

*This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.*

*This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to the shareholders.*

*This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

## Aéroports de Paris

Year ended December 31, 2018

**Statutory auditors' report on the financial statements**

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Membre de la compagnie  
régionale de Versailles

## Aéroports de Paris

Year ended December 31, 2018

### Statutory auditors' report on the financial statements

To the Annual General Meeting of Aéroports de Paris,

#### Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying financial statements of Aéroports de Paris for the year ended December 31, 2018.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2018 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit and Risk Committee.

#### Basis for Opinion

##### ■ Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Financial Statements* section of our report.

##### ■ Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1, 2018 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014 or in the French Code of Ethics (*Code de déontologie*) for statutory auditors.

## Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L. 823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

### ■ Valuation of revenue related to airport safety and security (see notes 4.4 and 5.1 “Revenue”)

| Risk identified   | Our response  |
|---|---|
| <p>In 2018, the revenue related to airport safety and security amounted to M€ 499. Aéroports de Paris receives revenue in the context of its public service mission in France for security, air transport safety, rescue and aircraft firefighting (hereinafter “security missions”). This revenue covers the costs incurred for these missions. It is paid by the Direction Générale de l’Aviation Civile (DGAC), which funds it through the airport security tax levied on airline companies. This revenue is recognized as the estimated costs eligible for reimbursement by the DGAC are incurred.</p> <p>The Company uses allocation keys to determine which costs were incurred with respect to these missions, as certain types of costs may not be exclusive to the missions, mainly certain leasing expenses, certain depreciation, amortization and maintenance charges, and taxes other than income taxes.</p> <p>We consider the valuation of revenue related to airport safety and security to be a key audit matter given the amounts at stake, and the fact that it is based on the reliability of the keys used to allocate the costs incurred.</p> | <p>The works we conducted consisted mainly in:</p> <ul style="list-style-type: none"><li>▶ familiarizing ourselves with the internal control procedures for the chain of costs incurred with respect to security missions, ranging from the conclusion of supplier contracts to invoice payment;</li><li>▶ examining the methods used to allocate security mission costs, with the help of an information system specialist included in our audit team.</li></ul> <p>We also:</p> <ul style="list-style-type: none"><li>▶ for each type of cost, relying on the Company’s analyses, assessed the difference between the year-end actual cost, the budget and the comparative period;</li><li>▶ conducted a critical review of the security mission costs recorded for the airport safety and security scope by examining, based on a sample, their eligibility for refunding by the DGAC, as defined by the applicable regulations.</li></ul> |

### ■ Valuation of property, plant, equipment (see notes 4.5 and 6.1 “Property, plant, equipment and intangible assets”)

| Risk identified | Our response |
|-----------------|--------------|
|-----------------|--------------|

As at December 31, 2018, the net carrying amount of property, plant, equipment stood at M€ 6,075 (or 52% of total assets).

Under the 2016- 2020 Economic Regulation Agreement (ERA) entered into with the French State, the Company is pursuing an investment program within the regulated scope that must meet an investment budget amounting to M€ 2,978 for the period, as well as a deadline condition.

The assets are depreciated according to the methods set out in the notes to the financial statements. Their useful life is re-evaluated at each year-end based on the investment and continuation program for existing assets, so that they reflect the estimated useful lives.

We consider the valuation of property, plant, equipment to be a key audit matter due to (i) significant value of property, plant, equipment in the Company's accounts, and (ii) the management's necessary judgements to estimate the useful life of depreciable assets, which involves a specific and complete identification of assets whose renewal is planned in the short or medium term.

Our works consisted mainly in familiarizing ourselves with the internal control procedures relating to the estimate of the useful life of depreciable assets and the identification of assets whose renewal is planned in the short or medium term.

We have also, using sampling method:

- ▶ compared the useful lives applied with the expected useful lives, as resulting from the investment and continuation program of the existing assets;
- ▶ examined the accounting documentation for the assets whose depreciation term has changed over the year;
- ▶ conducted a critical review of the residual values of assets likely to be replaced under the 2016 -2020 investment program.

■ **Valuation of equity interests (see notes 4.6 and 6.2 “Financial assets”)**

| Risk identified  | Our response  |
|--|---|
| <p>Equity securities amounted to M€ 1,359 as at December 31, 2018 (net value of M€ 1,296).</p> <p>Equity securities are recorded on the balance at acquisition cost excluding expenses.</p> <p>As indicated in note 4.6 to the annual financial statements, your Company examines the value of equity securities at each year-end by referencing to the value in use.</p> <p>If the value in use of these securities is lower than their accounting value, an impairment loss for the difference is recorded.</p> <p>The estimate of the value in use of these equity securities requires management's judgment in its choice of items to be considered. Such items may correspond, as the case may be, to historical items (equity or average stock market prices over the last month in particular), or forecast items (expected cash flows).</p> <p>We consider the valuation of equity securities to be a key audit matter, given their importance on the balance sheet due to the management's judgment to estimate the value in use of these securities.</p> | <p>Our works consisted mainly in:</p> <ul style="list-style-type: none"> <li>▶ examining and assessing the reasonableness of the valuation methods adopted by management to estimate values in use;</li> <li>▶ comparing the date used in determining values in use with the source data by entity and, specifically, examining the consistency of the forecast cash flows and adopted assumptions taking into account the economic situation at year-end and the date of the preparation of the financial statements;</li> <li>▶ verifying the arithmetical accuracy of the value in use calculations adopted by the Company for the main securities.</li> </ul> |

## Specific Verifications

We have also performed, in accordance with professional standards applicable in France, to the specific verifications required by French laws and regulations.

### ■ Information provided in the Management Report and in the Other Documents with respect to the financial position and the financial statements Provided to the Shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Board Of directors' management report and in the other documents with respect to the financial position and the financial statements provided to the Shareholders.

We attest that the information relating to payment terms referred to in article D. 441-4 of the French Commercial Code (*Code de commerce*) is fairly presented and consistent with the financial statements.

### ■ Report on Corporate Governance

We attest that the Board of Directors' Report on Corporate Governance sets out the information required by Articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code (*Code de commerce*).

Concerning the information given in accordance with the requirements of Article L. 225-37-3 of the French Commercial Code (*Code de commerce*) relating to remunerations and benefits received by the directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from controlling and controlled companies. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your Company considered likely to have an impact in the event of a public purchase offer or exchange, provided pursuant to Article L. 225-37-5 of the French Commercial Code (*Code de commerce*), we have agreed these to the source documents communicated to us. Based on our work, we have no observations to make on this information

### ■ Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders or holders of the voting rights has been properly disclosed in the management report.

## Report on Other Legal and Regulatory Requirements

### ■ Appointment of the Statutory Auditors

DELOITTE & ASSOCIES and ERNST & YOUNG Audit were appointed as statutory auditors of Aéroports de Paris by the Annual General Meeting of May 18, 2015.

As at December 31, 2018, DELOITTE & ASSOCIES and ERNST & YOUNG Audit were both in their fourth year of total uninterrupted engagement.

Previously, ERNST & YOUNG et Autres and ERNST & YOUNG Audit, members of the EY international network, previously were statutory auditors of your Company from 2009 to 2014 and 2003 to 2008, respectively.

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit and Risk Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

## Statutory Auditors' Responsibilities for the Audit of the Financial Statements

### ■ Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- ▶ Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- ▶ Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- ▶ Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- ▶ Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- ▶ Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

#### ■ **Report to the Audit and Risk Committee**

We submit to the Audit and Risk Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit and Risk Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit and Risk Committee with the declaration provided for in Article 6 of Regulation (EU) No 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics (*code de déontologie*) for statutory auditors. Where appropriate, we discuss with the Audit and Risk Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Defense, March 4, 2019

The Statutory Auditors  
*French original signed by*

DELOITTE & ASSOCIES

ERNST & YOUNG Audit

Olivier Broissand

Christophe Patrier Alban de Claverie

Alain Perroux



# Notes to the Company Financial Statements

December 31, 2018





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Company Financial Statements and Notes of Aéroports de Paris SA at December 31, 2018

**Income Statement**

(in millions of euros)

|  | Notes      | 2018           | 2017           |
|--|------------|----------------|----------------|
| Revenue                                      | 5.1        | 2,957          | 2,820          |
| Changes in finished goods inventory          |            | 2              | (2)            |
| Capitalised production                       | 5.2        | 65             | 61             |
| Reversal of provisions and expense transfers | 5.7        | 35             | 42             |
| Operating subsidies                          |            | 1              | 1              |
| Other operating income                       | 5.3        | 46             | 29             |
| <b>Operating income</b>                      |            | <b>3,105</b>   | <b>2,951</b>   |
| Purchases and external expenses              | 5.4        | (854)          | (832)          |
| Taxes other than income taxes                | 5.5        | (265)          | (247)          |
| Employee benefit costs                       | 5.6        | (586)          | (590)          |
| Other operating expenses                     |            | (18)           | (24)           |
| Depreciation, Amortisation and provision     | 5.7        | (477)          | (477)          |
| <b>Operating expenses</b>                    |            | <b>(2,201)</b> | <b>(2,170)</b> |
| <b>Operating income</b>                      |            | <b>905</b>     | <b>781</b>     |
| Financial income                             |            | 106            | 141            |
| Financial expenses                           |            | (155)          | (151)          |
| <b>Financial income</b>                      | <b>5.8</b> | <b>(49)</b>    | <b>(10)</b>    |
| <b>Income before tax</b>                     |            | <b>856</b>     | <b>771</b>     |
| Extraordinary income                         |            | 122            | 130            |
| Extraordinary expenses                       |            | (130)          | (150)          |
| <b>Extraordinary income</b>                  | <b>5.9</b> | <b>(8)</b>     | <b>(20)</b>    |
| Employees' profit sharing                    |            | (28)           | (22)           |
| Income taxes                                 | 5.10       | (256)          | (223)          |
| <b>Net income</b>                            |            | <b>564</b>     | <b>506</b>     |



## Assets

| (in millions of euros)                       | Notes      | As at Dec 31, 2018 |                              |               | As at Dec 31, 2017 |
|--|------------|--------------------|------------------------------|---------------|--------------------|
|  |            | Gross Amount       | Amortization or depreciation | Net amount    |                    |
| Intangible assets                            | 6.1        | 292                | (219)                        | 74            | 63                 |
| Property, plant and equipment                | 6.1        | 12,478             | (6,403)                      | 6,075         | 5,921              |
| Fixed assets in progress                     | 6.1        | 1,292              | -                            | 1,292         | 998                |
| Advances and deposits                        | 6.1        | 22                 | -                            | 22            | 23                 |
| Financial assets                             | 6.2        | 1,521              | (63)                         | 1,458         | 1,433              |
| <b>I - Fixed assets</b>                      |            | <b>15,606</b>      | <b>(6,684)</b>               | <b>8,922</b>  | <b>8,438</b>       |
| Inventories                                  |            | 17                 | -                            | 17            | 15                 |
| Advances and deposits                        |            | 4                  | -                            | 4             | 3                  |
| Trade receivables                            | 6.3        | 412                | (21)                         | 391           | 404                |
| Other receivables                            | 6.3        | 848                | (1)                          | 847           | 308                |
| Marketable securities                        | 6.4        | 1,289              | (1)                          | 1,288         | 1,404              |
| Cash   | 6.4        | 130                | -                            | 130           | 117                |
| Prepaid expenses                             | 6.5        | 29                 | -                            | 29            | 28                 |
| <b>II - Current assets</b>                   |            | <b>2,728</b>       | <b>(23)</b>                  | <b>2,705</b>  | <b>2,277</b>       |
| <b>III - Bond redemption premiums</b>        | <b>6.6</b> | <b>16</b>          | <b>-</b>                     | <b>16</b>     | <b>15</b>          |
| <b>IV - Translation adjustments - Assets</b> |            | <b>-</b>           | <b>-</b>                     | <b>-</b>      | <b>-</b>           |
| <b>Total assets</b>                          |            | <b>18,351</b>      | <b>(6,707)</b>               | <b>11,644</b> | <b>10,733</b>      |

## LIABILITIES

| (in millions of euros)                           | Notes      | As at Dec 31, 2018 | As at Dec 31, 2017 |
|--|------------|--------------------|--------------------|
| Share capital                                    |            | 297                | 297                |
| Premiums   |            | 543                | 543                |
| Revaluation difference                           |            | 23                 | 23                 |
| Reserves and retained earnings                   |            | 2 225              | 2 061              |
| Profit/loss for the period                       |            | 564                | 506                |
| Interim dividend                                 |            | (69)               | (70)               |
| Investment grants                                |            | 48                 | 49                 |
| Regulated provisions                             |            | 1 194              | 1 173              |
| <b>I - Equity</b>                                | <b>6.7</b> | <b>4 823</b>       | <b>4 583</b>       |
| <b>II - Provisions</b>                           | <b>6.8</b> | <b>403</b>         | <b>431</b>         |
| Financial debt                                   | 6.9        | 5 462              | 4 806              |
| Trade payables and related accounts              | 6.10       | 118                | 126                |
| Tax and employee-related liabilities             | 6.10       | 269                | 250                |
| Debts on fixed assets and other liabilities      | 6.11       | 414                | 373                |
| Deferred income                                  | 6.5        | 155                | 162                |
| <b>III - Debts</b>                               |            | <b>6 418</b>       | <b>5 717</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>11 644</b>      | <b>10 733</b>      |



## Cash flow statement

(in millions of euros)

|  | Notes      | 2018           | 2017         |
|--|------------|----------------|--------------|
| <b>Operating income</b>  |            | <b>905</b>     | <b>781</b>   |
| Net depreciation and provisions for liabilities and expenses           |            | 438            | 439          |
| Financial income and expenses (excluding debt)                         |            | 9              | (8)          |
| <b>Change in working capital</b>                                       | <b>7.1</b> | <b>(40)</b>    | <b>3</b>     |
| Tax expenses paid minus tax received                                   |            | (178)          | (276)        |
| <b>Cash flows from operating activities</b>                            |            | <b>1,134</b>   | <b>940</b>   |
| Disposals of holdings  |            | 1              | 1            |
| Acquisition of holdings  | 7.2        | (31)           | (50)         |
| Purchase of property, plant, equipment and intangible assets           | 6.1        | (924)          | (791)        |
| Change in other financial assets                                       | 7.3        | (579)          | (144)        |
| Proceeds from sales of fixed assets (net of the change in receivables) |            | 1              | 36           |
| Dividends received   | 7.4        | 79             | 87           |
| Change in debt and advances on asset acquisitions                      |            | 62             | (47)         |
| <b>Cash flows from investing activities</b>                            |            | <b>(1,391)</b> | <b>(908)</b> |
| Capital called but unpaid  |            | -              | -            |
| Capital grants received in the period                                  |            | 3              | 6            |
| Net disposal (purchase) of treasury shares                             |            | -              | -            |
| Dividends paid   | 6.7        | (343)          | (261)        |
| Proceeds from long-term debt   | 6.9        | 756            | 504          |
| Repayment of long-term debt  | 6.9        | (106)          | (142)        |
| Change in other financial liabilities                                  | 6.11       | (49)           | (130)        |
| Net financial interest paid  |            | (105)          | (105)        |
| <b>Cash flows from financing activities</b>                            |            | <b>156</b>     | <b>(128)</b> |
| <b>Change in cash and cash equivalents</b>                             |            | <b>(102)</b>   | <b>(97)</b>  |
| Cash at opening  |            | 1,520          | 1,617        |
| Cash at closing  | 7.5        | 1,418          | 1,520        |



## 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 SA 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 SA 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 SA 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 SA 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 SA 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 SA 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. The main subsidiaries concerned are ADP Ingénierie, ADP International, ADP Immobilier, ADP INVEST, Cœur d'Orly Investissement, HUB one, TANK Alpha and TANK Beta. Aéroports de Paris SA has entered into cash pooling agreements with the relevant subsidiaries under this system. 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 levelling subsidiary accounts to the centralising account on a daily basis, ensures the best possible management of both loan support and investment of cash surpluses.

Euro advances by the centralising company to the subsidiaries bear monthly interest at the EONIA rate +0.65%. Those made in euros by the subsidiaries to the centralising company bear monthly interest at the EONIA rate.

US dollar advances by the centralising company to the subsidiaries bear monthly interest at the USD LIBOR overnight rate plus 0.65%. US dollar advances by the subsidiaries to the centralising company bear monthly interest at the USD LIBOR overnight rate -0.07%.

It is specified that if the EONIA rate and/or USD LIBOR overnight rate less 0.07% were to become negative, the rate for advances would then be capped at 0%.

Under the cash pooling agreements between Aéroports de Paris SA and its subsidiaries, current accounts are presented as "Other receivables" when there is a debit balance and as "Debts on fixed assets and other liabilities" when there is a credit balance. See notes 6.3 and 6.11



## NOTE 3 Significant events

### PACTE draft bill containing provisions related to Groupe ADP

The draft bill related to the economic growth and transformation of companies (n°1088) (the PACTE draft bill), which contains, in the articles 44 to 50, provisions related to Group ADP, was adopted at first reading by the French National Assembly on 10 October 2018 and was examined by the French Senate as from 29 January 2019. The draft text foresees in particular the authorization to transfer to the private sector a majority of Aéroports de Paris SA share capital and as from the date of the transfer, adapts the terms of Group operations in Île-de-France. To this extent, it would be foreseen to put a time limit on the right to operate the Parisian airports to 70 years, when the State acquires the full ownership of the real estate and infrastructures in Ile-de-France region.

As a compensation, the draft bill foresees the payment by the State of a compensation to Aeroports de Paris SA and defines the terms of its determination.

According to the current state of the draft bill, the current business model of the company is reassured, the regulation system based on the dedicated fund is reinforced and the uniqueness of the Parisian airport system (Paris CDG, Paris Orly, Paris-Le Bourget) is confirmed.

Once adopted by the French parliament, the draft bill could lead to a referral to the Constitutional Council. Following its promulgation regulatory measures for its application will be necessary, including a bill of specifications of the company that would be applied in the case where the percentage of shares owned by the French State would fall under 50%.

Consequences for Group ADP can only be evaluated according to the whole set of legal elements that will be subject to official publications in accordance with the existing conditions applicable to the publications of laws and regulations.

### Funding

In 2018, Aéroports de Paris SA took out two loans for a total amount of €752 million. The primary loan had the following characteristics:

On 4 October 2018, Aéroports de Paris SA launched a bond issue for a total amount of €500 million with a 20 years maturity and the following characteristics:

- ◆ format: Fixed rate;
- ◆ redemption: in fine;
- ◆ annual rate: 2.125%;
- ◆ re-offer spread: 65 bp over mid swap;
- ◆ re-offer yield: 2.174%;
- ◆ payment date: 11 October 2018;
- ◆ maturity date: 11 October 2038.

Aéroports de Paris SA is rated A+ (stable outlook) by Standard and Poor's.

### CDG Express

The CDG Express Etudes firm has been in voluntary liquidation since 30 December 2018, in accordance with its Articles of Association (company life of five years). The company, which was created at the end of 2013 and held equally by Aéroports de Paris SA, SNCF Réseau and the French State, was responsible for carrying out legal, technical and financial studies for the CDG Express rail link between Paris and the CDG airport. These studies, in the amount of €17.5 million, will be transferred to "GI CDG Express", the infrastructure management company.

The latter was created on 10 October 2018 to finance the project and to design, build, service and maintain the link under a work concession contract with the French State, which should be signed in early 2019. It is held equally (33%) and jointly controlled by Aéroports de Paris SA, SCNF Réseau and the *Caisse des Dépôts et Consignations*.

Pending the signature of the main contracts for the CDG Express project, and notably, the concession contract between the French State and GI CDG Express, and the construction design contract between Aéroports de Paris SA and GI CDG Express, the French State, in a letter sent in July 2018, asked Aéroports de Paris SA and SNCF Réseau to continue the studies and work required to ensure the commissioning of the project by the end of 2023 and committed to reimbursing the expenses incurred by the two companies, up to €313 million, to which could be added any future breach of contract and upgrading costs.

Given this, Aéroports de Paris SA recognised accruals for the studies and work completed in the amount of €45 million, of which €38 million was recorded in 2018.



## NOTE 4 Accounting principles applied to the financial statements

### 4.1 Accounting principles

The annual financial statements of Aéroports de Paris SA are drawn up in compliance with accounting policies and principles as defined by the French Chart of Accounts (see regulation ANC 2014-03 of the French Accounting Regulatory Committee of 5 June 2014 and its subsequent regulations).

The values in the tables are in millions of euros. The use of rounded figures may sometimes leads to an insignificant gap on the totals or the variations.

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

Regulation no. 2018-01 of 20 April 2018 on changes in methods, changes in estimates and error correction was published on 9 October 2018. It is applicable to the financial years open on the publication date of the regulation, that is, as of 1<sup>st</sup> January 2018 for Aéroports de Paris SA. Application of the regulation has no impact on Aéroports de Paris SA.

In addition, the ANC published regulation no. 2018-02 on 6 July 2018 regarding withholding at source. The regulation is applicable to the financial years open as of 1<sup>st</sup> January 2019. It therefore has no impact on Aéroports de Paris SA' 2018 financial statements.

The other accounting methods applied are identical and comparable to the previous financial 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.

The significant estimates and assumptions used in the preparation of the financial statements primarily relate to:

- ◆ Assessment of the recoverable value of long-lived assets (cf. notes 4.7, 6.1 et 6.2);
- ◆ Pension plans and other post-employment benefits (cf. notes 4.16 et 6.8) ;

- ◆ Provisions for risks and expenses (cf. notes 4.16 et 6.8) ;

### 4.4 Revenues

Aéroports de Paris 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 6.1 "property, plant and equipment / tangible assets") This scope includes all Aéroports de Paris SA 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** passenger fees, landing fees and parking fees. They are calculated respectively according to the number of boarded passengers, aircraft weight and parking time.

**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 that may not be exclusive to its missions, such as depreciation and amortisation and maintenance expenses, certain rental expenses and taxes and duties.

### 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....) 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 4.4 "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 SA 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.

##### Technical losses

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 SA 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 SA 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 SA 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 scheme

##### DEFINED BENEFIT SCHEMES

Aéroports de Paris SA 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.

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")

#### 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.

## 4.17 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.

## 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**

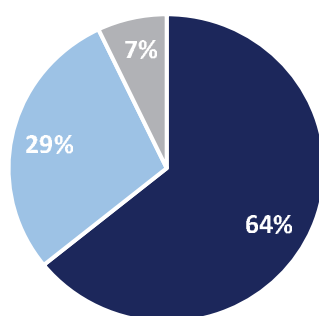
The segment information below is presented in accordance with the internal reporting and the sector benchmarks presented to the Group's Chief Operating Officer:

| (in millions of euros)                            | Activities   |                     |             | 2018         | 2017         |
|---|--------------|---------------------|-------------|--------------|--------------|
|   | Aviation     | Retail and services | Real estate |              |              |
| Airport fees                                      | 1,115        | -                   | -           | 1,115        | 1,056        |
| Revenue from airport safety and security services | 499          | -                   | -           | 499          | 487          |
| Retail activities                                 | -            | 469                 | 2           | 471          | 442          |
| Rental income                                     | 32           | 111                 | 189         | 332          | 324          |
| Ancillary fees                                    | 239          | 16                  | -           | 255          | 243          |
| Car parks and access roads                        | -            | 173                 | -           | 173          | 171          |
| Industrial services revenue                       | -            | 43                  | -           | 43           | 41           |
| Other revenue                                     | 13           | 39                  | 18          | 71           | 56           |
| <b>Total</b>                                      | <b>1,897</b> | <b>850</b>          | <b>210</b>  | <b>2,957</b> | <b>2,820</b> |

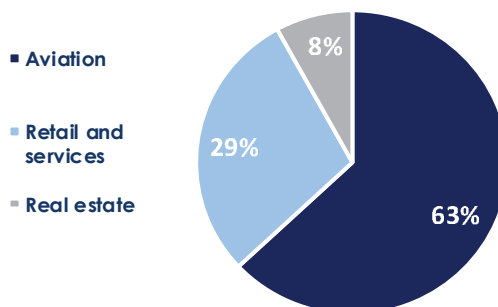
Revenue increased by +4.8% (+€137 million) in 2018 and amounts to €2,957 million. This increase is mainly explained by:

- ◆ the increase in airport fees (+€59 million), driven by growth in departing passenger traffic of +3.7% compared to last year, a price effect related to the price increase of 1<sup>st</sup> April 2018 (+2.1%), and a favourable structural effect (increase in the number of destination passengers compared to the number of connecting passengers);
- ◆ the increase in ancillary aviation fees (+€12 million), which can be attributed in particular to the check-in desks and the PMR fees connected to the rise in departing traffic (+3.7%);
- ◆ the increase in retail activity (+€29 million), particularly at Airside shops (+€15 million), boosted by the increase in traffic and revenue/pax, Bars and Restaurants (+€6 million) with, in addition to the traffic effect, a rise in revenue/pax and favourable scope and advertising effects (+€3 million);
- ◆ the increase in Revenue from airport safety and security services (+€12 million), which was primarily the result of an increase in subcontracting (+€7 million);
- ◆ the increase in Other revenue of +€15 million, primarily related to the work undertaken for Société du Grand Paris.

Breakdown of revenue 2018



Breakdown of revenue 2017



## 5.2 Capitalised production costs

| <i>(in millions of euros)</i> | 2018 | 2017 |
|-------------------------------|------|------|
| Capitalised production        | 65   | 61   |

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.

## 5.3 Other operating income

| <i>(in millions of euros)</i>       | 2018      | 2017      |
|-------------------------------------|-----------|-----------|
| Other                               | 43        | 26        |
| Penalties received                  | 3         | 3         |
| <b>Total other operating income</b> | <b>46</b> | <b>29</b> |

Other operating income consists primarily of indemnities from CDG Express for €38 million (see Note 3 on the highlights) and Société du Grand Paris for €4 million for works carried out on Aéroports de Paris SA land.

## 5.4 Purchases and external expenses

| <i>(in millions of euros)</i>                   | 2018         | 2017         |
|---|--------------|--------------|
| Electricity                                     | (26)         | (26)         |
| Water, gas and fuel                             | (13)         | (12)         |
| Operational supplies and small-format equipment | (11)         | (12)         |
| Other consumables                               | (32)         | (15)         |
| <b>Consumables</b>                              | <b>(81)</b>  | <b>(64)</b>  |
| General sub-contracting                         | (493)        | (478)        |
| Security  | (236)        | (230)        |
| Cleaning  | (74)         | (74)         |
| Transport                                       | (32)         | (34)         |
| Other   | (152)        | (141)        |
| Maintenance and repairs                         | (129)        | (134)        |
| Post and communication costs                    | (29)         | (30)         |
| Insurance                                       | (9)          | (11)         |
| Remuneration of intermediaries and fees         | (23)         | (25)         |
| Advertising, publications, public relations     | (29)         | (32)         |
| Rental and leasing expenses                     | (18)         | (18)         |
| External personnel                              | (5)          | (6)          |
| Other external expenses                         | (37)         | (34)         |
| <b>External expenses</b>                        | <b>(773)</b> | <b>(768)</b> |
| <b>Total purchases and external expenses</b>    | <b>(854)</b> | <b>(832)</b> |

External purchases and expenses amount to €854 million as of 31 December 2018, compared to €832 million in the previous year. This represents an increase of +2.6% (-€22 million).

Raw materials and consumables used are up by €17 million compared to last year, reflecting an increase in expenses for the services provided on behalf of Société du Grand Paris in the amount of €10 million and an increase in purchases of weather-related supplies at the beginning of the year.

Subcontracting has increased by €15 million, with a rise of €6 million for security and €11 million for other services (notably an increase in Reception relating to the rollout of "Welcome to Paris" of €4 million, PRM, caretaking and waste management).

Maintenance and repair have decreased by €5 million compared to last year, of which €2 million relating to Société du Grand Paris.



## 5.5 Taxes other than income taxes

| <i>(in millions of euros)</i>            | 2018         | 2017         |
|--|--------------|--------------|
| Property tax                             | (96)         | (93)         |
| Territorial financial contribution       | (71)         | (57)         |
| Non-refundable VAT on safety expenditure | (54)         | (54)         |
| Tax on earnings                          | (21)         | (21)         |
| Other taxes                              | (23)         | (22)         |
| <b>Taxes other than income taxes</b>     | <b>(265)</b> | <b>(247)</b> |

Duties and taxes increased by 7% for a total of €265 million at 31 December 2018.

- ♦ In terms of Property tax, the increase (+€3 million) is primarily the result of the updating of our tax bases and of the application of the reform of lease values implemented in 2017;
- ♦ With respect to the CET (Contribution Economique Territoriale), the increase (+€14 million) is the result of the changes made to our property bases plus the effect of the increase in the added value for the period.

## 5.6 Employee benefit costs

| <i>(in millions of euros)</i>                 | 2018         | 2017         |
|---|--------------|--------------|
| Salaries                                      | (376)        | (381)        |
| Social security expenses                      | (162)        | (165)        |
| Profit-sharing bonus                          | (14)         | (13)         |
| Works Council                                 | (19)         | (19)         |
| Tax credit for competitiveness and employment | 4            | 4            |
| Other employee expenses                       | (19)         | (17)         |
| <b>Employee benefit costs</b>                 | <b>(586)</b> | <b>(590)</b> |

Employee benefit costs amounted to €586 million as of 31 December 2018, a reduction of €4 million compared to last year.

The decrease in average headcount of -1.5% resulted in a decrease in employee benefit costs by approximately -€6 million.

Other employee benefit costs include the PEE/PERCO contributions, meals for employees of Aéroport de Paris SA outside the restaurants managed by the Works Committee, and additional retirement benefits.

The amount of additional retirement benefits for 2018 increased by €2 million compared to 2017, following retirements under an early retirement plan.





## 5.7 Operating depreciations, amortisations and reversals

| <i>(in millions of euros)</i>                        | 2018         |           | 2017         |           |
|--|--------------|-----------|--------------|-----------|
|  | Additions    | Reversals | Additions    | Reversals |
| Intangible assets                                    | (20)         | -         | (19)         | -         |
| Property, plant and equipment                        | (432)        | -         | (420)        | -         |
| <b>Depreciation and Amortisation of fixed assets</b> | <b>(453)</b> | <b>-</b>  | <b>(439)</b> | <b>-</b>  |
| Provisions for risks                                 | (6)          | 18        | (11)         | 17        |
| Provisions for expenses                              | (13)         | 15        | (24)         | 18        |
| <b>Provisions for liabilities and expenses</b>       | <b>(19)</b>  | <b>33</b> | <b>(36)</b>  | <b>35</b> |
| Trade receivables and related accounts               | (7)          | 1         | (3)          | 6         |
| <b>Depreciation of receivables</b>                   | <b>(7)</b>   | <b>1</b>  | <b>(3)</b>   | <b>6</b>  |
| <b>Transfer of operating charges</b>                 | <b>-</b>     | <b>-</b>  | <b>-</b>     | <b>1</b>  |
| <b>Total</b>   | <b>(477)</b> | <b>35</b> | <b>(477)</b> | <b>42</b> |

Provisions for liabilities and expenses amount to €19 million, including mainly provisions for commitments for end-of-career benefits.

The amount of allowances for impairment of doubtful and disputed receivables is €7 million.



## 5.8 Financial income

Financial income in 2018 amounted to €49 million and includes:

| <i>(in millions of euros)</i> | 2018         | 2017         |
|-------------------------------|--------------|--------------|
| Income from investments       | 57           | 109          |
| Swap interest income          | 9            | 9            |
| Other financial income        | 41           | 23           |
| <b>Financial income</b>       | <b>106</b>   | <b>141</b>   |
| Interest on loans             | (114)        | (108)        |
| Swap interest charges         | (6)          | (6)          |
| Other financial expenses      | (35)         | (37)         |
| <b>Financial expenses</b>     | <b>(155)</b> | <b>(151)</b> |
| <b>Financial income</b>       | <b>(49)</b>  | <b>(10)</b>  |

Financial income amounts to €106 million and mainly comprises:

- ◆ dividends received (€57 million), of which €37 million for the share of the holding in Tank Alpha and €12 million for Schiphol;
- ◆ interest income from swaps amounting to €9 million.

Other financial income is mainly made up with:

- ✓ reversal of impairment on Tank Alpha securities in the amount of €3 million;
- ✓ reversal of impairment on current account of the Cœur d'Orly Investissement of €7 million
- ✓ exchange gains amounting to €9 million;
- ✓ interest on current accounts of €8 million.

Financial expenses for the 2018 year primarily comprise interest on borrowings and swaps amounting to €120 million. The change in this type of expenses is consistent with the variation in borrowings and debt swaps (see Note 6.9 "Financial debt").

Other Financial expenses contains:

- ✓ impairment of €8 million on ADP International securities;
- ✓ net impairment of the Cœur d'Orly Investissement securities of €6 million;
- ✓ impairment of other securities of €4 million;
- ✓ impairment of other EPIGO receivables of €3 million;
- ✓ exchange losses amounting to €2 million.



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

| <i>(in millions of euros)</i>             | Income from<br>investments | Amortisation and<br>reversal of<br>provisions | Other financial<br>income and<br>expenses | Total        |
|---|----------------------------|---|---|--------------|
| Schiphol Group                            | 12                         | -   | -   | 12           |
| ADP International                         | -                          | (8)   | 4   | (4)          |
| ADP immobilier Tertiaire                  | -                          | -   | 1   | 1            |
| SAS Coeur d'Orly Investissement           | -                          | 1   | -   | 1            |
| Hub One                                   | 2                          | -   | -   | 2            |
| TANK ÖWA alpha GmbH                       | 37                         | 3   | 12  | 52           |
| Média ADP                                 | 2                          | -   | -   | 2            |
| Others                                    | 3                          | (3)   | 1   | 2            |
| <b>Group Financial result</b>             | <b>56</b>                  | <b>(6)</b>                                    | <b>18</b>                                 | <b>68</b>    |
| Net financial income                      | -                          | -   | -   | (111)        |
| Other financial income and expenses       | -                          | -   | -   | (6)          |
| <b>Financial result outside the Group</b> | <b>-</b>                   | <b>-</b>                                      | <b>-</b>                                  | <b>(117)</b> |
| <b>Financial income</b>                   | <b>-</b>                   | <b>-</b>                                      | <b>-</b>                                  | <b>(49)</b>  |

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



## 5.9 Extraordinary income

| <i>(in millions of euros)</i>  | 2018         | 2017         |
|--|--------------|--------------|
| Accelerated depreciation write-off   | 79           | 73           |
| Other extraordinary income from assets   | 8            | 36           |
| <b>Extraordinary income from assets</b>  | <b>87</b>    | <b>109</b>   |
| Reversal of provisions for liabilities and expenses  | 15           | 19           |
| Other extraordinary income   | 19           | 2            |
| <b>Sundry exceptional income</b>   | <b>34</b>    | <b>21</b>    |
| <b>Extraordinary income</b>  | <b>122</b>   | <b>130</b>   |
| Accelerated depreciation expenses  | (100)        | (107)        |
| Other extraordinary expenses on assets   | (12)         | (20)         |
| <b>Extraordinary expenses on assets</b>  | <b>(112)</b> | <b>(127)</b> |
| Provisions for extraordinary liabilities and expenses  | (1)          | (20)         |
| Other extraordinary expenses   | (16)         | (3)          |
| <b>Sundry extraordinary expenses</b>   | <b>(17)</b>  | <b>(23)</b>  |
| <b>These adjustments relate mainly to the depreciation of intangible assets (concession agreements, customer relationship)</b> | <b>(130)</b> | <b>(150)</b> |
| <b>Extraordinary income</b>  | <b>(8)</b>   | <b>(20)</b>  |

In 2018, the main changes in other extraordinary income concern the CET tax relief for financial years 2010 to 2014 in the total amount of €19 million.

Accelerated tax depreciation consists primarily of accelerated tax depreciation on property, plant and equipment.

Aéroports de Paris SA benefits from a system codified in Article 217 octies of the French General Tax Code which allows companies subject to income tax to implement accelerated tax depreciation over five years for their cash investments in innovation SMEs under certain conditions.



## 5.10 Income tax expenses

### Break down of tax

| <i>(in millions of euros)</i>           | Income<br>before tax | Taxes        | Net income<br>excluding<br>profit sharing |
|---|----------------------|--------------|---|
| Current result                          | 856                  | (262)        | 594                                       |
| Extraordinary income                    | (8)                  | 3            | (6)                                       |
| Tax consolidation revenue               | -                    | 4            | 4   |
| <b>Total (excluding profit sharing)</b> | <b>847</b>           | <b>(256)</b> | <b>592</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,<br>2018 | As at Dec 31,<br>2017 | Change    |
|---|-----------------------|-----------------------|-----------|
| Participation of employee's profit sharing                      | (28)                  | (22)                  | (6)       |
| Provisions for exchange losses                                  | -                     | -                     | -         |
| Provisions for employee benefit obligations                     | (371)                 | (373)                 | 2         |
| Other non-deductible provisions                                 | (19)                  | (38)                  | 18        |
| Cost of studies and supervision of works (FEST)                 | (25)                  | (35)                  | 9         |
| Acquisition cost of securities investments                      | (10)                  | (10)                  | -         |
| Amortization of securities investments acquisition costs        | 10                    | 10                    | -         |
| Property option exercise (ex leasing)                           | (6)                   | (6)                   | -         |
| <b>Deductible expenses for the period on subsequent periods</b> | <b>(450)</b>          | <b>(475)</b>          | <b>25</b> |
| FEDEX   | 67                    | 65                    | 2         |
| Translation adjustments - Asset                                 | -                     | -                     | -         |
| Regulated provisions  | 1,194                 | 1,173                 | 22        |
| Other charges deducted in advance                               | (3)                   | -                     | (3)       |
| <b>Deducted charges of subsequent periods for the period</b>    | <b>1,258</b>          | <b>1,238</b>          | <b>20</b> |
| <b>Total temporary differences</b>                              | <b>807</b>            | <b>763</b>            | <b>45</b> |

Future income tax liability estimated at 169 million euros as at 31 December 2018 (165 million euros as at 31 December 2017). The valuation has taken into account a decrease in the tax rate from 34.43% to 25.82% in 2022 in compliance with the finance law approved at the end of December 2018



## NOTE 6 Notes to the balance sheet

### 6.1 Fixed Assets

| <i>(in millions of euros)</i>  | As at Dec 31,<br>2017 | Increase   | Decrease    | Transfers fi and<br>from other<br>headings | As at Dec 31,<br>2018 |
|--|-----------------------|------------|-------------|--|-----------------------|
| Concessions and similar rights, patents, licences, brands, procedures, and similar rights and values | 265                   | -          | (3)         | 30   | 292                   |
| <b>Intangible assets</b>   | <b>265</b>            | <b>-</b>   | <b>(3)</b>  | <b>30</b>                                  | <b>292</b>            |
| Land   | 53                    | -          | -           | -  | 52                    |
| Land development   | 32                    | -          | -           | 3  | 35                    |
| Buildings  | 11,373                | -          | (51)        | 571  | 11,893                |
| Buildings on third party land  | 5                     | -          | -           | -  | 5                     |
| Industrial plant and equipment   | 169                   | -          | (1)         | 11   | 179                   |
| Other tangible fixed assets  | 300                   | -          | (1)         | 14   | 313                   |
| <b>Property, plant and equipment</b>   | <b>11,932</b>         | <b>-</b>   | <b>(54)</b> | <b>599</b>                                 | <b>12,478</b>         |
| <b>Fixed assets in progress</b>  | <b>998</b>            | <b>924</b> | <b>-</b>    | <b>(630)</b>                               | <b>1,292</b>          |
| <b>Advances on fixed assets suppliers</b>  | <b>23</b>             | <b>10</b>  | <b>-</b>    | <b>(11)</b>                                | <b>22</b>             |
| <b>Total</b>   | <b>13,218</b>         | <b>934</b> | <b>(57)</b> | <b>(11)</b>                                | <b>14,084</b>         |

#### Main investments during the year:

The investments made during 2018 amount to €924 million.

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 luggage security under satellites S3 and S4 of terminal 2E;
- the ongoing renovation of Terminal 2B and its link with terminal 2D;
- preparatory works for the construction of the CDG Express;
- construction of the link between the international satellites of Terminal 1;
- completion of the new registered office and of the Baïkal office building;
- the purchase of hold baggage inspection equipment compliant with standard 3 of the European regulations;
- the upgrading of restrooms;
- extension of the India areas;
- restyling of Hall L in Terminal 2E;
- signposting;
- the redesign of the Hall L shops in Terminal 2E,

- compliance work on the rainwater treatment systems;
- the refurbishment of the aircraft traffic intersection between taxiways BD1/B/BM4 in the northwest section of the airport;
- installation of Visual Docking Guidance Systems and information screens (timers) for the pilots and runway personnel;
- restoration of the CDG1 RER station at Roissy-pôle.

◆ at Paris-Orly Airport:

- further work of construction for the junction building between the South and West terminals;
- compliance upgrading of the East baggage sorting facilities in the South terminal;
- the Orly Ouest Hall 1 extension;
- preparatory works for the renovation of runway 3;
- renewal of waterproofing and strengthening of bridge no. 2 under runway 3;
- restructuring of Hall B in Orly Sud;
- extension work to the Golf areas and compliance work on the LGN-LJS turn;



- creation of a taxi operating base;
  - standard 3 baggage inspection equipment compliant with European standards, 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 Avenir in Paris-Orly;
  - standard-compliant 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.
  - preparatory work before the construction of the future Grand Paris station;
  - construction of a building for PC Aires and PC Neige and for the Process Avion operating teams;
  - the upgrading of restrooms;
  - construction of a management and operational command centre (CPCO or APOC);
  - creation of a new retail area in the international departures zone at Orly South.
- ◆ Investments for the Aéroports de Paris-Le Bourget airport have focused mainly on an AFMAE apprentice training centre.

In 2018, Aéroports de Paris SA made significant investments in its support functions and projects common to the platforms, and IT.

### Main Disposals:

The net amount of transfers from other items mainly concerns reclassifications from fixed assets in progress to Property, plant and equipment. This reclassification focuses in particular on the following implemented items:

- the departures luggage sorter beneath Hall L of CDG 2 (TDS3);
- the Baïkal office building at Paris-Charles de Gaulle;
- the Orly Ouest Hall 1 extension;
- preparatory works for the renovation of terminal 2B and its junction with terminal 2D in Paris-Charles de Gaulle;
- the relocation of the taxi operating base at Paris-Charles de Gaulle and redesign of its access;
- the upgrading of the restrooms at both platforms;
- partial commissioning following the redesign of the shops in Hall K of Terminal 2E at Paris-Charles de Gaulle;
- the renovation of roads and aviation areas in the cargo zone of Paris-Charles de Gaulle;
- the taxi operating base at Paris-Orly;
- the partial commissioning of renovated building 5720 at Paris-Charles de Gaulle.



## Depreciations and Amortisations

| <i>(in millions of euros)</i>   | As at Dec 31,<br>2017 | Increase     | Decrease  | As at Dec 31,<br>2018 |
|---|-----------------------|--------------|-----------|-----------------------|
| Concessions and similar rights, patents, licences, brands, procedures, and similar rights and | (202)                 | (20)         | 3         | (219)                 |
| <b>Intangible assets</b>  | <b>(202)</b>          | <b>(20)</b>  | <b>3</b>  | <b>(219)</b>          |
| Land development  | (19)                  | (1)          | -         | (21)                  |
| Buildings   | (5,711)               | (404)        | 40        | (6,075)               |
| Buildings on third party land   | (5)                   | -            | -         | (5)                   |
| Industrial plant and equipment  | (111)                 | (10)         | 1         | (120)                 |
| Other tangible fixed assets   | (166)                 | (17)         | 1         | (181)                 |
| <b>Property, plant and equipment</b>  | <b>(6,012)</b>        | <b>(432)</b> | <b>42</b> | <b>(6,403)</b>        |
| <b>Total</b>  | <b>(6,214)</b>        | <b>(452)</b> | <b>45</b> | <b>(6,621)</b>        |

## Revaluation of fixed assets

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

| <i>(in millions of euros)</i>       | Revalued values |                             |                        | Depreciation of the revaluation difference |                | Net revaluation difference<br>(6) = (2) - (5) |
|-------------------------------------|-----------------|-----------------------------|------------------------|--|----------------|---|
|                                     | Gross value (1) | Increase in gross value (2) | Total (3)<br>= (1)+(2) | Exercice (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                           | 306             | 273                         | 578                    | 1  | 269            | 4   |
| <b>Depreciable fixed assets</b>     | <b>306</b>      | <b>273</b>                  | <b>580</b>             | <b>1</b>                                   | <b>269</b>     | <b>4</b>                                      |
| <b>Total</b>                        | <b>325</b>      | <b>296</b>                  | <b>621</b>             | <b>1</b>                                   | <b>269</b>     | <b>27</b>                                     |

The revaluation difference on non-depreciable fixed assets is found in equity in the amount of €23 million, as at 31 December 2018.





## 6.2 Financial assets

### Book Value

| <i>(in millions of euros)</i>            | As at Dec 31,<br>2017 | Increase  | Decrease    | Fusion    | As at Dec 31,<br>2018 |
|--|-----------------------|-----------|-------------|-----------|-----------------------|
| Share investments                        | 1,328                 | 15        | -           | 16        | 1,359                 |
| Receivables from to<br>share investments | 92                    | 14        | (23)        | -         | 83                    |
| Loans                                    | 8                     | -         | (1)         | -         | 7                     |
| Other financial assets                   | 55                    | 21        | (4)         | -         | 72                    |
| <b>Total</b>                             | <b>1,483</b>          | <b>50</b> | <b>(28)</b> | <b>16</b> | <b>1,521</b>          |

The main variations relate to:

The Cœur d'Orly Investissement capital increase of €31 million, of which €16 million via a current account contribution.

The change in "Receivables from share investments" is mainly due to new loans to our subsidiaries: €8 million for ADP Immobilier Tertiaire and €5 million for EPIGO, and the collection in 2018 of the dividends receivable for the 2017

financial year. The €23 million decrease relates to the dividends receivable from TANK Alpha at 31 December 2017 received in 2018.

The change in other financial assets corresponds to the subscription to two new investment funds, i.e., €10 million for CATHAY II and €7 million for WHITE STAR.

### Depreciation

See Note 4.7 Depreciation of long-term assets

Impairments of securities amounted to €63 million of which:

| <i>(en millions d'euros)</i>    | As at Dec 31,<br>2017 | Increase    | Decrease  | As at Dec 31,<br>2018 |
|---------------------------------|-----------------------|-------------|-----------|-----------------------|
| TANK ÖWC beta GmbH              | (28)                  | -           | -         | (28)                  |
| SAS Coeur d'Orly Investissement | (11)                  | (17)        | 11        | (17)                  |
| EPIGO                           | (6)                   | (3)         | -         | (9)                   |
| ADP Immobilier                  | (1)                   | -           | -         | (1)                   |
| TANK ÖWA alpha GmbH             | (3)                   | -           | 3         | -                     |
| ADP International               | -                     | (8)         | -         | (8)                   |
| Other                           | (1)                   | -           | -         | (1)                   |
| <b>Total</b>                    | <b>(50)</b>           | <b>(27)</b> | <b>14</b> | <b>(63)</b>           |



## 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 hold |     | Unrefunded loans and advances granted by ADP | Guarantees given by ADP | Revenue excluding VAT | Profit/loss for the period | Dividends received by ADP |
|--|---------------|------------------|-----------------------------------|---------------------------|-----|--|-------------------------|-----------------------|----------------------------|---------------------------|
|  |               |                  |                                   | Gross                     | Net |  |                         |                       |                            |                           |
| <b>Subsidiaries</b>                            |               |                  |                                   |                           |     |  |                         |                       |                            |                           |
| ADP International - France                     | 112           | -                | 100%                              | 119                       | 111 | -  | 14                      | 13                    | (31)                       | -                         |
| ADP Invest - France                            | -             | -                | 100%                              | 1                         | 1   | -  | -                       | -                     | -                          | -                         |
| ADP Invest 1 - France                          | 16            | (1)              | 100%                              | 16                        | 16  | -  | -                       | -                     | (1)                        | -                         |
| Hub One - France                               | 41            | 43               | 100%                              | 41                        | 41  | -  | -                       | 89                    | 3                          | 2                         |
| SAS Coeur d'Orly Investissement - France       | 24            | 1                | 100%                              | 42                        | 25  | -  | -                       | -                     | 1                          | -                         |
| ADP Immobilier - France                        | 66            | 26               | 100%                              | 93                        | 93  | 6  | -                       | -                     | -                          | -                         |
| TANK ÖWA alpha GmbH - France                   | -             | 659              | 100%                              | 625                       | 625 | -  | -                       | -                     | 36                         | 37                        |
| TANK ÖWC beta GmbH - France                    | -             | 9                | 100%                              | 38                        | 10  | -  | -                       | -                     | -                          | -                         |
| <b>Other investments between 10 % and 50 %</b> |               |                  |                                   |                           |     |  |                         |                       |                            |                           |



## Company Financial Statements and Notes of Aéroports de Paris SA at December 31, 2018

| (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 by ADP |
|--|---------------|------------------|-----------------------------------|---------------------------|--------------|--|-------------------------|-----------------------|----------------------------|---------------------------|
|  |               |                  |                                   | Gross                     | Net          |  |                         |                       |                            |                           |
| ADPLS Présidence - France                      | -             | -                | 50%                               | -                         | -            | -  | -                       | -                     | -                          | -                         |
| Média ADP - France                             | 2             | 11               | 50%                               | 1                         | 1            | -  | -                       | 59                    | 5                          | 2                         |
| Société de distribution aéroportuaire - France | 1             | 9                | 50%                               | 1                         | 1            | 5  | -                       | 742                   | 1                          | -                         |
| EPIGO - France                                 | 1             | (5)              | 50%                               | 6                         | -            | 5  | -                       | 69                    | (4)                        | -                         |
| EPIGO Présidence - France                      | -             | -                | 50%                               | -                         | -            | -  | -                       | -                     | -                          | -                         |
| Relay@adp - France                             | 3             | 8                | 49%                               | 1                         | 1            | -  | -                       | 96                    | 7                          | 3                         |
| SCI Roissy Sogaris - France                    | 6             | 2                | 40%                               | 2                         | 2            | -  | -                       | -                     | -                          | -                         |
| SAS CHENUE LE BOURGET - France                 | 1             | -                | 40%                               | -                         | -            | -  | -                       | -                     | -                          | -                         |
| CDG Express Etudes - France                    | -             | -                | 33%                               | -                         | -            | -  | -                       | -                     | -                          | -                         |
| Hub Safe - France                              | -             | -                | 20%                               | 2                         | 2            | -  | -                       | -                     | -                          | -                         |
| Egidium - France                               | -             | 1                | 20%                               | 1                         | 1            | -  | -                       | -                     | -                          | -                         |
| Schiphol Group - Pays-Bas                      | 85            | 3,985            | 8%                                | 370                       | 370          | -  | -                       | -                     | -                          | 12                        |
| <b>Other investments</b>                       |               |                  |                                   |                           |              |  |                         |                       |                            |                           |
| CCS France - France                            | -             | -                | 20%                               | -                         | -            | -  | -                       | NC                    | NC                         | -                         |
| PACIFA - France                                | -             | -                | 12%                               | 1                         | 1            | -  | -                       | -                     | -                          | -                         |
| IDF Capital - France                           | 20            | -                | 1,35%                             | -                         | -            | -  | -                       | NC                    | NC                         | -                         |
| Civi.Pol Conseil - France                      | 2             | -                | 1,03%                             | -                         | -            | -  | -                       | NC                    | NC                         | -                         |
| <b>Total</b>                                   |               |                  |                                   | <b>1,359</b>              | <b>1,300</b> | <b>16</b>                                    | <b>14</b>               |                       |                            | <b>56</b>                 |



### 6.3 Operating receivables

(in millions of euros)

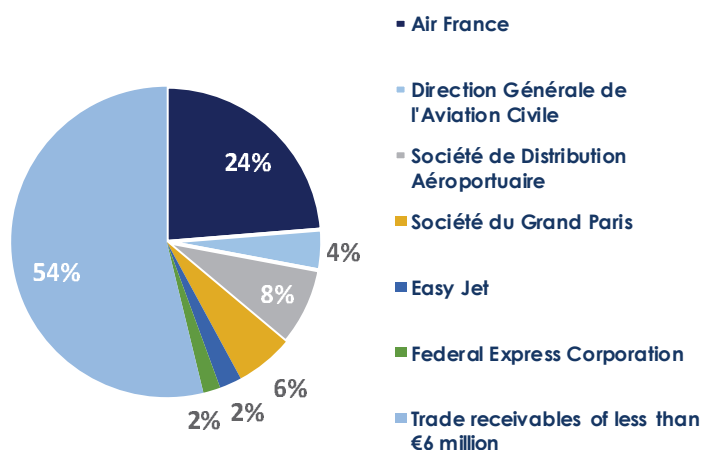
|   | As at Dec 31, 2018 | As at Dec 31, 2017 |
|---|--------------------|--------------------|
| <b>Trade receivables and related accounts</b> | <b>412</b>         | <b>420</b>         |
| Staff costs and related accounts              | -                  | 3                  |
| Taxes other than income taxes                 | 52                 | 117                |
| Current accounts                              | 738                | 187                |
| Other debtors                                 | 59                 | 10                 |
| <b>Other receivables</b>                      | <b>848</b>         | <b>316</b>         |
| <b>Total</b>                                  | <b>1,260</b>       | <b>736</b>         |

#### Main trade receivables at year-end

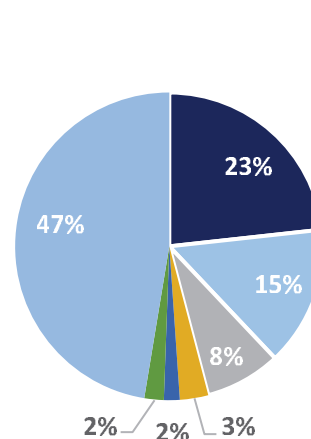
(in millions of euros)

|   | As at Dec 31, 2018 | As at Dec 31, 2017 |
|---|--------------------|--------------------|
| Air France                                | 98                 | 98                 |
| Direction Générale de l'Aviation Civile   | 17                 | 62                 |
| Société de Distribution Aéroportuaire     | 34                 | 33                 |
| Société du Grand Paris                    | 25                 | 13                 |
| Easy Jet                                  | 10                 | 7                  |
| Federal Express Corporation               | 7                  | 9                  |
| Trade receivables of less than €6 million | 222                | 199                |
| <b>Total</b>                              | <b>412</b>         | <b>420</b>         |

Breakdown of operating receivables 2018



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,<br>2018 | As at Dec 31,<br>2017 |
|--|-----------------------|-----------------------|
| TANK ÖWA alpha GmbH                    | 447                   | 134                   |
| ADP International                      | 238                   | 1                     |
| SAS Coeur d'Orly Investissement        | 9                     | 23                    |
| ADP Ingénierie                         | 8                     | 2                     |
| ADP Invest                             | 7                     | 2                     |
| <b>Fully Consolidated Subsidiaries</b> | <b>708</b>            | <b>162</b>            |
| Société de distribution aéroportuaire  | 21                    | 15                    |
| EPIGO                                  | -                     | 3                     |
| SCI ROMEO                              | 1                     | -                     |
| CDG Express Etudes                     | 6                     | 6                     |
| Other                                  | 3                     | 1                     |
| <b>Associates and joint ventures</b>   | <b>30</b>             | <b>25</b>             |
| <b>Total</b>                           | <b>738</b>            | <b>187</b>            |

Aéroports de Paris SA increased the cash advances to the subsidiaries TANK ÖWA alpha GmbH and ADP International for the following transactions:

- ◆ the setting up of a loan for TANK ÖWA alpha GmbH in the amount of €300 million for its subsidiary TAV Airport;
- ◆ Increase by ADP International of its equity investment in the capital of with Airport International Group.

## Depreciation of current assets

The depreciation of current assets amounted to €22 million:

| <i>(in millions of euros)</i>          | As at Dec 31,<br>2018 | As at Dec 31,<br>2017 |
|--|-----------------------|-----------------------|
| Trade receivables and related accounts | (21)                  | (16)                  |
| Other receivables                      | (1)                   | -                     |
| Current accounts                       | -                     | (8)                   |
| <b>Total</b>                           | <b>(22)</b>           | <b>(24)</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  | 83           | 6            | 27           | 50        |
| Loans                                  | 8            | 2            | 3            | 3         |
| Other capitalised receivables          | 4            | 4            | -            | -         |
| <b>Receivables from fixed assets</b>   | <b>95</b>    | <b>12</b>    | <b>30</b>    | <b>53</b> |
| Trade receivables and related accounts | 412          | 412          | -            | -         |
| Other receivables                      | 848          | 848          | -            | -         |
| <b>Receivables from current assets</b> | <b>1,260</b> | <b>1,260</b> | -            | -         |
| <b>Prepaid expenses</b>                | <b>29</b>    | <b>21</b>    | <b>5</b>     | <b>3</b>  |
| <b>Total</b>                           | <b>1,384</b> | <b>1,293</b> | <b>35</b>    | <b>56</b> |

### 6.4 Marketable securities and cash

| <i>(in millions of euros)</i>   | As at Dec 31, 2018 | As at Dec 31, 2017 |
|---------------------------------|--------------------|--------------------|
| Marketable securities           | 1,289              | 1,404              |
| <i>Of which Treasury shares</i> | 1                  | 1                  |
| Cash                            | 130                | 117                |
| <b>Total</b>                    | <b>1,418</b>       | <b>1,521</b>       |

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

### 6.5 Prepaid expenses and deferred income

The Prepaid expenses amount to 29 million euros and consist mainly of items relating to:

- ◆ insurance contracts subscribed;
- ◆ the prepayment of leases for the use of the networks built by Réseau de Transport d'Electricité (RTE) at the Roissy Charles de Gaulle airport which they still own. The leases are spread over the period of use of the infrastructure by Aéroports de Paris SA.

### Deferred income

Deferred income totaled 155 million euros at year-end 31 December 2018 mostly made of rents paid in advance.

### 6.6 Bond redemption premiums

| <i>(in millions of euros)</i> | Assets | Liabilities |
|-------------------------------|--------|-------------|
| Bonds issued                  | 16     | -           |

Details of loan premiums are presented in note 6.9.



## 6.7 Shareholders' equity

| <i>(in millions of euros)</i> | As at Dec<br>31, 2017 | Increase   | Decrease     | Allocation<br>of income | As at Dec<br>31, 2018 |
|-------------------------------|-----------------------|------------|--------------|-------------------------|-----------------------|
| Share capital                 | 297                   | -          | -            | -                       | 297                   |
| Premiums                      | 543                   | -          | -            | -                       | 543                   |
| Revaluation difference        | 23                    | -          | -            | -                       | 23                    |
| Legal reserve                 | 30                    | -          | -            | -                       | 30                    |
| Other reserves                | 839                   | -          | -            | -                       | 839                   |
| Retained earnings             | 1,193                 | -          | -            | 163                     | 1,356                 |
| Profit/loss for the period    | 506                   | 564        | -            | (506)                   | 564                   |
| Interim dividend              | (70)                  | 70         | (69)         | -                       | (69)                  |
| Investment grants             | 49                    | 1          | (2)          | -                       | 48                    |
| Regulated provisions          | 1,173                 | 100        | (79)         | -                       | 1,194                 |
| <b>Total</b>                  | <b>4,583</b>          | <b>734</b> | <b>(151)</b> | <b>(343)</b>            | <b>4,823</b>          |

At 31 December 2018, the Company's capital amounted to €296,881,806, divided into 98,960,602 shares with a nominal value of €3.

The equity of Aéroports de Paris SA amounted to €4,823 million.

In accordance with the decision of the Combined General Meeting of 4 May 2018, a dividend of €2.76 per share was paid out on 5 June 2018, representing a total of €342,372,020.



## 6.8 Provisions

| <i>(in millions of euros)</i>               | As at Dec 31, 2017 | Additions | Reversals   | As at Dec 31, 2018 |
|---|--------------------|-----------|-------------|--------------------|
| Other provisions for risks                  | 20                 | -         | (12)        | 8                  |
| Provisions for litigation                   | 14                 | 5         | (6)         | 14                 |
| <b>Provisions for risks</b>                 | <b>34</b>          | <b>6</b>  | <b>(18)</b> | <b>22</b>          |
| Provisions for taxes                        | -                  | -         | -           | -                  |
| Provisions for restructuring                | 20                 | 1         | (15)        | 6                  |
| Provisions for employee benefit obligations | 375                | 13        | (15)        | 373                |
| Other provisions for charges                | 1                  | -         | -           | 1                  |
| Provisions for exchange losses              | -                  | -         | -           | -                  |
| <b>Provisions for expenses</b>              | <b>397</b>         | <b>14</b> | <b>(30)</b> | <b>381</b>         |
| <b>Total</b>                                | <b>431</b>         | <b>20</b> | <b>(48)</b> | <b>403</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 SA' financial contribution;
- ◆ of a steady increase in medical costs covered by mutual health insurance, which has a knock-on effect on Aéroports de Paris SA' 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; Expected by Ordonnance within 12 months from the enactment of the PACTE law - would lead to a significant increase in the commitment of Aéroport de Paris SA.

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 exit from PARDA and the age of 65.





- de type « différentiel » pour l'ensemble des bénéficiaires des régimes PARDA (Protocole d'Accord de Régime de Départ Anticipée). Cette rente, temporaire, est versée simultanément à la rente PARDA pour les pompiers, et entre la sortie du PARDA et l'âge de 65 ans pour les autres préretraités. Cette rente « différentielle » est calculée comme la différence entre la rente PARDA nette perçue par le bénéficiaire à la sortie du PARDA et ses rentes légales (SS, ARRCO et AGIRC) nettes.

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

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           | 303             | 11        | 75                              | 49           | 2                                     | 439        |
| Interest costs                                     | 16              | 2         | 3                               | -            | -                                     | 22         |
| Service costs for the period                       | 5               | -         | 1                               | 1            | -                                     | 7          |
| Costs of past services                             | (3)             |           | (1)                             |              |                                       | (3)        |
| Services provided                                  | (6)             | (1)       | (5)                             | (3)          | -                                     | (15)       |
| Reduction/curtailment                              | 2               | -         | -                               | -            | -                                     | 2          |
| Actuarial gain or loss                             | 5               | 3         | 2                               | 1            | -                                     | 11         |
| <b>Actuarial value of obligation at closing</b>    | <b>323</b>      | <b>15</b> | <b>75</b>                       | <b>47</b>    | <b>2</b>                              | <b>462</b> |
| Deferred actuarial difference on balance sheet     | (48)            | 3         | (48)                            | 4            | -                                     | (88)       |
| Market value of assets at closing                  | -               | -         | 1                               | -            | -                                     | 1          |
| Past service costs                                 | -               | -         | -                               | -            | -                                     | -          |
| <b>Liabilities recognized in the balance sheet</b> | <b>275</b>      | <b>18</b> | <b>28</b>                       | <b>51</b>    | <b>2</b>                              | <b>373</b> |
| Discount expenses                                  | 5               | -         | 1                               | 1            | -                                     | 7          |
| Amortisation of actuarial gains/losses             | 1               | (1)       | 3                               | (16)         | -                                     | (13)       |
| Service costs for the period                       | 16              | 2         | 3                               | -            | -                                     | 21         |
| Past service costs                                 | (3)             | -         | (1)                             | -            | -                                     | (4)        |
| Reduction/curtailment                              | 2               | -         | -                               | -            | -                                     | 2          |
| <b>Expense for the period</b>                      | <b>21</b>       | <b>1</b>  | <b>7</b>                        | <b>(15)</b>  | <b>-</b>                              | <b>13</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,<br>2017 | Increases  | Decreases    | As at Dec 31,<br>2018 |
|--|-----------------------|------------|--------------|-----------------------|
| Bonds  | 4,200                 | 502        | -            | 4,702                 |
| Loans from credit institutions                 | 517                   | 250        | (100)        | 667                   |
| Other loans                                    | 5                     | 1          | (1)          | 4                     |
| Deposits, estimated fees and deposits received | 15                    | 6          | (5)          | 17                    |
| Accrued interest on loans                      | 69                    | 72         | (69)         | 72                    |
| <b>Total</b>                                   | <b>4,806</b>          | <b>830</b> | <b>(175)</b> | <b>5,462</b>          |

The proceeds from long-term debt consist primarily of €753 million in loans minus €4 million in bond redemption premiums and an increase of €6 million in deposits received.

Accrued interest on loans stood at €72 million, including:

*(in millions of euros)*

|                                   |    |
|-----------------------------------|----|
| Accrued interest on bonds         | 68 |
| 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                         | -             |
| ADP EUR 500 M 2012-2024               | 500                      | 3.13%           | 500                           | -                       | -                     | 500                         | 2             |
| ADP EUR 600 M 2013-2028               | 600                      | 2.75%           | 600                           | -                       | -                     | 600                         | 4             |
| ADP EUR 500 M 2014 -2028              | 500                      | 1.50%           | 500                           | -                       | -                     | 500                         | 3             |
| ADP EUR 500 M 2015 -2023              | 500                      | 1.50%           | 500                           | -                       | -                     | 500                         | 1             |
| ADP EUR 500 M 2017 -2027              | 500                      | 1.00%           | 500                           | -                       | -                     | 500                         | 2             |
| ADP EUR 500 M 2018 -2038              | -                        | 2.13%           | -                             | -                       | 500                   | 500                         | 4             |
| AMUNDI EUR 2 M 2018-2023              | -                        | 0.95%           | -                             | -                       | 2                     | 2                           | -             |
| <b>Bonds</b>                          | <b>4,200</b>             |                 | <b>4,200</b>                  | <b>-</b>                | <b>502</b>            | <b>4,702</b>                | <b>16</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                          | -             |
| BEI EUR 250 M 2018-2038               | -                        | Eur 3M + marge  | -                             | -                       | 250                   | 250                         | -             |
| <b>Loans from credit institutions</b> | <b>517</b>               |                 | <b>517</b>                    | <b>(100)</b>            | <b>250</b>            | <b>667</b>                  | <b>-</b>      |
| <b>Other loans</b>                    | <b>5</b>                 |                 | <b>5</b>                      | <b>(1)</b>              | <b>-</b>              | <b>4</b>                    | <b>-</b>      |
| <b>Total</b>                          | <b>4,722</b>             |                 | <b>4,722</b>                  | <b>(101)</b>            | <b>752</b>            | <b>5,373</b>                | <b>16</b>     |



## Swaps on bonds

(in millions of euros)

| Initial date of swap                 | Duration | Amount     | Fair value | Repayments made |                          | Repayments received |          |
|--------------------------------------|----------|------------|------------|-----------------|--------------------------|---------------------|----------|
|                                      |          |            |            | Rate            | These adjustments relate | Rate                | Income   |
| 08/07/11                             | 10 years | 100        | 10         | Eur 3M + margin | -                        | Fixed               | 4        |
| 08/07/11                             | 10 years | 100        | 10         | Eur 3M + margin | -                        | Fixed               | 4        |
| 08/07/12                             | 9 years  | 100        | (6)        | Fixed           | (3)                      | Eur 3M + margin     | -        |
| 08/07/12                             | 9 years  | 100        | (6)        | 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, 2018 | As at Dec 31, 2017 |
|---|--------------------|--------------------|
| <b>Trade payables</b>                       | <b>118</b>         | <b>126</b>         |
| Staff costs and related accounts            | 211                | 210                |
| Taxes other than income taxes               | 58                 | 40                 |
| <b>Tax and employee-related liabilities</b> | <b>269</b>         | <b>250</b>         |
| <b>Total</b>                                | <b>387</b>         | <b>376</b>         |



## 6.11 Other liabilities

(in millions of euros)

|   | As at Dec 31,<br>2018 | As at Dec 31,<br>2017 |
|---|-----------------------|-----------------------|
| <b>Debts on fixed assets and related accounts</b> | <b>321</b>            | <b>238</b>            |
| Current accounts                                  | 46                    | 95                    |
| Customer accounts payable                         | 24                    | 18                    |
| Various accounts payables                         | 23                    | 22                    |
| <b>Other debts</b>                                | <b>93</b>             | <b>135</b>            |
| <b>Total</b>                                      | <b>414</b>            | <b>373</b>            |

### Current accounts

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

(in millions of euros)

|  | As at Dec 31,<br>2018 | As at Dec 31,<br>2017 |
|--|-----------------------|-----------------------|
| ADP international                      | -                     | 43                    |
| TANK ÖWA alpha GmbH                    | -                     | 22                    |
| Hub One                                | 12                    | 17                    |
| TANK ÖWC beta GmbH                     | 9                     | 9                     |
| ADP Invest 1                           | 8                     | -                     |
| SAS Coeur d'Orly Investissement        | 6                     | -                     |
| ADP Immobilier Tertiaire               | 4                     | -                     |
| SCI Ville Aéroportuaire Immobilier 1   | 2                     | -                     |
| Média ADP                              | 2                     | 2                     |
| Hôtels aéroportuares                   | 2                     | -                     |
| ADP Ingénierie                         | 2                     | 1                     |
| <b>Fully Consolidated Subsidiaries</b> | <b>46</b>             | <b>95</b>             |

Current accounts decreased by €49 million compared to 31/12/2017 and is related primarily to ADP International in the amount of €43 million.



## 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                                      | 4,702        | 300          | 1,802        | 2,600        |
| Loans from credit institutions             | 667          | 263          | 217          | 188          |
| Loans and other financial liabilities      | 93           | 74           | 2            | 17           |
| <b>Financial debt</b>                      | <b>5,462</b> | <b>636</b>   | <b>2,021</b> | <b>2,804</b> |
| Trade payables                             | 118          | 118          | -            | -            |
| Tax and employee-related liabilities       | 269          | 269          | -            | -            |
| <b>Operating liabilities</b>               | <b>387</b>   | <b>387</b>   | -            | -            |
| Debts on fixed assets and related accounts | 321          | 303          | 18           | -            |
| Other debts                                | 93           | 93           | -            | -            |
| <b>Other payables</b>                      | <b>414</b>   | <b>396</b>   | <b>18</b>    | -            |
| <b>Deferred income</b>                     | <b>155</b>   | <b>97</b>    | <b>59</b>    | -            |
| <b>Total</b>                               | <b>6,418</b> | <b>1,516</b> | <b>2,098</b> | <b>2,804</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, 2018 | <i>(in millions of euros)</i>              | As at Dec 31, 2018 |
| Other financial assets                 | 4                  | Bonds                                      | 70                 |
| <b>Fixed assets</b>                    | <b>4</b>           | Loans from credit institutions             | 1                  |
| Trade receivables and related accounts | 142                | <b>Financial debt</b>                      | <b>72</b>          |
| Other receivables                      | 48                 | Trade payables                             | 110                |
| <b>Current assets</b>                  | <b>190</b>         | Tax and employee-related liabilities       | 196                |
|  |                    | <b>Operating liabilities</b>               | <b>306</b>         |
|  |                    | Debts on fixed assets and related accounts | 265                |
|  |                    | <b>Other payables</b>                      | <b>265</b>         |
| <b>Total</b>                           | <b>194</b>         | <b>Total</b>                               | <b>642</b>         |



## NOTE 7 Notes to the cash flow statement

### 7.1 Change in working capital

(in millions of euros)

|  | 2018        | 2017        |
|--|-------------|-------------|
| <b>Change in inventories</b>             | <b>(2)</b>  | <b>1</b>    |
| Accounts receivable                      | 25          | 37          |
| Customers - doubtful accounts            | (3)         | 3           |
| Customers - invoice to be established    | (14)        | (1)         |
| Tax receivable other than income taxes   | 7           | 13          |
| Depreciation of receivable accounts      | 6           | (3)         |
| Other                                    | (47)        | 2           |
| <b>Total trade and other receivables</b> | <b>(27)</b> | <b>52</b>   |
| Trade payables                           | 6           | (40)        |
| Staff                                    | -           | (10)        |
| Social security expenses                 | (3)         | -           |
| Tax liabilities excluding income taxes   | (2)         | (1)         |
| Accrued liabilities                      | -           | (4)         |
| Deferred income                          | (7)         | 4           |
| Employees' profit sharing                | (6)         | (2)         |
| Other                                    | -           | 4           |
| <b>Total trade and other payables</b>    | <b>(12)</b> | <b>(50)</b> |
| <b>Change in working capital</b>         | <b>(40)</b> | <b>3</b>    |

Other debtors, in the amount of -€47 million, include CDG Express for €38 million, SNCF Réseau for €6 million and €3 million for assistance to local residents.

### 7.2 Acquisition of participation

(in millions of euros)

|  | 2018      | 2017      |
|--|-----------|-----------|
| ADP Ingénierie   | -         | 11        |
| ADP Immobilier Tertiaire   | -         | 17        |
| SAS Coeur d'Orly Investissement                                      | 15        | -         |
| Other  | 17        | 22        |
| <b>Acquisition of subsidiaries and investments in other entities</b> | <b>31</b> | <b>50</b> |

Aéroports de Paris SA has subscribed to two new investment funds: €10 million for CATHAY II and €7 million for White Star.

### 7.3 Change in other financial assets

The €579 million change in other financial assets is the result of:

- ◆ the change in cash advances in the amount of -€13 million, of which €8 million for ADP Immobilier Tertiaire and €5 million for EPIGO;
- ◆ the change in current account assets of -€567 million (see Note 6.3).





#### 7.4 Dividends received

Aéroports de Paris SA received €79 million, of which €57 million in dividends for the year and €22 million for the previous year.

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

(in millions of euros)

|   | 2018         | 2017         |
|---|--------------|--------------|
| Cash and cash equivalents                             | 1,418        | 1,520        |
| Bank overdrafts (1)                                   | -            | -            |
| <b>Net cash (as shown in the Cash Flow Statement)</b> | <b>1,418</b> | <b>1,520</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> | <b>As at Dec 31,<br/>2018</b> | <b>As at Dec 31,<br/>2017</b> |
|-------------------------------|-------------------------------|-------------------------------|
| Guarantees                    | 16                            | 2                             |
| First demand guarantee        | 2                             | 4                             |
| Acquisition of capital assets | 914                           | 845                           |
| Other                         | 69                            | 123                           |
| <b>Commitments granted</b>    | <b>1,001</b>                  | <b>975</b>                    |
| Guarantees                    | 80                            | 59                            |
| First demand guarantee        | 158                           | 174                           |
| Other                         | 3                             | -                             |
| <b>Commitments received</b>   | <b>241</b>                    | <b>233</b>                    |

Guarantees correspond mainly to guarantees on loans to employees, as well as guarantees granted by Aéroports de Paris SA on behalf of ADP Ingénierie and ADP International for the benefit of various customers of these subsidiaries.

Guarantees on first demand have only been given by the ADP Ingénierie and ADP International subsidiaries as part of the execution of their international contracts.

Other commitments made in the amount of €69 million consist of €64 million in support for Société Concessionnaire Nuevo Pudahuel (Chile) and €5 million as a liabilities guarantee for SAMCIC.

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

| <i>(en millions euros)</i>             | <b>Total</b>      | <b>&lt; 1 an</b> | <b>1 à 5 ans</b> | <b>&gt; 5 ans</b> |
|--|-------------------|------------------|------------------|-------------------|
|  | <b>31/12/2018</b> |                  |                  |                   |
| Minimum future payments to be received | 3 188             | 252              | 961              | 1 975             |

The minimum future payments to be paid by Aéroports de Paris SA, for vehicle and real estate lease agreements in force as at 31 December, are as follows:

| <i>(en millions euros)</i>      | <b>Total</b>      | <b>&lt; 1 an</b> | <b>1 à 5 ans</b> | <b>&gt; 5 ans</b> |
|---------------------------------|-------------------|------------------|------------------|-------------------|
|                                 | <b>31/12/2018</b> |                  |                  |                   |
| Minimum future payments payable | 74                | 7                | 28               | 39                |



### 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,<br>2018 | As at Dec 31,<br>2017 |
|--|-----------------------|-----------------------|
| Remuneration                             | 4,088                 | 4,521                 |
| Employer's social security contributions | 1,602                 | 1,925                 |
| Attendance fees                          | 186                   | 213                   |
| <b>Total</b>                             | <b>5,876</b>          | <b>6,659</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,<br>2018 | As at Dec 31,<br>2017 | Change      | Percentage  |
|------------------------------------|-----------------------|-----------------------|-------------|-------------|
| Executives (excluding CEO and COO) | 1,365                 | 1,340                 | 25          | 2%          |
| Supervisors and technicians        | 4,422                 | 4,508                 | (86)        | (2)%        |
| Enforcement agents                 | 562                   | 587                   | (25)        | (4)%        |
| <b>Total</b>                       | <b>6,349</b>          | <b>6,435</b>          | <b>(86)</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;
- ◆ the agreements concluded with the French State and State-owned holding companies, associated companies and joint-venture companies over which Aéroports de Paris SA exercises significant influence and joint control, respectively.

### 10.2 Remuneration of principal senior directors

The main corporate officers at Aéroports de Paris SA are: the Chairman & Chief Executive Officer, the members of the Executive Committee and the directors appointed by the General Meetings of Shareholders.

This compensation amounts to 5.9 million euros in 2018 in comparison to 6.7 million euros in 2017. This compensation includes short-term employee benefits (fixed and variable salary and benefits in kind), as well as employer contributions and attendance fees (see Note 9)

#### RELATIONS WITH VINCI

The most significant transactions with Vinci are related to the construction of a connecting building between the West and South terminals of Paris-Orly Airport.

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

##### RELATIONS WITH THE FRENCH STATE

The French State held 50.6% of the capital of Aéroports de Paris SA and 58.6% of the voting rights as at 31 December 2018. The State is entitled to control decisions that require approval by the shareholders, in the same way as any majority shareholder.

The public authorities exercise control over Aéroports de Paris SA with regard to its status as a public company and with regard to its public service duties.

As a result, agreements are regularly concluded with the French State.

The most significant agreements are listed below:

- ◆ the Economic Regulation Agreement relating to the 2016-2020 signed on 31 August 2015

- ◆ relations with the Direction Générale de l'Aviation Civile (DGAC) - the conducting of public service duties such as security, air transport safety and aircraft rescue and fire-fighting services is assigned to Aéroports de Paris SA. The costs incurred in the performance of these duties are invoiced to Direction Générale de l'Aviation Civile (DGAC), which covers these costs through the airport tax charged to airlines. In 2018, revenues linked to airport security and safety amounted to €499 million (€487 million in 2017). At 31 December 2018, the receivable from the DGAC amounted to €17 million (€62 million at 31 December 2017);
- ◆ 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 LA SOCIETE 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 West and South 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 scheduled for 2024. Two agreements have been signed between Aéroports de Paris SA and Société du Grand Paris for this purpose:

- ◆ an indemnity agreement signed on 9 January 2015, whereby Société du Grand Paris will compensate Aéroports de Paris SA for the additional costs it has to bear in the context of the construction of the future connecting building due to the fact that two tunnels, for metro station lines 14 and 18, will pass 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 two metro lines and airport facilities. Aéroports de Paris SA is named as the sole project manager 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 final provisional cost of the construction works, the amount of indemnities to be paid to Aéroports de Paris SA for the losses and additional costs related to the buildings affected by the construction of the metro station, and the allocation of the tasks between the parties.

Furthermore, two additional agreements were signed with SGP in July and September 2017, concerning compensation for feasibility studies in relation to potential modifications to airport structures at Paris-Charles de Gaulle and Le Bourget Airports to be carried out by Aéroports de Paris SA on behalf of SGP.

#### **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 for the rental of land and buildings around the airports.

#### **Relations with joint control companies or those with significant influence**

Aéroports de Paris SA conducts regular transactions with companies over which it has joint control or a significant influence in a direct or indirect manner. These transactions occur most often with Société de Distribution Aéroportuaire and signed under normal market conditions.



## **NOTE 11** Subsequent events

### **Approval of 2019 airport fees tariffs**

Aéroports de Paris SA takes note of the decision n°1810-D2 of 6 February 2019 of the Independent Supervisory Authority to approve the airport charges applicable for the 2019-2020 tariff period<sup>1</sup>. These tariffs will come into force from 1 April 2019 and will be up by 1.0% for Paris-Charles de Gaulle and Paris-Orly airports and 3.52% for Paris-Le Bourget airport.

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<sup>1</sup> With the exception of fees for assistance to disabled passengers and passengers with reduced mobility already approved with the decision n°1810-D1 of 11 January 2019.

