by Réseau de Transportation d'Electricité (RTE).

The latter were requested by Aéroports de Paris as part of the reinforcement of the power supply at the Paris Charles-De-Gaulle platform. The share charged to Aéroports de Paris is spread over the period of use of its facilities, which remain the property of RTE

#### Deferred income

Deferred income totalized 162 million euros at year-end 31 December 2017 mostly made of rents paid in advance.

#### 6.6 Bond redemption premiums

<i>(in millions of euros)</i>	<b>Assets</b>	<b>Liabilities</b>
Bonds issued	15	-

Details of loan premiums are presented in note 6.9.





## 6.7 Shareholders' equity

<i>(in millions of euros)</i>	As at Dec 31, 2016	Increase	Decrease	Allocation of income	As at Dec 31, 2017
Share capital	297	-	-	-	297
Premiums	543	-	-	-	543
Revaluation difference	24	-	(1)	-	23
Legal reserve	30	-	-	-	30
Other reserves	839	-	-	-	839
Retained earnings	1,055	-	-	137	1,193
Profit/loss for the period	399	506	-	(399)	506
Interim dividend	(70)	70	(70)	-	(70)
Investment grants	43	8	(2)	-	49
Regulated provisions	1,140	106	(73)	-	1,173
<b>Total</b>	<b>4,298</b>	<b>690</b>	<b>(146)</b>	<b>(262)</b>	<b>4,583</b>

In 2017 December 31, the company's share capital as at totalized €296,881,806, broken down into 98,960,602 shares at a nominal value of 3 euros.

Shareholders' equity of Aéroports de Paris amounted to €4,583 million.

In compliance with the Annual General Meeting decision of 11 May, 2017, a dividend of €2.64 per share, representing a total of €261,102,098 was paid out on 9 June 2017.



## 6.8 Provisions

(in millions of euros)	As at Dec 31, 2016	Additions	Reversals	As at Dec 31, 2017
Other provisions for risks	19	8	(7)	20
Provisions for litigation	22	3	(11)	14
<b>Provisions for risks</b>	<b>41</b>	<b>11</b>	<b>(18)</b>	<b>34</b>
Provisions for taxes	3	-	(3)	-
Provisions for restructuring	3	20	(3)	20
Provisions for employee benefit obligations	382	24	(30)	375
Other provisions for charges	2	-	(1)	1
Provisions for exchange losses	3	-	(3)	-
<b>Provisions for expenses</b>	<b>393</b>	<b>44</b>	<b>(37)</b>	<b>397</b>
<b>Total</b>	<b>434</b>	<b>55</b>	<b>(58)</b>	<b>431</b>

### PROVISIONS FOR EMPLOYEE BENEFIT OBLIGATIONS

Aéroports de Paris abides by the following employee benefit obligations:

#### *Retirement benefit schemes ("End of career bonuses")*

The Group grants a retirement benefit to Aéroports de Paris employees taking their retirement. The sum paid is based on a number of months of salary depending on the length of service at Aéroports de Paris at the date of retirement. Employer contributions are payable on this income.

The main risks linked to this system are risks of increase in employer contribution rates applicable to Aéroports de Paris, renegotiation of the rise in fee structures as defined by the articles of association, and changes in legal minimum benefit amounts.

#### *Mutual health insurance for the retired*

Aéroports de Paris helps finance the subscription to two mutual health insurance contracts covering two closed populations of retired former employee.

The main risks identified are risks:

- ♦ of an increase in employer contribution rates applicable to Aéroports de Paris' financial contribution;

- ♦ of a steady increase in medical costs covered by mutual health insurance, which has a knock-on effect on Aéroports de Paris' financial contribution.

#### *Pension schemes with defined services*

Aéroports de Paris grants additional retirement pensions and has insurance contracts to deal with the management of pension payments. In this context, Aéroports de Paris complies with Ordinance n° 2015-839 of 9 July 2015 on the securement of pension schemes as defined by article L137-11 of the Social Security Code.

In this context, Aéroports de Paris has opted for the "Fillon tax" on premiums paid on the insurance provider's collective funds (24%) for the defined benefits scheme, and the pension tax paid by the insurance provider (32% for liquidations that took place from 1 January 2013) for other schemes.

The main risk involved is the implementation of European Directive No. 2014/50/EU of 16 April 2014 on minimum requirements for enhancing worker mobility between Member States by improving the acquisition and preservation of supplementary pension rights; this transposition - expected in May 2018 at the latest - would cause a significant hike in Aéroports de Paris' commitment.

There are two additional retirement benefit schemes:



- ◆ A defined retirement benefits scheme - this life annuity retirement pension scheme is an additional type and concerns all employees.
- ◆ An additional pension scheme - this retirement pension scheme.
  - is an "additional" type for firemen. The temporary pension is paid at the same time as the "PARDA" pension. The "additional" pension scheme corresponds to the compensation of up to 50% of the ARRCO and AGRIC points unearned over the period
  - between the net PARDA pension paid to the beneficiary at the exit of PARDA and its net legal pensions (SS, ARRCO and AGIRC).
- A life annuity pension of the "differential" category for the majority of the PARDA scheme beneficiaries. This pension, which is temporary, is paid at the same time as the PARDA pension for firemen, and between the exit from PARDA and the age of 65 for all other early retirees. This "differential" scheme is equal to the difference

#### *Medals scheme*

Aéroports de Paris employees are awarded "Aviation industry long service awards".

#### *Early retirement scheme*

The "PARDA" (protocol of agreement on the early retirement scheme) early retirement scheme involves paying a replacement income over a temporary period prior to the retirement of firemen, to which employer contribution rates and 50% of the "Fillon tax" are added.

#### *Details of the actuarial calculation*

The total employee benefit obligations in previously described schemes is evaluated in compliance with Recommendation No. 2003-R 02 of 7 November 2013 of the French National Accounting Board relating to accounting

- ◆ a voluntary retirement age of 62 for supervisory and senior supervisory employees, and 64 for the management category.

and evaluation rules on retirement obligations and similar benefits.

The main actuarial assumptions used to calculate employee benefit obligations are:

- ◆ a discount rate of 1.50%;
- ◆ an annual increase in salaries of between 1.75% and 3.75% per year, including inflation ;
- ◆ a resignation rate demonstrating the probability that not all employees will reach the end of their careers within the company;
- ◆ INSEE 2007-2060 prospective mortality rate tables on the activity phase and generational tables TGH05/TGF05 on the pension phase;

The company uses the corridor method for the accounting of actuarial differences (10%).



The table below recapitulates all employee benefit obligations by illustrating

- ◆ the change in actuarial value .
- ◆ liabilities entered on the balance sheet
- ◆ expense analysis for the financial year

<i>(in millions of euros)</i>	Retirement Plan	PARDA	Additional retirement benefits *	Health cover	Aviation industry long service medals	Total
Actuarial value of obligation at opening	310	11	70	67	1	459
Interest costs	5	-	1	1	-	7
Service costs for the period	16	2	3	-	-	22
Services provided	(10)	(1)	(4)	(3)	-	(18)
Reduction/curtailment	(15)	-	-	-	-	(15)
Actuarial gain or loss	(3)	(2)	4	(16)	-	(16)
<b>Actuarial value of obligation at closing</b>	<b>303</b>	<b>11</b>	<b>75</b>	<b>49</b>	<b>1</b>	<b>438</b>
Deferred actuarial difference on balance sheet	(43)	8	(49)	21	-	(63)
Market value of assets at closing	-	-	-	-	-	-
Past service costs	-	-	-	-	-	-
<b>Liabilities recognized in the balance sheet</b>	<b>260</b>	<b>18</b>	<b>26</b>	<b>70</b>	<b>1</b>	<b>375</b>
Discount expenses	6	-	1	1	-	8
Amortisation of actuarial gains/losses	1	(1)	3	(7)	-	(5)
Service costs for the period	16	2	3	-	-	22
Past service costs	-	-	-	-	-	-
Reduction/curtailment	(13)	-	-	-	-	(13)
<b>Expense for the period</b>	<b>9</b>	<b>1</b>	<b>7</b>	<b>(6)</b>	<b>-</b>	<b>11</b>

\*Additional Pensions and at Services provided.



## 6.9 Financial debts

### Changes in financial debts

<i>(in millions of euros)</i>	As at Dec 31, 2016	Increases	Decreases	As at Dec 31, 2017
Bonds	3,835	500	(135)	4,200
Loans from credit institutions	517	-	-	517
Other loans	6	-	(1)	5
Deposits, estimated fees and deposits received	15	4	(4)	15
Accrued interest on loans	74	69	(74)	69
<b>Total</b>	<b>4,447</b>	<b>573</b>	<b>(214)</b>	<b>4,806</b>

Accrued interest on loans stood at €69 million, including:

*(in millions of euros)*

Accrued interest on bonds	66
Accrued interest on loans swapped	3

### Debts of bonds and bank loans

<i>(in millions of euros)</i>	Initial capital borrowed	Nominal rate	Initial capital remaining due	Amortisation of capital	Underwriting of loans	Final capital remaining due	Issue premium
ADP EUR 500 M 2010-2020	500	3.89%	500	-	-	500	-
ADP EUR 400 M 2011-2021	400	4.00%	400	-	-	400	-
ADP EUR 400 M 2011-2022	400	3.88%	400	-	-	400	1
ADP EUR 300 M 2012-2019	300	2.38%	300	-	-	300	1
ADP EUR 500 M 2012-2024	500	3.13%	500	-	-	500	3
ADP EUR 600 M 2013-2028	600	2.75%	600	-	-	600	5
ADP EUR 500 M 2014 -2028	500	1.50%	500	-	-	500	4
ADP EUR 500 M 2015 -2023	500	1.50%	500	-	-	500	1
ADP EUR 500 M 2017 -2027	500	1.00%	500	-	-	500	2
<b>Bonds</b>	<b>4,200</b>		<b>4,200</b>	<b>-</b>	<b>-</b>	<b>4,200</b>	<b>15</b>
BEI EUR 100 M 2003-2018	100	Eur 3M + margin	100	-	-	100	-
BEI EUR 220M 2004-2019	220	Eur 3M + margin	220	-	-	220	-
BEI EUR 30 M 2004-2019	30	Eur 3M + margin	30	-	-	30	-
BEI EUR 130 M 2005-2020	130	Eur 3M + margin	130	-	-	130	-
DEUTSCHE Bank EUR 37 M 2010-2020	37	4.125%	37	-	-	37	-
<b>Loans from credit institutions</b>	<b>517</b>		<b>517</b>	<b>-</b>	<b>-</b>	<b>517</b>	<b>-</b>
<b>Other loans</b>	<b>6</b>		<b>6</b>	<b>(1)</b>	<b>-</b>	<b>5</b>	<b>-</b>
<b>Total</b>	<b>4,723</b>		<b>4,723</b>	<b>(1)</b>	<b>-</b>	<b>4,722</b>	<b>15</b>



## Swaps on bonds

(in millions of euros)

Initial date of swap	Duration	Amount	Fair value(*)	Repayments made		Repayments received	
				Rate	These adjustment relate	Rate	Income
08/07/11	10 years	100	13	Eur 3M + margin	-	Fixed	4
08/07/11	10 years	100	13	Eur 3M + margin	-	Fixed	4
08/07/12	9 years	100	(8)	Fixed	(3)	Eur 3M + margin	-
08/07/12	9 years	100	(8)	Fixed	(3)	Eur 3M + margin	-
<b>Total swaps relating to bonds</b>		<b>400</b>			<b>(6)</b>		<b>8</b>

\* Fair value includes Accrued interest.

## 6.10 Trade payables and tax and employee-related liabilities

(in millions of euros)

	As at Dec 31, 2017	As at Dec 31, 2016
<b>Trade payables</b>	<b>126</b>	<b>182</b>
Staff costs and related accounts	210	224
Taxes other than income taxes	40	37
<b>Tax and employee-related liabilities</b>	<b>250</b>	<b>261</b>
<b>Total</b>	<b>376</b>	<b>443</b>

## 6.11 Other liabilities

(in millions of euros)

	As at Dec 31, 2017	As at Dec 31, 2016
<b>Debts on fixed assets and related accounts</b>	<b>238</b>	<b>258</b>
Current accounts	95	224
Customer accounts payable	18	14
Various accounts payables	22	27
<b>Other debts</b>	<b>135</b>	<b>265</b>
<b>Total</b>	<b>373</b>	<b>523</b>

## Current accounts

Current accounts, presented in other liabilities, break down follows:

(in millions of euros)

	As at Dec 31, 2017	As at Dec 31, 2016
ADP international	43	169
TANK ÖWA alpha GmbH	23	-
Hub One	17	25
TANK ÖWC beta GmbH	9	-
Média ADP	2	3
Hub Safe	-	15
ADP Ingénierie	1	11
<b>Fully Consolidated Subsidiaries</b>	<b>95</b>	<b>224</b>



## 6.12 Schedule of debt payments

The table below presents, for each type of payable, the remaining duration for debt to become payable:

<i>(in millions of euros)</i>	Gross Amount	Payment		
		<1 year	1 to 5 years	>5 years
Bonds	4,200	-	1,600	2,600
Loans from credit institutions	517	-	517	-
Loans and other financial liabilities	89	70	3	16
<b>Financial debt</b>	<b>4,806</b>	<b>70</b>	<b>2,120</b>	<b>2,616</b>
Trade payables	126	126	-	-
Tax and employee-related liabilities	250	250	-	-
<b>Operating liabilities</b>	<b>376</b>	<b>376</b>	-	-
Debts on fixed assets and related accounts	238	224	15	-
Other debts	135	135	-	-
<b>Other payables</b>	<b>373</b>	<b>358</b>	<b>15</b>	-
<b>Deferred income</b>	<b>162</b>	<b>99</b>	<b>17</b>	<b>46</b>
<b>Total</b>	<b>5,717</b>	<b>903</b>	<b>2,152</b>	<b>2,662</b>

## 6.13 Accrued expenses and revenue to be received by balance sheet item

Assets		Liabilities	
<i>(in millions of euros)</i>	As at Dec 31, 2017	<i>(in millions of euros)</i>	As at Dec 31, 2017
Other financial assets	4	Bonds	68
<b>Fixed assets</b>	<b>4</b>	Loans from credit institutions	1
Trade receivables and related accounts	129	<b>Financial debt</b>	<b>69</b>
Other receivables	11	Trade payables	112
<b>Current assets</b>	<b>140</b>	Tax and employee-related liabilities	196
		<b>Operating liabilities</b>	<b>308</b>
		Debts on fixed assets and related accounts	181
		<b>Other payables</b>	<b>181</b>
<b>Total</b>	<b>144</b>	<b>Total</b>	<b>559</b>



## NOTE 7 Notes to the cash flow statement

### 7.1 Change in working capital

<i>(in millions of euros)</i>	2017	2016
Change in inventories	1	(5)
Accounts receivable	37	12
Customers - doubtful accounts	3	14
Customers - invoice to be established	(1)	(31)
Tax receivable other than income taxes	13	(17)
Depreciation of receivable accounts	(3)	(14)
Other	2	(1)
<b>Total trade and other receivables</b>	<b>52</b>	<b>(38)</b>
Trade payables	(40)	(31)
Staff	(10)	(12)
Social security expenses	-	(4)
Tax liabilities excluding income taxes	(1)	1
Accrued liabilities	(4)	(19)
Deferred income	4	13
Employees' profit sharing	-	(2)
Other	1	17
<b>Total trade and other payables</b>	<b>(50)</b>	<b>(36)</b>
<b>Change in working capital</b>	<b>3</b>	<b>(79)</b>

### 7.2 Acquisition of participation

<i>(in millions of euros)</i>	2017	2016
ADP Ingénierie	11	-
ADP Immobilier Tertiaire	17	-
Other	22	9
<b>Acquisition of subsidiaries and investments in other entities</b>	<b>50</b>	<b>9</b>

### 7.3 Cash & cash equivalents at the end of period

<i>(in millions of euros)</i>	2017	2016
Cash and cash equivalents	1,520	1,616
Bank overdrafts (1)	-	-
<b>Net cash (as shown in the Cash Flow Statement)</b>	<b>1,520</b>	<b>1,616</b>

(1) included in Current liabilities short term debt





## NOTE 8 Off balance sheet commitments and contingent liabilities

### Off balance sheet commitments

<i>(in millions of euros)</i>	As at Dec 31, 2017	As at Dec 31, 2016
Guarantees	2	2
First demand guarantee	4	47
Acquisition of capital assets	845	405
Other	123	154
<b>Commitments granted</b>	<b>975</b>	<b>608</b>
Guarantees	59	60
First demand guarantee	174	233
Other	-	-
<b>Commitments received</b>	<b>233</b>	<b>294</b>

Aéroport de Paris SA, as lessor, shall receive the following minimum payments on the lease agreements in force as at 31 December:

<i>(in millions of euros)</i>	Total 31/12/2017	<1 year	1 to 5 years	>5 years
Minimum future payments to be received	3 018	249	923	1 846

Guarantees correspond mainly to securities accorded to loans to staff members, as well as guarantees accorded by Aéroports de Paris on behalf of ADP Ingénierie and Aéroports de Paris Management for the benefit of different customers of these subsidiaries.

Guarantees on first demand have been given only by ADP Ingénierie and Aéroports de Paris Management as part of the execution of their international contracts.

### Contingent liabilities

Aéroports de Paris SA is involved in a number of legal and arbitration proceedings in the ordinary course of its business. Aéroports de Paris SA is also subject to certain claims and legal actions that go beyond the ordinary course of its business.

The amount of provisions accounted for is based on Aéroports de Paris SA's assessment of claims and the level of risk on a case by case basis in which the progress of the case and defense arguments are weighed up. Other events during proceedings may at any time lead to a risk reassessment

The principal litigation is presented below and constitutes a contingent liability:

The following litigation and arbitration represents a contingent liability:

On 13 June 2013, the company JSC Purchases filed a compensatory action before the Commercial Court of Paris in response to Aéroports de Paris SA's refusal to grant it a temporary authorisation to occupy the public domaine in 2004 with a view to build and operate a shopping center at the airport of Paris-Charles de Gaulle. To this date, the pleadings have been limited to the jurisdiction of the court. In a decision of 4 July 2016, the jurisdiction court (Tribunal des Conflits) held that the administrative courts had exclusive jurisdiction over the matter. In a decision of 19 January 2017, the administrative court of Paris dismissed all of JSC Purchases' claims. The opposing party appealed the decision and the case is pending before the administrative court of appeals. At this point, the Group is not expecting a negative outcome on the case.



## NOTE 9 Remuneration and headcount

### 9.1 Remuneration allocated to members of administrative and management bodies

(in thousands of euros)

	As at Dec 31, 2017	As at Dec 31, 2016
Remuneration	4,521	4,068
Employer's social security contributions	1,925	1,582
Attendance fees	213	100
<b>Total</b>	<b>6,659</b>	<b>5,750</b>

### 9.2 Employment details

The table below gives a breakdown of the workforce (present, on unpaid leave and on secondment).

Categories	As at Dec 31, 2017	As at Dec 31, 2016	Change	Percentage
Executives (excluding CEO and COO)	1,340	1,325	15	1%
Supervisors and technicians	4,508	4,535	(27)	(1)%
Enforcement agents	587	618	(31)	(5)%
<b>Total</b>	<b>6,435</b>	<b>6,478</b>	<b>(43)</b>	<b>(1)%</b>



## NOTE 10 Transactions with related companies and parties

### 10.1 Transactions with affiliated parties

Transactions with affiliated parties mostly include:

- ◆ Agreements on remunerations and similar benefits concluded with members of administrative or management bodies;
- ◆ Conventions concluded with the French State and state-owned holding companies, associated companies and joint venture companies over which Aéroports de Paris exercises significant influence and joint control respectively.

#### Remuneration of principal senior directors

The Principal senior directors at Aéroports de Paris include the Chairman & Chief Executive Officer, the members of the executive committee and the directors appointed by the general meeting of shareholders.

#### Relations with the French State and State shareholdings

##### RELATIONS WITH THE STATE

The French State holds 50.6% of the capital of Aéroports de Paris SA and 58.6% of the voting rights as at 31 December 2017. The State is entitled in the same way as any majority shareholder to control decisions that require approval by the shareholders.

Public authorities exercise control over Aéroports de Paris SA with regard to its status as a state-owned company and with regard to its duties, in particular its public service.

In this respect, agreements are regularly concluded with the State. The most significant agreements are listed below:

- ◆ The Economic Regulation Agreement relating to the 2016-2020 signed on 31 August 2015.
- ◆ Relationship with the Direction Générale de l'Aviation Civile (DGAC) - public service duties such as safety assignments, air transport securities and aircraft firefighting and rescue tasks carried out by Aéroports de Paris. The costs incurred in the

scheduled for 2024. For this purpose, two agreements have been signed between Aéroports de Paris SA and the Société du Grand Paris:

- ◆ an indemnity agreement signed on 9 January 2015, whereby the Société du Grand Paris compensates Aéroports de Paris SA for the additional costs to bear in the context of the construction of the aforementioned connecting building due to the fact that two tunnels, for Lines 14 and 18, will pass

This compensation amounts to 6.7 million euros in 2017 in comparison to 5.8 million euros in 2016. The variance is explained by the arrival of two additional members to the executive committee and one less corporate officer. This compensation includes short-term employee benefits (fixed and variable salary and benefits in kind), as well as employer contributions and attendance fees (cf note 9)

#### Relations with VINCI

Significant transactions between Aéroports de Paris SA and Vinci are mainly related to the construction of a connecting building between the western and southern terminals of Paris-Orly Airport and the partnership with Vinci Airports in the context of teSantiago de Chile International Airport concession.

performance of these duties are invoiced to Direction Générale de l'Aviation Civile (DGAC), which funds the airport tax charged to airlines to cover these costs. In 2017, revenues linked to airport security and safety amounted to €487 million (€480 million in 2016). At 31 December 2017, the receivable from the DGAC amounts to €57 million (€93 million at 31 December 2016).

- ◆ Agreement for the provision of real estate properties, utilities (electricity, heating, water), services (telecommunications, material, administrative and intellectual assistance) and training to the Air Navigation Service Provider ("DSNA"). This agreement was concluded on 27 July 2007 for a term of 15 years.

#### RELATIONS WITH THE SOCIÉTÉ DU GRAND PARIS

In order to increase its passenger capacity at Paris-Orly Airport, Aéroports de Paris SA decided to construct a connecting building between the western and southern terminals of Paris-Orly Airport. Furthermore, as part of the development of the Grand Paris transport system; a metro station will be built to accommodate metro lines 14 and 18 at Paris-Orly airport. Completion is

under this building. An amendment was made to this agreement on 9 August 2015;

- ◆ a joint project management agreement signed on 16 July 2015, relating to the construction at Paris-Orly Airport of a metro station to accommodate the 2 metro lines and airport facilities. Aéroports de Paris is named as the sole



- ◆ contractor for this project and will manage all works which are due for completion in 2024. An amendment to this agreement was signed between SGP and ADP on 6 March 2017 to clarify the different sub-projects, the budget allocated to the construction works, the amount of indemnities to be paid to ADP for the losses and additional costs related to the buildings affected by the construction of the metro station, and the allocation of the missions between the parties.

Furthermore, two additional agreements were signed with the SGP in July and September 2017, for the remuneration of the feasibility studies conducted in relation to potential works to be realised by Aéroports de Paris SA for the account of the SGP, in the structure of Paris-Charles de Gaulle and Le Bourget airports.

#### RELATIONS WITH AIR FRANCE-KLM

Transactions with Air France-KLM primarily concern:

- ◆ the invoicing of aeronautical and ancillary fees set by the Economic Regulation Agreement pursuant to the Civil Aviation Code;
- ◆ and rental costs invoiced related to the rental of land and buildings surrounding the airports.
- ◆ SNCF Réseau will remain infrastructure manager on the existing Paris – Mitry-Mory connection;
- ◆ A rail operator in charge of the transport service operation.

Meanwhile, pending completion of the creation of the project entity, the respective Chief Executive Officers of SNCF Réseau and Aéroports de Paris SA were asked by the French Prime Minister to pre-finance, for the account of the project entity, the pursuit of the technical studies on the project and the design of the works concession. In this context, Aéroports de Paris SA, SNCF Réseau and Caisse des Dépôts et Consignation signed a tripartite agreement covering within a limit of €49.1 million, the amount of expenditures necessary to pursue the previously mentioned studies.

#### 1.1 Relations with associated or jointly controlled companies

##### CDG EXPRESS

In 2014, when the French Government decided to relaunch the CDG Express project, the entity "CDG Express Etudes" was created to conduct legal, technical and financial studies related to the project. CDG Express Etudes is equally held by Aéroports de Paris SA, SNCF Réseau and the State and was granted a budget of €15.6 million.

Studies conducted by the entity were used as a basis for the law of 28 December 2016 in relation to a rail connection between Paris and Paris-Charles de Gaulle airport, in order to define the legal structure of the project. The structure is henceforth based on:

- ◆ the creation of a project entity (the infrastructure manager), in charge of the creation, financing, maintenance and operation of the infrastructure. This entity is expected to be launched in 2018 and will be held mainly by Aéroports de Paris SA and SNCF Réseau;

##### RETAIL JOINT VENTURES

As part of the development of commercial activities, Aéroports de Paris SA and the companies Société de Distribution Aéroportuaire, RELAY@ADP and EPIGO, sign agreements permitting these companies to operate within Paris-Orly and Paris-Charles de Gaulle airports. Transactions between Aéroports de Paris SA and these companies relate to:

- ◆ Fees collected under the operational rights granted by Aéroports de Paris SA; and
- ◆ Rents for the occupation of sales areas.

Similarly, TAV Airports and ATU concluded contracts allowing ATU to operate retail shops within its airport platforms.



## **NOTE 11** Subsequent events

There are no other events after the closing to date.

