

This is a translation into English of the statutory auditors' report on the consolidated 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 information concerning the Group presented in the management report.

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 consolidated financial statements

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Membre de la compagnie
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Aéroports de Paris

Year ended December 31, 2018

Statutory auditors' report on the consolidated 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 of, we have audited the accompanying consolidated financial statements of Aéroports de Paris for the year ended December 31, 2018.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2018 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

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 Consolidated 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 consolidated 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 consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

■ Valuation of intangible assets arising from a service concession agreement (see note 6.1.1 “Airport concession operating rights”)

Risk identified	Our response
<p>As at December 31, 2018, the Group held M€ 2,773 in intangible assets relating to airport concession operating rights (approximately 17% of total assets as at December 31, 2018) including M€ 873 related to airport operating right of Queen Alia to Amman recognized at the time of the acquisition of Airport International Group (AIG) on April 18, 2018.</p> <p>Note 6.1.1 describes the methods used to record airport concession operating rights in intangible assets, and those adopted for their amortization.</p> <p>As described in notes 6.1.1 and 6.4, the Group performs impairment tests on the intangible assets relating to airport concession operating rights when there are indications of impairment. The criteria adopted by the Group to determine the existence of impairment loss indicators include under performance in relation to forecasts, a decrease in traffic or a significant change in market data.</p> <p>Note 6.1.1 indicates that impairment tests were conducted as at December 31, 2018 following the identification of impairment loss indicators for the rights to operate Monastir and Enfidha International airports firstly and, Milas- Bodrum secondly, due in particular to lower traffic in the previous years. Based on these tests, no impairment loss was recognized for the year ended December 31, 2018.</p> <p>We consider the valuation of intangible assets arising from a service concession agreement to be a key audit matter due to (i) their material value in the Group's financial statements, (ii) the traffic assumptions and concession terms used to calculate depreciation and amortization, (iii) the management's necessary judgments to identify impairment loss indicators, and (iv) the assumptions adopted to measure their value in use, particularly in regard to traffic forecasts and business plans, where applicable.</p>	<p>We examined the compliance of the methodology used to calculate depreciation and amortization with the principles described in the notes to the consolidated financial statements, and recalculated the net value of the underlying assets.</p> <p>We also:</p> <ul style="list-style-type: none"> ▶ corroborated the absence or existence of impairment loss indicators at year-end by verifying the change in actual traffic versus forecast traffic and by comparing the actual results of airport concessions with budgets; ▶ where applicable, (i) compared the assumptions used for the impairment tests with the items presented in the concession agreements and the available market data, (ii) examined the management's sensitivity analyses covering the main traffic assumptions and the discount rates, for which we assessed the appropriateness and verified the calculation methods and (iii) tested by sampling the arithmetical accuracy of the valuations adopted by the Group.

■ **Valuation of property, plant, equipment (see note 6.2 “Property, plant, equipment”)**

Risk identified	Our response
<p>As at December 31, 2018, the net carrying amount of property, plant, equipment stood at M€ 7,272 (or 45% of total assets), mainly driven by Aéroports de Paris.</p> <p>Under the 2016-2020 Economic Regulation Agreement (ERA) entered into with the French State, the Group 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.</p> <p>The assets are depreciated according to the methods set out in the notes to the consolidated 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.</p> <p>We consider the valuation of property, plant, equipment to be a key audit matter due to (i) the significant value of property, plant, equipment in the Group’s consolidated financial statements, and (ii) the management’s necessary judgments 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.</p>	<p>The works we conducted 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.</p> <p>Using sampling method, we also:</p> <ul style="list-style-type: none"> ▶ 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.

■ **Fair value measurement of investment property (see note 6.3 “Investment property”)**

Risk identified	Our response
<p>The Group recognizes its investment property in assets at historical cost less accumulated depreciation and amortization and any impairment losses, for a net carrying amount of M€ 509 as at December 31, 2018 and presents the fair value of its buildings in note 6.3.2 to the consolidated financial statements, for a net carrying amount of M€ 2,624 as at December 31, 2018.</p> <p>Note 6.3.2 specifies that the fair value of investment property is based on a value appraised by independent real estate appraisal firms for nearly 100% of its total value, land reserves being appraised internally.</p>	<p>The work we conducted, with the help of a real estate specialist included in our audit team, consisted mainly in :</p> <ul style="list-style-type: none"> ▶ assessing the competency and independence of the real estate appraisal firms chosen by the Group, particularly in regard to their professional qualifications; ▶ examining the substance and quality of the management analyses covering the appraisals conducted by the real estate appraisal firms; ▶ meeting with the real estate appraisal firms to understand and assess the appropriateness of the estimates, assumptions and valuation methodologies used; ▶ based on sampling, comparing the data used in the appraisal process with the existing documentation, such as leases or the information provided by management to their real estate appraisal firms;

The measurement of the fair value of a property asset requires significant judgments from management, with the help of independent real estate appraisal firms, to determine the appropriate assumptions, mainly concerning discount or capitalization rates, market rental values and specific benefits granted to tenants.

- ▶ corroborating, for the main investment properties, the changes in fair values observed during the year via the change in key assumptions described above;
- ▶ examining the information disclosed in note 6.3 to the consolidated financial statements.

We consider the measurement of the fair value of investment property to be a key audit matter due to (i) the material value presented in the notes to the consolidated financial statements, and (ii) the management's judgment to determine the value.

■ Valuation of revenue related to airport safety and security (see note 4.2 "Revenue")

Risk identified	Our response
<p>As at December 31, 2018, the revenue related to airport safety and security amounted to M€ 499.</p> <p>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>Your Group 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, specifically 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 in mainly:</p> <ul style="list-style-type: none"> ▶ 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; ▶ examining the methods used to allocate security mission costs, with the help of an information system specialist included in our audit team. <p>We also:</p> <ul style="list-style-type: none"> ▶ 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; ▶ conducted a critical analysis 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.

Specifics verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French laws and regulations of the information pertaining to the Group presented in the Board of Directors' management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement provided for by article L. 225-102-1 of the French Commercial Code (Code de commerce) is included in the information pertaining to the Group presented in the management report, it being specified that, in accordance with the provisions of article L. 823-10 of said Code, we have verified neither the fair presentation nor the consistency with the financial statements of the information contained in this statement which has to be subject to a report by an independent third party.

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 uninterrupted engagement.

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 consolidated financial statements were approved by the Board of Directors.

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

■ Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- ▶ Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

■ 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 consolidated 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 Défense, March 4, 2019

The Statutory Auditors
French original signed by

DELOITTE & ASSOCIES

ERNST & YOUNG Audit

Olivier Broissand

Christophe Patrier Alban de Claverie

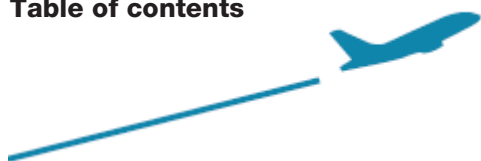
Alain Perroux



Financial information on the assets, financial position and consolidated financial statements at 31 December 2018



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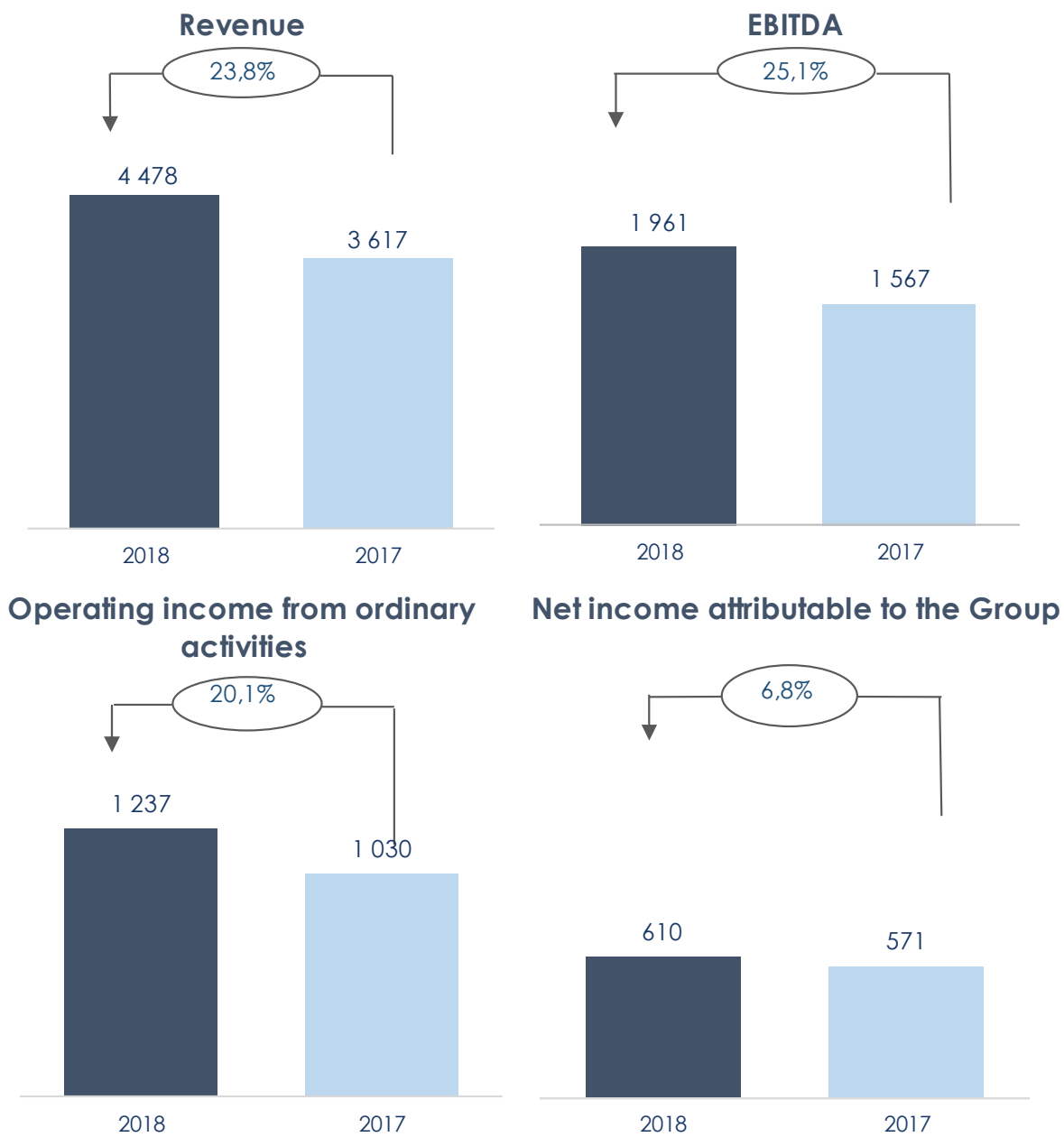
Groupe ADP Consolidated Financial Statements as of 31 December 2018

Key figures

<i>(in millions of euros)</i>	Notes	2018	2017
Revenue	4	4,478	3,617
EBITDA		1,961	1,567
<i>EBITDA/Revenue</i>		43,8%	43,3%
Operating income from ordinary activities		1,237	1,030
Operating income		1,235	1,052
Net income attributable to the Group		610	571
Operating cash flow before change in working capital and tax		1,835	1,470
Purchase of property, plant, equipment and intangible assets	12	(1,078)	(879)

<i>(in millions of euros)</i>	Notes	As at Dec 31, 2018	As at Dec 31, 2017
Equity	7	5,801	5,434
Net financial debt	9	4,942	3,797
<i>Gearing</i>		85%	70%





Glossary

- ◆ **Revenue** refers to revenues from the ordinary activities of selling goods and services and leasing activities as a lessor. It also includes financial revenue linked to operational activity.
- ◆ **EBITDA** is an accounting measure of the operating performance of fully consolidated Group subsidiaries. It is comprised of revenue and other ordinary income less purchases and current operating expenses excluding depreciation and impairment of property, plant and equipment and intangible assets.
- ◆ **Operating income from ordinary activities** is intended to present the Group's recurring operational performance excluding the impact of non-current operations and events during the period. It is composed of EBITDA, depreciation and impairment of tangible and intangible assets, the share of profit or loss in associates and joint ventures from operating activities, and gain or loss from disposal of assets from real estate sector.
- ◆ **The share of profit or loss in associates and joint ventures from operating** concerns the share of profit or loss from investments in associates and joint ventures over which the Group exercises significant influence or joint control with the following characteristics:
 - Industrial and / or commercial cooperation projects have been set up;
 - Groupe ADP participates in the operational decision-making within these companies;
 - The activity and performance of these companies are regularly monitored and reported throughout the year.
- ◆ **Operating income** is the addition of Operating income from ordinary activities and other operating income and expenses, as they are non-recurring and significant in terms of consolidated performance. This may involve the disposal of assets or activities, costs incurred related to a business combination, restructuring costs or costs related to a one-off operation.
- ◆ **The share of profit or loss in associates and joint ventures from non-operating activities** concerns investments in which the Group exercises significant influence without being monitored in an operational way. The Group's share of profit or loss of these entities is disclosed on a separate line in the income statement after the operating income.
- ◆ **Operating cash flow before change in working capital and tax** refers to all the internal resources generated by the company in its operating activities that enable its funding. It includes operating income and expenses that have an effect on cash. This can be found in the consolidated statement of cash flows.
- ◆ **Purchase of property, plant, equipment** corresponds to the acquisition or construction of tangible assets that the Group expects to be used over more than one year and that are recognized only if it is probable that the future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.
- ◆ **Purchase of intangible assets** corresponds to the acquisition of identifiable non-monetary assets without physical substance, controlled by the entity and which future economic benefits are expected.
- ◆ **Gross financial debt** as defined by Groupe ADP includes long-term and short-term borrowings and debts (including accrued interests and hedge of the fair value of liabilities related to these debts), debts related to the minority put option (presented in other non-current liabilities).
- ◆ **Net financial debt** as defined by Groupe ADP refers to gross financial debt less receivables and current accounts from associates, hedge of the fair value of assets, cash and cash equivalents and restricted bank balances.
- ◆ **Gearing** is the ratio corresponding to: Net financial debt / Shareholders' Equity (including non-controlling interests).
- ◆ **Minority interests** are non-controlling interests. As part of shareholders' equity in the consolidated result, they are presented separately from shareholders' equity – Group share (shareholders' equity of the parent company).
- ◆ **Non-current assets** defined as opposed to **current assets** (these assets intended to be consumed, sold or realized during the financial year, being held to be sold within twelve months or considered as cash) comprise all assets held over a long period, including tangible, intangible and financial assets and all other non-current assets.
- ◆ **Non-current liabilities** defined as opposed to **current liabilities** include any liability that will not be settled within a normal operating cycle and within twelve months.



Financial information on the assets, financial position and consolidated financial statements at 31 December 2018

Groupe ADP Consolidated Financial Statements as of 31 December 2018

Consolidated Income Statement

<i>(in millions of euros)</i>	Notes	2018	2017
Revenue	4	4,478	3,617
Other operating income	4	58	92
Consumables	4	(200)	(165)
Employee benefit costs	5	(890)	(814)
Other operating expenses	4	(1,538)	(1,164)
Net allowances to provisions and Impairment of receivables	4 & 8	53	1
EBITDA		1,961	1,567
<i>EBITDA/Revenue</i>		43,8%	43,3%
Amortisation and impairment of tangible and intangible assets	6	(804)	(615)
Share of profit or loss in associates and joint ventures from operating activities	4	80	78
Operating income from ordinary activities		1,237	1,030
Other operating income and expenses	10	(2)	22
Operating income		1,235	1,052
Financial income		100	47
Financial expenses		(306)	(226)
Financial income	9	(206)	(179)
Share of profit or loss in associates and joint ventures from non-operating activities	-	1	1
Income before tax		1,030	874
Income tax expense	11	(335)	(260)
Net results from continuing activities		695	614
Net income		695	614
Net income attributable to the Group		610	571
Net income attributable to non-controlling interests		85	43
Basic earnings per share (in €)	7	6.16	5.77
Diluted earnings per share (in €)	7	6.16	5.77
Earnings per share from continuing activities attributable to the Group			
Basic earnings per share (in €)	7	6.16	5.77
Diluted earnings per share (in €)	7	6.16	5.77



Consolidated Statement of Comprehensive Income

	2018	2017
<i>(in millions of euros)</i>		
Net income	695	614
Translation adjustments	8	(21)
Change in fair value of cash flow hedges	8	1
Share of other comprehensive income of associates, net after income tax	6	(15)
Recyclable elements to the consolidated income statement	22	(35)
Actuarial gains/losses in benefit obligations of fully consolidated entities	(15)	11
Actuarial gains/losses in benefit obligations of associates	-	(1)
Non-recyclable elements to the consolidated income statement	(15)	10
Total comprehensive income for the period	702	589
attributable to non-controlling interests	81	30
attributable to the Group	621	559



Financial information on the assets, financial position and consolidated financial statements at 31 December 2018

Groupe ADP Consolidated Financial Statements as of 31 December 2018

Consolidated Statement of Financial Position

Assets

<i>(in millions of euros)</i>	Notes	As at Dec 31, 2018	As at Dec 31, 2017
Intangible assets	6	3,560	2,808
Property, plant and equipment	6	7,272	6,793
Investment property	6	509	476
Investments in associates	4	1,146	686
Other non-current financial assets	9	403	376
Deferred tax assets	11	-	1
Non-current assets		12,890	11,139
Inventories		38	33
Contract assets		9	-
Trade receivables	4	628	641
Other receivables and prepaid expenses	4	239	243
Other current financial assets	9	201	248
Current tax assets	11	6	59
Cash and cash equivalents	12	2,056	1,912
Current assets		3,177	3,137
Total assets		16,067	14,276

Shareholders' equity and liabilities

<i>(in millions of euros)</i>	Notes	As at Dec 31, 2018	As at Dec 31, 2017
Share capital		297	297
Share premium		543	543
Retained earnings		4,096	3,834
Other equity items		(86)	(97)
Shareholders' equity - Group share		4,850	4,577
Non-controlling interests		951	857
Shareholders' equity	7	5,801	5,434
Non-current debt	9	5,970	5,320
Provisions for employee benefit obligations (more than one year)	5	484	458
Other non-current provisions	8	39	56
Deferred tax liabilities	11	383	369
Other non-current liabilities	8	780	780
Non-current liabilities		7,656	6,983
Contract liabilities		6	-
Trade payables	4	590	422
Other debts and deferred income	4	793	724
Current debt	9	1,159	645
Provisions for employee benefit obligations (less than one year)	5	9	10
Other current provisions	8	16	33
Current tax liabilities	11	37	25
Current liabilities		2,610	1,859
Total equity and liabilities		16,067	14,276



Consolidated Statement of Cash flows

<i>(in millions of euros)</i>	Notes	2018	2017
Operating income		1,235	1,052
Income and expense with no impact on net cash	12	644	460
Net financial income other than cost of debt		(44)	(42)
Operating cash flow before change in working capital and tax		1,835	1,470
Change in working capital	12	(3)	113
Tax expenses		(281)	(313)
Cash flows from operating activities		1,551	1,270
Purchase of property, plant, equipment and intangible assets	12	(1,078)	(879)
Change in debt and advances on asset acquisitions		50	(52)
Acquisitions of subsidiaries and investments (net of cash acquired)	12	(630)	20
Proceeds from sale of subsidiaries (net of cash sold) and investments	12	1	21
Change in other financial assets		(20)	(46)
Proceeds from sale of property, plant and equipment		2	6
Dividends received	12	39	42
Cash flows from investing activities		(1,636)	(888)
Capital grants received in the period		3	6
Dividends paid to shareholders of the parent company	7	(342)	(261)
Dividends paid to non controlling interests in the subsidiaries		(65)	(10)
Proceeds from long-term debt		1,064	561
Repayment of long-term debt		(392)	(253)
Change in other financial liabilities		115	(38)
Interest paid		(180)	(139)
Interest received		24	20
Cash flows from financing activities		227	(114)
Impact of currency fluctuations		3	(14)
Change in cash and cash equivalents		145	254
Net cash and cash equivalents at beginning of the period		1,910	1,656
Net cash and cash equivalents at end of the period	12	2,055	1,910
<i>of which Cash and cash equivalents</i>		2,056	1,912
<i>of which Bank overdrafts</i>		(1)	(2)



Financial information on the assets, financial position and consolidated financial statements at 31 December 2018

Groupe ADP Consolidated Financial Statements as of 31 December 2018

Consolidated Statement of Changes in Equity

Number of shares	(in millions of euros)	Share capital	Share premium	Treasury shares	Retained earnings	Other comprehensive income	Group share	Non-controlling interests	Total
98,960,600	As at Jan 1, 2018	297	543	-	3,834	(97)	4,577	857	5,434
	IFRS 9 & IFRS 15*	-	-	-	(10)	-	(10)	(2)	(12)
	As at Jan 1, 2018 restated*	-	-	-	3,824	-	4,567	855	5,422
	Net income	-	-	-	610	-	610	85	695
	Other comprehensive income	-	-	-	-	11	11	(4)	7
	Comprehensive income - 2018	-	-	-	610	11	621	81	702
	Dividends paid	-	-	-	(342)	-	(342)	(65)	(407)
	Change in consolidation scope	-	-	-	4	-	4	80	84
98,960,600	As at Dec 31, 2018	297	543	-	4,096	(86)	4,850	951	5,801
98,960,600	As at Jan 1, 2017	297	543	(12)	3,541	(85)	4,284	7	4,291
	Net income	-	-	-	571	-	571	43	614
	Other equity items	-	-	-	-	(12)	(12)	(13)	(25)
	Comprehensive income - 2017	-	-	-	571	(12)	559	30	589
	Dividends paid	-	-	-	(261)	-	(261)	(10)	(271)
	Change in consolidation scope	-	-	-	(5)	-	(5)	830	825
	Other changes	-	-	12	(12)	-	-	-	-
98,960,600	As at Dec 31, 2017	297	543	-	3,834	(97)	4,577	857	5,434

* The method used by the Group for the application of IFRS 9 and IFRS 15 standards is the retrospective method with cumulative effects as of 1 January 2018. Impacts are detailed in note 1.3.

Details of change is consolidated shareholder's equity and the detail of other equity items are given in note 7.



NOTE 1 Basis of preparation of consolidated financial statements

1.1 Basis of preparation of financial statements

The Group's financial statements at 31 December 2018 were approved by the Board of Directors on 14 February 2019. They will be submitted for approval by the shareholders during the Annual General Meeting to be held on 20 May 2019.

Aéroports de Paris SA is a company domiciled in France. The Group's shares have been traded on the Paris stock exchange since 2006 and are currently listed on Euronext Paris Compartment A.

The consolidated financial statements comprise Aéroports de Paris SA financial statements and its subsidiaries, created on the date of 31 December, or falling that, a intermidate situation on this date.

The consolidated financial statements currency is euro. 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.

Basis of measurement for the preparation of the financial statements

Preparing financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions which affect the application of accounting policies and the amounts of assets and liabilities, income and expenses or disclosures in the notes.

The underlying estimates and assumptions are based on historical experience and on the basis of the information available, or situations prevalent at the date of preparation of the accounts. Depending on changes in those assumptions and situations, estimated amounts accounted in the financial statements could differ from actual values.

Such estimates and assumptions used for the preparation of the financial statements concern essentially:

- The valuation of the fair value of the assets acquired and the liabilities assumed in the context of the business combination (see note 2.1).
- Pension plans and other post-employment benefits (see note 5);
- The fair value of investment property (see note 6.3.2).
- The valuation of the recoverable value of intangible, tangible assets, and investment properties (see note 6.4) and on other non-current assets, particularly the investments accounted for under the equity method (see note 4.9.2);
- Provisions for risks and litigations (see note 8);

1.2 Accounting policies

Adopted IFRS as endorsed by the EU

The Group's financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations as adopted by the European Union as at 31 December 2018.

These standards are available on the European Commission's web site at the following address:

http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm.

These accounting principles do not differ from the International Financial Reporting Standards issued by the IASB, insofar as the standards and interpretations published by the IASB, but have not yet been approved by the European Union, do not have any significant impact on the consolidated financial statements of Group ADP.

Standards, amendments and interpretations that have been endorsed by the EU and mandatory as from 1 January 2018

Standards and amendments effective on 1 January 2018 and that have not been applied earlier by the Group are the following:

- ◆ IFRS 15 – Revenue from contracts with customers (issued in May 2014) and amendments to IFRS 15 (issued in September 2015). This standard replaces IAS 18, Revenue and IAS 11, Construction Contracts. This standard has been endorsed by the regulation (UE) on 22 September 2016;
- ◆ Clarifications to IFRS 15 (issued in April 2016). The objective of this project is to clarify the guidance in IFRS 15 in respect of issues arising from the discussions of the TRG (Transition Resource Group). These topics are mainly related to the identification of performance obligations, distinction between principal versus agent and licenses. This standard has been endorsed by the regulation (UE) on 31 October 2017;
- ◆ IFRS 9 Financial Instruments (issued in July 2014). This standard deals with classification and measurement of financial instruments, impairment of financial instruments and hedge accounting. IFRS 9 replaces IAS 39 Financial Instruments and has been endorsed by the regulation (UE) on 22 November 2016;
- ◆ IFRIC Interpretation 22 – Foreign Currency Transactions and Advance Consideration (issued on December 2016);
- ◆ Amendments to IAS 40 : Transfers of Investment Property (issued on December 2016);



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- ◆ Amendments to IFRS 2 – classification and measurement of share-based payment transactions (issued in June 2016);
- ◆ Annual improvements to IFRS Standards 2014-2016 Cycle (issued in December 2016).

The analysis of the impacts of IFRS 9 and IFRS 15 on the ADP scope as at 1 January 2018 is disclosed in note 1.3.

The remaining standards, amendments and interpretations mentioned above do not have a significant impact on the consolidated financial statements of the Group.

Standards, amendments and interpretations that have been endorsed by the EU and applicable after 1 January 2018 and not early adopted by the Group

The Group has not applied the following standards, amendments and interpretations that are not applicable in 2018 but should subsequently be mandatory:

- ◆ IFRS 16 – Leases (issued in January 2016). This standard will replace the standard IAS 17 as well as related IFRIC 4 Interpretation, SIC 15 and SIC 27. This standard must be applied from 2019 onwards;
- ◆ IFRIC 23 – Uncertainty over income tax treatment (issued in June 2017). This interpretation clarifies the application of IAS 12 – Income taxes regarding the accounting and valuation of income tax when it is subject to uncertainty. This interpretation must be applied from 2019 and subsequent years subject to its endorsement by EU on 23 October 2018;
- ◆ Amendments to IAS 28 – Long-term interests in associates and joint-ventures. These amendments should be mandatory for the 2019 and subsequent years subject to its endorsement by EU;
- ◆ Amendments related to Annual improvements to IFRS Standards 2015-2017 Cycle (issued in December 2017);
- ◆ Amendments to IAS 19 – Plan Amendment, Curtailment or Settlement (issued in February 2018). These amendments must be applied as from January 1st 2019 onwards subject to their endorsement by the EU;
- ◆ Amendments to references to the conceptual framework in IFRS standards (issued in March 2018). These amendments must be applied as from 1 January 2020 subject to their endorsement by the EU;
- ◆ Amendments to IFRS 9 – Prepayment features with negative compensation (issued in October 2017). These amendments must be applied as from 1 January 2019;
- ◆ Amendments to IFRS 3 – Definition of a business, (issued on 22 October 2018). These amendment

must be applied as from 1 January 2020 subject to their endorsement by the EU;

- ◆ Amendments to IAS 1 and IAS 8: definition of material (issued in October 2018). This amendments must be applied as from 1 January 2020 subject to their endorsement by the EU.

Estimated impacts of standards effective as from 2019

IFRS 16 "Leases" will be applied by the Group as of 1 January 2019. This standard modifies the accounting treatment of leases contracts, mainly for lessees, which have to recognize an asset (right of use) and a liability (lease dept) for all lease contracts, except for short term leases and leases which the underlying asset is of low value. This standard will replace IAS 17 and its related interpretations.

In 2018, the Group has analyzed all leases and has decided to apply IFRS 16 using the retrospective "modified" method. The impact of the application of this standard as described below mainly concerns contracts for which the Group is a lessee, the effects of the application of the standard being limited for lease contracts in which the Group is a lessor.

Works at the present stage allowed the Group to identify main lease contracts which are vehicle leases and real estate leases. Works in progress mainly concerns the determination of the procedures for monitoring contracts after the application of the standard.

The analysis conducted by the Group at this stage shows that the provisional impacts of the application of IFRS 16 are relatively limited :

- ◆ On the opening balance sheet at 1 January 2019, the estimated impact would lead to :
 - an increase in assets of around €70 million (an estimated impact of less than 1% of the Group's total assets);
 - and, the recognition of a lease dept of the same amount (approximately 1.5% of the Group's financial dept);
- ◆ The impact on the 2019 income statement should result in :
 - An improvement in the Group EBITDA of around €10 to €30 million (as a consequence of the reversal of rent charges included in "other external services and charges");
 - the recognition of a right of use depreciation between €11 and €20 million and;
 - Financial expenses between €1 and €10 million.

Accordingly with the provisions of the standard, the Group has chosen to use the two practical expedients will not apply IFRS 16 for lease contracts which :

- ◆ the underlying asset is of low value ; the Group has retained the amount of €5,000 as a threshold for this contracts ;



- ◆ Initial term is less than or equal to 12 months.

Regarding the determination of the discount rate the Group takes into account the remaining term of the contracts as of 1 January 2019.

Impact of IFRS 16 restatement at the date of first application will have no effect on the cash flow statement, as these items have no impact on cash flow.

Future minimum lease payments not discounted under

operating leases, provided in accordance with IAS 17 (Note 14.1), provide a good indication of the lease debt that will be recognized under IFRS 16, the main differences will arise from the application of the practical expedients provided by the standard and the effect of discounting.

Finally, regarding the other amendments and interpretations mentioned above, they should not have a significant impact on the Group's consolidated financial statements.

1.3 Impact related to the first application of IFRS 9 and IFRS 15

The impacts related to the first application of IFRS 9 and IFRS 15 are presented below:

<i>(in millions of euros)</i>	As at Dec 31, 2017 published	IFRS 9	IFRS 15	As at Jan 1, 2018
Non-current assets	11,139	-	-	11,139
Current assets	3,137	(4)	(12)	3,121
Total assets	14,276	(4)	(12)	14,260

<i>(in millions of euros)</i>	As at Dec 31, 2017 published	IFRS 9	IFRS 15	As at Jan 1, 2018
Shareholders' equity - Group share	4,577	-	(10)	4,567
Non-controlling interests	857	-	(2)	855
Shareholders' equity	5,434	-	(12)	5,422
Non-current liabilities	6,983	(4)	-	6,979
Current liabilities	1,859	-	-	1,859
Total equity and liabilities	14,276	(4)	(12)	14,260

Since 1 January 2018, the Group applies IFRS 15 "Revenue from contracts with customers" retrospectively only to contracts that are not completed using the cumulative effect of initially applying the standard recognized at the date of initial application. The comparative periods disclosed are therefore not restated in accordance with this method.

These non-significant impact mainly concern long term contracts from:

- ◆ ADP International: revenue from Technical Services Agreements (TSA) are henceforth recognized using a straight line method, considering a continuous transfer of the service ("stand ready obligation over the contract") and are limited, for the variable consideration, to the highly probable amount.

It may be noted that revenue recognition remains unchanged for:

- ◆ Airport fees: the related services are consumed on short cycles and the regulated prices reflect the stand-alone selling price of each service;

- ◆ Revenue recognition from airport safety and security services, received from the "Direction Générale de l'Aviation Civile" (DGAC); these services are recognized progressively as eligible estimated costs reimbursed by the DGAC are incurred, these costs are financed by the airport safety and security fee payed by airlines. This revenue is recognised for the gross amount as Aéroports de Paris SA is primarily responsible for fulfilling its public service mission reimbursed by the DGAC (see note 4.2.1);
- ◆ Revenue from retail activities, rental income and revenue from car parks as those activities are recorded under the scope of IAS 17 "Leases";
- ◆ Construction and other services revenue of TAV Airports.

If the revenue had been recognized as of 31 December 2018 under IAS 11 and IAS 18, the impact would have been less than €1 million.

Backlog required by IFRS 15 is disclosed on note 14.2.



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Concerning IFRS 9 "Financial instruments", the Group applies the new measures relating to the classification, valuation and impairment of financial instruments as from 1 January 2018 retrospectively, with no restatement of comparative period at initial application.

The main adjustments resulting from the application of this standard are non-significant and concern:

- ◆ Impairment of receivables: transition from a impairment model based on proven losses to a model based on expected losses requires to review the Group's depreciation policy. The calculation will depend on the characteristics of trade receivables (similar trade receivables, significant trade receivables), the client probability of default and the loss given default;
- ◆ Changes in debts resulting from renegotiation; the Group has calculated the amortized cost of the modified debt by discounting the modified contractual cash flows at the original effective interest rate and the previous amortized cost in the income statement;
- ◆ Classification of the non-consolidated entities: this classification is detailed in note 18. Furthermore, the table hereafter shows as at 1 January 2018 the reclassification of financial instruments qualified as "available-for-sale financial instruments" as at 31 December 2017.

(in millions of euros)	As at Dec 31, 2017 published	Breakdown by category of financial instrument - IAS 39			
		Fair value		Available-for-sale financial assets	Loans and receivables
		Fair value option	Trading		
Other non-current financial assets	376	-	23	29	324

(in millions of euros)	As at Jan 1, 2018	Breakdown by category of financial instrument - IFRS 9				
		Fair value				Amortised cost
		Fair value option	Trading	Equity instr. - FV through P&L	Equity instr. - FV through OCI	
Other non-current financial assets	376	-	23	28	1	324

NOTE 2 Significant events

2.1 Reinforcement of Groupe ADP in the capital of AIG

On 18 April 2018, Groupe ADP, through its wholly-owned subsidiary ADP International, has finalized the transaction for the ownership of 51% of the capital, and the exclusive control of Airport International Group ("AIG"), concessionary of Queen Alia International Airport (QAIA) in Amman, Jordan. Groupe ADP's investment stands at \$265 million.

The Group, previously held a 9.5% stake in AIG since which was consolidated according to the equity method; following the acquisition of the exclusive control on 18 April 2018, the entity is fully consolidated since that date.

AIG is a leading airport operator in the Middle East whose main activity is the operation, maintenance and

rehabilitation of the existing terminal, as well as the construction of the new terminal of Queen Alia International Airport, which managed 98% Jordanian traffic with 7.9 million passengers in 2017.

With the acquisition of AIG, Groupe ADP will be able to deploy its know-how, expertise and service offer. The objectives are to strengthen the air network from Amman, to improve the quality of service offered to passengers and the performance of aeronautical and commercial activities, and finally to ensure sustainable and socially responsible development for the remaining duration of the concession (until 2032).

In accordance with IFRS3 'Business combinations', shares previously held were revaluated at fair value through income statement on the date of control acquisition, based on the stock market price at the time of the operation. This revaluation, performed under the partial goodwill method (see note 3.1), has an impact of €23 million on income statement for the year 2018, as detailed in the following table:



(in millions of euros)

Fair value of AIG Airports shares at 9,5%	A	24
Value of loans and shares accounted for by the equity method of AIG as at 18 April 2018	B	(3)
Conversion reserve	C	4
Capital gain recognized related to the sale of 9,5% of AIG*	(A-B-C)	23

* Recognized in Share of profit or loss in associates and joint ventures from operating activities

In accordance with IFRS 3, fair value adjustments on assets acquired and liabilities written back are recognised as counterparty of goodwill adjustments based on information obtained during the allocation period, being 12 months following the acquisition date. Groupe ADP proceeded to the identification and evaluation of the identifiable assets and liabilities of AIG in order to allocate the fair value of the consideration paid (\$265 million for 41.5% of securities and loans equates to €215 million and €24 million for the fair value of 9.5% of securities and loans previously held) between these various elements. Based on these analyses, the revaluation of the opening balance sheet mainly relate to intangible assets, notably airport operation rights, for €196 million (see note 6.1.1). The preliminary goodwill amounts to €43 million.

As at 31 December 2018, AIG contributed to the consolidated revenue with €175 million, to the operating income from ordinary activities amounts with €10 million and to the consolidated net result with a loss of €13 million.

2.2 Acquisition of TAV Antalya by TAV Airports

On 27 February 2018, TAV Airports, whose capital is 46.12% owned by Groupe ADP via its subsidiary Tank OWA Alpha, had signed a Share Purchase Agreement (SPA) to acquire 49% of Fraport IC İçtaş Havalimanı İşletme A.Ş. and 48.99% of Fraport IC İçtaş Antalya Havalimanı Terminal Yatırım ve İşletmeciliği A.Ş. ("TAV Antalya") shares.

The share transfer was completed on 8 May 2018 for €360 million. TAV Airports has co-control of TAV Antalya with its partner and the entity is accounted for using the equity method. Since TAV Airports has the right to receive 50% of the dividends according to the SPA, equity pick up rate in the Group was determined as 23%.

TAV Antalya operates the Antalya International Airport which total traffic in 2017 was 26 million passengers. This operation is a continuation of the development of the ADP Group and TAV Airports. TAV Airports consolidated its position as the leading Turkish airport operator by operating four of the five airports on the Turkish Riviera.

The Group ADP proceeds with the identification and the valuation of the identifiable assets and liabilities of TAV Antalya in order to allocate the counterpart paid of the fair value (€360 million) between these different items. On the basis of these works, the provisional goodwill amounts to €23 million, disclosed under the line "Investments in associates".

As of 31 December 2018, TAV Antalya contributed to consolidated net profit by a gain of €21 million, disclosed under the line "Share of profit or loss in associates and joint ventures from operating activities".

2.3 "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 Groupe 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 the Group operations in Ile-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 Aéroports de Paris 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 Groupe 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. Potential accounting impacts on consolidated accounts will therefore be analyzed in a stable legal and regulatory framework.



NOTE 3 Scope of consolidation

3.1 Accounting principles related to the scope

Consolidation principles

The consolidated accounts comprise financial statements of Aéroports de Paris SA, and its subsidiaries controlled exclusively or de facto.

In accordance with IFRS 11, joint arrangements are accounted differently depending on whether it involves joint operations or joint ventures. The Group records its interests in joint operations by integrating its shares of assets, liabilities, income and expenses. Investments in joint ventures that are jointly controlled as well as those in which the Group exercises significant influence are accounted for under the equity method.

Under this method, the investment is recognized:

- initially at cost (including transaction costs);
- and is subsequently increased or decreased to recognize the Group's share of profit or loss and other movements in equity in the investee after the acquisition. The Group's share of profit or loss is recognized in the income statement, in a specific line either within the operating income or after the operating income depending on the nature of the investment (see glossary).

If there is objective evidence that an impairment loss has been incurred with respect to the net investment in an investee, an impairment test is performed. An impairment loss is recognized if the recoverable value of the investment falls below its book value.

Control, joint-control or significant influence analysis procedure

In order to determine if the Group has accounting control over an entity according to IFRS 10, the Group reviews all contractual elements, facts and circumstances, in particular:

- substantive rights allowing the Group to direct the relevant activities of the investee, therefore to determine the nature of decisions taken by the governing bodies of the entity (general meeting, board meeting) and the presence of the Group in these bodies;
- rights of veto of the minority interests and the rules in case of a disagreement;
- the Group exposure to variable returns from its involvement with the investee;
- the ability of the Group to affect these returns.

If the Group is not able to prove control, it determines if control is shared with one or more partners. Joint-control is proven if the Group and the partner(s), considered collectively, have control over the entity according to IFRS 11, and if the decisions related to relevant activities require unanimous consent. If the partnership is qualified as a joint-venture and confers rights on the investee's assets and obligations on its liabilities, the Group accounts for the share of assets and liabilities that it is entitled to.

Furthermore, if the Group is able to prove control or joint-control, it determines if it has a significant influence on the investee. Significant influence being the power to participate to decisions linked to financial and operational policies, the Group reviews notably the following elements: representation of the Group within the board, participation to policy development process, or existence of significant transactions between the Group and the investee.



Conversion of the financial statements of foreign subsidiaries, joint ventures and associated companies

The financial statements of foreign companies, whose functional currency is not the euro, are converted in euro as follows:

- assets and liabilities of each balance sheet presented are converted according to the closing rate in effect on each balance sheet date;
- income and expenditure and cash flows for each income statement are converted at exchange rates close to those in effect on the dates of transactions;
- the resulting exchange differences are accounted for as other elements on the comprehensive income statement and are reported on the balance sheet as equity in translation reserves.

None of the companies included within the scope of consolidation are situated in a hyperinflationary economy.

Conversion of transactions denominated in foreign currencies

Transactions denominated in foreign currencies are recognized as follows:

- foreign currency transactions are initially recorded at the rate of exchange on the transaction date;
- at each closing balance sheet date, foreign currency monetary amounts are converted using the rate at the closing date, non-monetary items which are assessed at their historical cost are reported using the initial exchange rate, and non-monetary items assessed at fair value are reported at the rate in effect when the fair value was determined;
- exchange differences arising from settling or converting monetary items are reported in income under net financial charges.

Business combinations

All business combinations are accounted for according to the acquisition method in accordance with IFRS 3. This method consists in assessing the fair value of the identifiable assets and liabilities of acquire at the acquisition date. The difference between the acquisition price and the share acquired in the fair value of the net identifiable assets and liabilities is recognised:

- in balance sheet, as goodwill (assets) if this difference is positive;
- in the income statement as an "Other operating income" if this difference is negative.

Non-controlling interests may be valued either at fair value (full goodwill method) or at their share in the fair value of the net assets of the acquired company (partial goodwill method). In accordance with IFRS 3, the decision is made individually for each transaction.

In case of a put option held by non-controlling interests, interests held by non-controlling interests are reclassified from equity to liability. The put liability is measured initially at the present value of the exercise price. Subsequent changes are recognised:

- in equity share of the group for the estimated put change in the period price;
- in financial expenses to the extent of the discounting effect.

After the business combination, subsequent changes in interests that do not modify the control over the acquired entity are considered as a transaction between shareholders and are accounted for directly in equity.



3.2 Changes in the scope of consolidation

3.2.1 Main changes in the scope of consolidation for 2018

Changes in the scope of consolidation for 2018 are the following:

- ◆ In April 2018, 41.5% additional acquisition of AIG by ADP International, bringing the holding percentage to 51%. Consolidated until this date according to the equity method, AIG has been fully consolidated since April 2018 (see note 2.1);
- ◆ In April 2018, additional acquisition of a 30%-share in BTA Erus by TAV airports, which brings its shareholding to 100%, and subsequent liquidation of the entity in June 2018;
- ◆ In May 2018, acquisition of 49% of the shares of Turkish company TAV Antalya by TAV Airports (see note 2.2). TAV Antalya is consolidated according to the equity method;
- ◆ In June 2018, acquisition of 100% of the shares of Sysdream. The entity is fully consolidated since the second half 2018;
- ◆ In July 2018, acquisition of 100% of the shares of Merchant Aviation LLC, fully consolidated since this date;

- ◆ In September 2018, acquisition of a 17% share in Innov'ATM, consolidated according to the equity method;
- ◆ In October 2018, creation of BTA France SAS, wholly owned by TAV Airports;
- ◆ In October 2018, creation of the entity Gestionnaire d'Infrastructure CDG Express, held at 33% and consolidated according to the equity method;
- ◆ In October 2018, liquidation of BTA Danışmanlık company.

3.2.2 Reminder of the changes in the scope for 2017

In 2017, the significant changes in the scope of consolidation were:

- ◆ Creation of SCI Heka Le Bourget and SAS Chenue Le Bourget, each 40% owned respectively by ADP Immobilier Industriel and Aéroports de Paris SA.
- ◆ Disposal of the company TAV Construction and complementary acquisition of 8.12% stake in TAV Airports, which brings its stake to 46.12%;
- ◆ Disposal of 80% of Hub Safe, subsidiary of Aéroports de Paris SA
- ◆ Complementary acquisition of 33% stake in BTA by TAV Airports, which brings its stake to 100%.

NOTE 4 Information concerning the Group's operating activities

4.1 Segment reporting

In accordance with IFRS 8 "Operating segments", sectoral information described below is consistent with internal reporting and sector indicators presented to the Group's operation decision maker (the CEO), in order to take decisions concerning resources to be dedicated to the sector and to evaluate the performance.

The sectors identified in the Group ADP in five activities are as follows:

Aviation: this sector includes all goods and services provided by Aéroports de Paris SA as an airport operator. Airport services are mainly paid for by the airport fees (landing, parking and passengers), ancillary fees (check-in and boarding counters, baggage sorting facilities, de-icing facilities and the supplying of electricity to aircraft, etc.) and the revenue from security and airport safety services such as security checkpoints and screening systems, aircraft rescue and fire-fighting services.

Retail and services: this sector is dedicated to retail activities provided to the general public. It includes rental income from retail activities in terminals (retails shops, bars and restaurants, banks and car rentals), activities of joint ventures involved in commercial distribution (Société de Distribution Aéroportuaire and RELAY@ADP), revenue from advertising (Média Aéroports de Paris) and restaurants (EPIGO), revenue from car parks, rental revenue, leasing of space within terminals and revenue from industrial services (production and supply of heat, drinking water, access to the chilled distribution networks...). This sector also includes the agreement related to the construction of the Paris-Orly metro station on behalf of the company "Société du Grand Paris".



Real estate: this sector includes all the Group's property leasing services except for operating leases within airport terminals. These activities are operated by Aéroports de Paris SA and dedicated subsidiaries, or investments in associates and joint ventures (see list in note 18) and encompass the construction, commercialisation and lease management of office buildings, logistic buildings and freight terminals. This sector also includes the rent of serviced land.

International and airport developments: this sector includes subsidiaries and holdings which design and operate airport activities and are managed together to create synergies and support the Group's ambition. It includes ADP International and its subsidiaries, including AIG in full consolidation since 18 April 2018 (see note 2.1), and TAV Airports in full consolidation since 7 July 2017, the ADP Ingénierie sub-group (including Merchant Aviation LLC since July 2018) and Schiphol Group.

Other activities: this sector comprise all activities carried out by Aéroports de Paris SA subsidiaries, which operate in areas as varied as telecoms (Hub One) and security services (Hub Safe until end September 2017). This operating segment also includes the activities of CDG Express Etudes, a joint venture whose purpose is to carry out or commission the studies needed to carry out the CDG Express project, as well as the activities dedicated to the Group's innovation via the company ADP Invest.

Key indicators used and reviewed internally by the operation decision-maker of the Group are:

- Revenue;
- EBITDA;
- Share of profit or loss in associates and joint ventures from operating activities;
- Operating income from ordinary activities.

Revenue and net income of Groupe ADP break down as follows:

	Revenue				EBITDA	
	2018	of which inter-sector revenue	2017	of which inter-sector revenue	2018	2017
<i>(in millions of euros)</i>						
Aviation	1,890	1	1,813	1	603	551
Retail and services	1,000	142	953	146	580	533
Real estate	265	48	250	42	148	209
International and airport developments	1,412	14	682	16	585	252
<i>Including TAV*</i>	1,166	-	616	-	548	280
<i>Including AIG</i>	175	-	-	-	54	-
Other activities	156	40	217	93	46	24
Eliminations and internal results	(245)	(245)	(298)	(298)	(1)	(2)
Total	4,478	-	3,617	-	1,961	1,567



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	Amortisation & Depreciation		Share of profit or loss in associates and joint ventures from operating activities		Operating income from ordinary activities	
	2018	2017	2018	2017	2018	2017
<i>(in millions of euros)</i>						
Aviation	(295)	(279)	-	-	307	272
Retail and services	(124)	(131)	2	3	458	404
Real estate	(49)	(46)	2	(2)	101	161
International and airport developments	(323)	(143)	76	77	339	186
Including TAV*	(277)	(143)	49	74	320	211
Including AIG	(43)	-	23	-	33	-
Other activities	(13)	(16)	-	-	33	9
Eliminations and internal results	-	-	-	-	(1)	(2)
Total	(804)	(615)	80	78	1,237	1,030

* As at 31 December 2018, TAV Istanbul, which operates Istanbul Atatürk airport and which activity is expected to be transferred in 2019 (see note 6.1), contributed €471 million to the consolidated revenue, €263 million to the consolidated EBITDA, with a loss of €166m to the consolidated amortisation & depreciation, and €97 to the consolidated operating income from ordinary activities.

Consolidated revenue of the Group increased by €4,478 million in 2018 up to €861 million, mainly due to:

- ◆ The global integration of TAV Airports since the second half of 2017 which contributes up to €1,166 million in revenue and Airport International Group (AIG) in April 2018 which contributes turnover up to €175 million. Excluding the global integration of these two entities, the ADP Group's revenues grew by 4.6% to €3,137 million;
- ◆ The growth in airport fees revenue at Paris Airports (+5.6%, at €1,115 million), driven by passengers traffic dynamics* (+3.8%) and the increase prices as of 1 April 2018 (+2.13%) despite the strikes of the first half of 2018.
- ◆ The growth in the retail and services sector, of 4.9% to €1,000 million, driven notably by the performances of commercial activities (+6.8%, to €490 million);

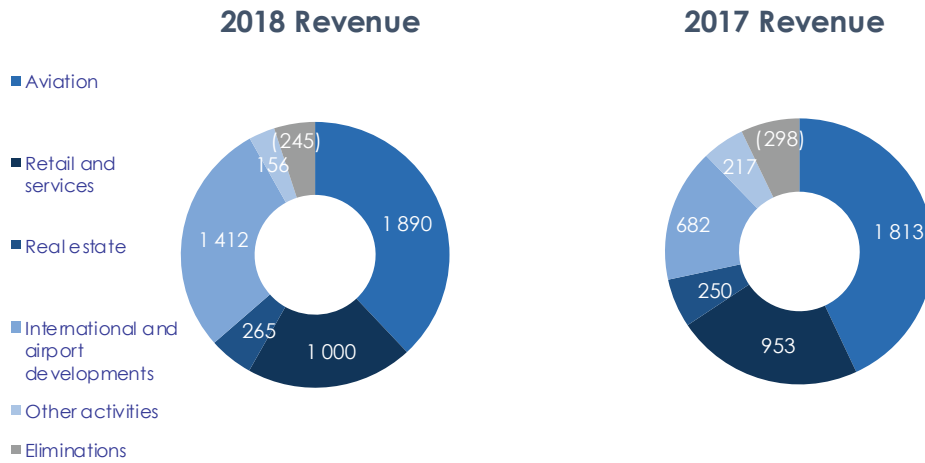
- ◆ The increase in real estate sector of 6% to €265 million, mainly due to the positive effect of the acquisition of the entire "Dôme" building in Paris-Charles de Gaulle in December 2017.

The segment of other activities and the inter-sector eliminations were impacted by the disposal of 80% of Hub Safe share capital, which resulted in a change of consolidation method of the company results as from the 4th quarter of 2017. Hub Safe results are now accounted for in share of profit or loss in associates and joint-ventures from non-operating activities. In 2018, the net loss in revenue related to the share of Hub Safe revenue outside Group amounts to 8€ million compared to 2017.

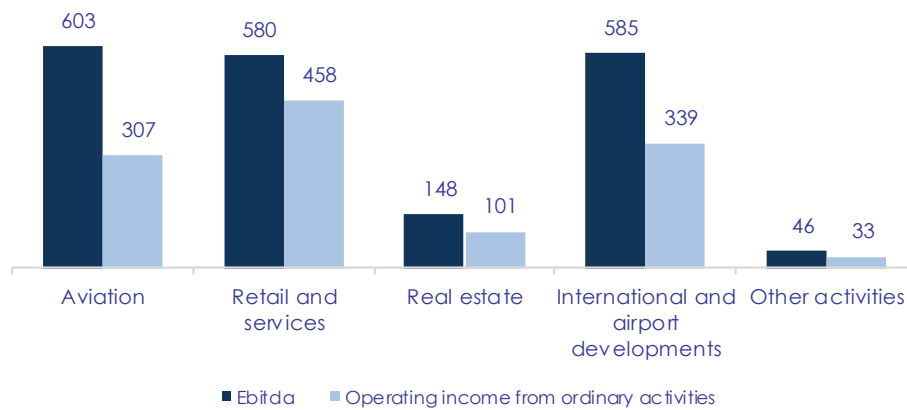
The amount of the inter-sector elimination amounts to €245 million in 2018, with a decrease of 18%, due to the change of consolidation method of Hub Safe, whose activity was mainly performed within the Group.

* ADP Group traffic: + 7.6% up to 281.3 million passengers
Paris Airport traffic: + 3.8% up to 105.4 million passengers

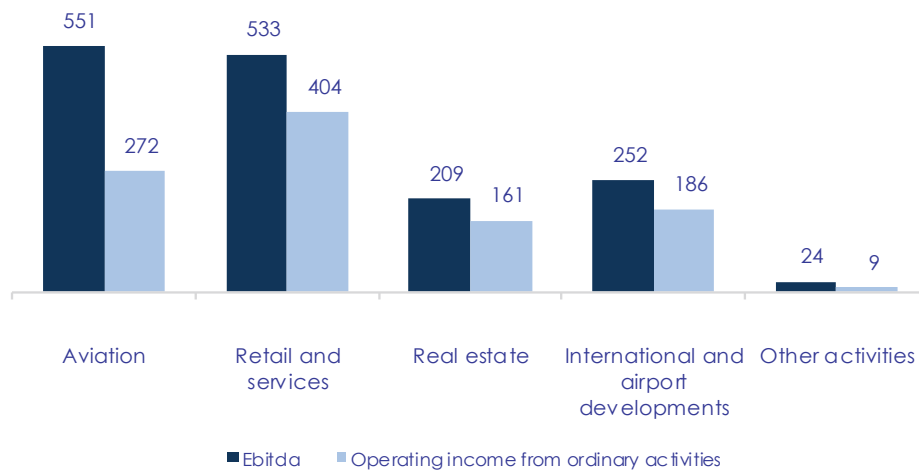




2018 EBITDA and operating income from ordinary activities



2017 EBITDA and operating income from ordinary activities



4.2 Revenue

Groupe ADP applies IFRS 15 "Revenue from Contracts with Customers" since 1 January, 2018. This standard:

- Replaces IAS 18 "Revenue" and IAS 11 "construction contracts" and related interpretations;
- Introduces a unique revenue recognition model for all types of contracts;
- Is based on the principle of revenue from contracts with customer's recognition when the transfer of control of the good or service to the customer occurs, and for the amount the entity expects to be entitled to;
- Enforces that variable consideration is only be included in the transaction price to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur;
- Provides details on the recognition of goods and services provided depending on whether the company acts as principal or as an agent.

With the exception of a few non-material contracts for the Group, the new principles of IFRS 15 did not have the effect of modifying principles applied until now.

The revenue of Groupe ADP according to its five sectors breaks down as follows:

1. Aviation sector

- **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 case where the investment plan would not be observed (see note 6.2), Aéroports de Paris SA will be impacted by a penalty. This scope includes all Aéroports de Paris activities at airports in the Paris region with the exception of activities related to retail and services, land and real estate activities that are not aviation-related, activities linked to security and safety financed by the airport tax. Also included in this scope is the management by Aéroport de Paris SA of assistance with soundproofing for local residents, and other activities carried out by subsidiaries.

Airport fees include fees per passenger, landing fees and parking fees, calculated respectively according to the number of boarded passengers, the weight of the aircraft and parking time. These fees are recorded as revenue when the corresponding services are used by the airline.

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. They also include 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. These fees are recognized as revenue when the corresponding services are used by the airline.

- **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 proceeds to an analytical allocation of the costs in order to determine the part incurred in relation with its missions, considering that certain costs may not be exclusive to these missions, notably certain rental costs, certain amortisation and maintenance charges as well as taxes.

2. Retail and services sector

- **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 and is recognised on a straight-line basis over the term of the lease in accordance with IAS 17 (Leases). 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 2015 to 2024, Groupe ADP has recognized the revenue using the percentage of completion method whereby revenue and profit are based on a ratio of costs incurred to total estimated costs of the project in accordance with IFRS 15 – Revenue from contracts with customers. Insofar as the overall profit or loss on completion of this project cannot be reliably determined, revenue recognition is limited to cost incurred.

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

- **Revenue from industrial services**, such as the production and supply of heat for heating purposes, the 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.

Revenue from Retail and services sector also includes revenue of the subsidiary **Media Aéroports de Paris**, which offers advertisers an advertising exhibition at Paris airports via digital, connected and interactive solutions.

3. Real estate sector

- **Real estate revenue** is comprised of rental income from real-estate shares related to airport activity (except for airport terminals) 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 in accordance with IAS 17 (Leases). Rental charges due from tenants are accounted for as rental income.

Revenue from Real estate sector also includes interest income from lease contract as lessor.

4. International and airport developments sector

Revenue from this sector combines revenue of **ADP International** and its subsidiaries including **AIG** since 18 April 2018 as well as the subgroup **ADP Ingénierie** and **TAV Airports** since 7 July 2017.

- Revenue of **TAV Airports** breaks down as follows:

- **Aviation income:** Aviation income is recognized based on the daily reports obtained from the related airline companies for terminal service income charged to passengers, as well as for ramps utilized by aircraft and check-in counters utilized by the airlines.
- **Area allocation income:** Area allocation income is recognized by the issuance of monthly invoices based on the contracts made for allocated areas in the terminal.
- **Catering services income:** Catering services income is recognized when services are provided.
- **Commission:** TAV Airport subcontracts the right to operate certain duty free operations and the catering services to third parties. The third parties pay TAV Airports a specified percentage of their sales for the right to operate these concessions. The commission revenue is recognized based on the sales reports provided from the subcontractor entities in every 2 to 3 days.
- **Construction revenue and expenditure:** Construction revenue is recognized using the percentage-of-completion method. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer. Where the outcome of a construction contract cannot be estimated reliably, revenue is recognized to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognized as expenses in the period in which they are incurred and as intangible or financial assets on the balance sheets. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.
- **Other revenue of TAV Airports** (ground handling services, bus and car parking operations, airline taxi services, software and system sales) are recognized when services are provided or goods are delivered.

The revenue of TAV Airports also includes the actuarial gains related to the financial asset of TAV Esenboga (Ankara) recognized pursuant to IFRIC Interpretation 12 (see note 6.1).



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- Revenue of **AIG** breaks down as follows:
 - **Aviation income:** Aviation income include passenger fees, aircraft circulation fees, revenues related to the provision of common terminal equipment (CUTE), as well as other revenues (ground handling, fuel charges). These revenues are recognized when it is probable that the economic benefits will be perceived by the Group and that they can be quantified as reliable.
 - **Commission:** the revenue is recognized at the beginning of each quarter based on traffic projections and a commission per passenger, Minimum Revenue Guaranteed (MRG). Each month AIG records the highest amount between the MRG and 30% of the sales made during the month.
 - **Area allocation income:** recognized on a linear basis over the term of the lease.
- The revenue of **ADP Ingénierie** is realized in connection with its airport design missions, consultancy services, assistance to the project owner and prime contractor. These services are mainly carried out internationally over periods covering several months and/or years. Revenues from mostly of these long-term contracts are accounted by using the percentage-of-completion method through costs incurred.
- The revenue of **ADP International** is mainly related to its international airport management activity and directors' fees related to investments in airport companies.

5. Other activities sector

Revenue from this sector comprises revenue generated by the subgroup Hub One, the subgroup Hub Safe was disposed in September 2017. This revenue is described below:

- **Hub One** offers telecom operator services, as well as traceability and mobility solutions of goods with its subsidiary Hub One Mobility. Its revenue is presented in others incomes.
- **Hub Safe** provided services in airport security. As 80% of the shares were sold on 30 September 2017, no revenue is recorded in 2018.

The breakdown of the Group's revenue per sector after eliminations is as follows:

	2018					Total
	Aviation	Retail and services	Real estate	International and airport developments	Other activities	
<i>(in millions of euros)</i>						
Airport fees	1,114	-	-	529	-	1,643
Ancillary fees	239	10	-	6	-	255
Revenue from airport safety and security services	499	-	-	-	-	499
Retail activities	-	490	2	449	-	941
Car parks and access roads	-	173	-	33	-	206
Industrial services revenue	-	41	-	5	-	46
Rental income	14	109	198	53	-	374
Revenue from long term contracts	-	20	-	28	-	48
Other revenue	23	15	3	288	116	445
Operating financial revenue	-	-	14	7	-	21
Total	1,889	858	217	1,398	116	4,478



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	2017					Total
	Aviation	Retail and services	Real estate	International and airport developments	Other activities	
<i>(in millions of euros)</i>						
Airport fees	1,055	-	-	203	-	1,258
Ancillary fees	230	7	-	4	-	241
Revenue from airport safety and security services	487	-	-	-	-	487
Retail activities	-	459	2	225	-	686
Car parks and access roads	-	171	-	15	-	186
Industrial services revenue	-	40	-	3	-	43
Rental income	14	107	197	22	-	340
Other revenue	26	23	-	190	124	363
Operating financial revenue	-	-	9	4	-	13
Total	1,812	807	208	666	124	3,617

The breakdown of the Group's revenue per major client is as follows:

<i>(in millions of euros)</i>	2018	2017
Revenue	4,478	3,617
Air France	777	756
Turkish Airlines	280	153
Easy Jet	75	68
Other airlines	1,030	831
Total airlines	2,162	1,808
Direction Générale de l'Aviation Civile	517	504
Société de Distribution Aéroportuaire	285	273
ATU	253	144
Other customers	1,261	888
Total other customers	2,316	1,809

- (i) The increase in revenue realized with Turkish Airlines, ATU, other airlines and other customers is mainly due to the full consolidation of TAV Airports since 7 July 2017.

4.3 Other current operating income

Other current operating income mainly includes indemnities, operating subsidies and the share of investment grants transferred to the result at the same pace as depreciation of subsidised assets.

The breakdown of other current operating income is as follows:

<i>(in millions of euros)</i>	2018	2017
Investment grants recognized in the income statement	2	2
Net gains on disposals	3	64
Other income	53	26
Total	58	92



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Other current operating income consists mainly of indemnities recognized for €42 million both under the indemnification agreement with the Société du Grand Paris relating to the project to build a metro station in Paris-Orly and under the CDG Express project.

As a reminder in 2017, a profit linked to the disposal of Hub Cargo (Fedex) buildings for €63 million was recognized. Trade receivables and related accounts.

4.4 Receivables and related accounts

Trade receivables and related accounts break down as follows:

<i>(in millions of euros)</i>	As at Dec 31, 2018	As at Dec 31, 2017
Trade receivables	645	637
Guaranteed passenger fee receivable < 1 year*	-	20
Doubtful receivables	46	54
Accumulated impairment	(63)	(70)
Net amount	628	641

* Guaranteed passenger fee receivable < 1 year were transferred to Other current financial assets on 1 January 2018 (see note 9.5.1).

The Group applies the new IFRS 9 standard which entered into force on 1 January 2018. This standard requires a change in the depreciation method of financial assets. The new method consists in recognising expected credit losses upon the initial recognition of receivables instead of recognising losses when they are actually incurred.

The primary analyses of the historical losses on receivable per client category led the Group to recognise an additional impairment loss of €3 million as at 1 January 2018. Upon initial application of the standard IFRS 9, the impairment loss was recognised through equity (see note 1.3).

Impairment evolved as follows:

<i>(in millions of euros)</i>	As at Dec 31, 2018	As at Dec 31, 2017
Accumulated impairment at beginning of period	(70)	(57)
Increases	(14)	(15)
Decreases	38	11
Translation adjustments	-	7
Change in consolidation scope	(13)	(15)
Other changes	(4)	(1)
Accumulated impairment at closing of period	(63)	(70)

4.5 Current operating expenses

Current operating expenses are reported according to their nature and comprise raw material and consumables used, external services and charges, taxes other than income taxes and other operating charges. With regards to taxes, the Group considers that the company value-added contribution (Cotisation sur la Valeur Ajoutée des Entreprises - CVAE) cannot be analyzed as an income tax.



4.5.1 Consumed purchases

The consumed purchases are detailed as follows:

<i>(in millions of euros)</i>	2018	2017
Cost of goods	(67)	(54)
Electricity	(37)	(29)
Studies, research and remuneration of intermediaries	(17)	(19)
Gas and other fuels	(16)	(12)
Operational supplies	(12)	(12)
Winter products	(10)	(8)
Operating equipment and works	(12)	(8)
Other purchases	(29)	(23)
Total	(200)	(165)

4.5.2 Other current operating expenses

The other current operating expenses are detailed as follow:

<i>(in millions of euros)</i>	2018	2017
External services	(1,178)	(865)
Taxes other than income taxes	(275)	(260)
Other operating expenses	(85)	(39)
Total	(1,538)	(1,164)

The increase in other current operating expenses is mainly due to the full consolidation of TAV Airports since 7 July 2017.



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Breakdown of other services and external charges

<i>(in millions of euros)</i>	2018	2017
Sub-contracting	(528)	(445)
Security	(236)	(177)
Cleaning	(86)	(81)
Persons with restricted mobility	(59)	(55)
Transport	(32)	(34)
Recycling trolleys	(13)	(13)
Caretaking	(17)	(14)
Other	(85)	(71)
Maintenance and repairs	(154)	(148)
Concession rent expenses (1)	(249)	(85)
Studies, research and remunerations of intermediaries	(68)	(50)
Insurance	(20)	(18)
Travel and entertainment	(20)	(16)
Advertising, publications, public relations	(28)	(29)
Rental and leasing expenses	(54)	(28)
Other external services	(8)	(13)
External personnel	(6)	(7)
Other external expenses & services	(43)	(26)
Total	(1,178)	(865)

- (1) Concession rent expenses are incurred by TAV Airports for the operation of Atatürk airport in Istanbul, Monastir and Enfidha in Tunisia and Skopje and Ohrid in Macedonia (see note 6.1). The change of this work is mainly due to the global integration of TAV Airports since 7 July 2017.

Breakdown of taxes other than income taxes

<i>(in millions of euros)</i>	2018	2017
Territorial financial contribution	(54)	(53)
Property tax	(97)	(95)
Other taxes other than income taxes	(55)	(50)
Non-refundable taxes on safety expenditure	(69)	(62)
Total	(275)	(260)

Breakdown of other operating charges

Other operating expenses include in particular the amount of fees for concessions, patents, licenses, rights and similar items, losses on bad debts and subsidies granted.



4.6 Trade payables and related accounts

Trade payables and related accounts are detailed below:

<i>(in millions of euros)</i>	As at Dec 31, 2018	As at Dec 31, 2017
Operating payables	289	199
Accounts payable	301	223
Total	590	422

4.7 Other receivables and prepaid expenses

The details of other receivables and prepaid expenses are as follows:

<i>(in millions of euros)</i>	As at Dec 31, 2018	As at Dec 31, 2017
Prepaid concession expenses < 1 year	42	72
Advances and deposit paid on orders	12	4
Tax receivables	74	79
Receivables related to employees and social charges	2	4
Prepaid expenses	34	33
Other receivables	75	51
Total	239	243

Prepaid concession expenses only relate to Atatürk airport, operated by TAV Istanbul. A payment of 5.5% of the total rent amount is made within the five workdays of each rental year following the first rental year. Furthermore, TAV Istanbul also

paid in advance development expenses related to the installation of EDS Security Systems (explosives screening system) in the terminals (cf. note 6.1).

4.8 Other payables and deferred income

The details of other payables and deferred income are as follows:

<i>(in millions of euros)</i>	As at Dec 31, 2018	As at Dec 31, 2017
Advances and deposits received on orders	13	13
Employee-related liabilities	278	249
Tax liabilities (excl. current income tax)	64	47
Credit notes	28	22
Other debts	144	114
Deferred income	138	130
Concession rent payable < 1 year	90	117
Debt related to the minority put option	38	32
Total	793	724



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Deferred income are mainly related to Aéroports de Paris SA and consist mainly in:

- ◆ fixed rent revenue, i.e. €78 million as of 31 December 2018 (€81 million as of 31 December 2017);
- ◆ car park : subscription and reservation, i.e €14 million as of 31 December 2018 (€13 million as of 31 December 2017);
- ◆ the rent to Air France of terminal T2G, i.e. €3 million as of 31 December 2018 (€3 million as of 31 December 2017);

The debt of the concession rent payables relate to TAV Airport for TAV Tunisia, TAV Macedonia, TAV Milas Bodrum and TAV Ege:

- ◆ TAV Tunisia: the concession fee is based on the annual revenue of Monastir and Enfidha airports

on which a rate between 11% and 26% is applied;

- ◆ TAV Macedonia: the concession rent of TAV Macedonia is 15% of the annual income turnover until the number of passengers using the two airports (Skopje and Ohrid) reaches to 1 million, and when the number of passengers exceeds 1 million, this rent percentage shall change between 2% and 4% depending on the number of passengers.
- ◆ TAV Milas Bodrum and TAV Ege: the fixed concession rents are defined in the concession contract for the operation of international and domestic terminals of Milas Bodrum and Izmir Adnan Menderes airports (see note 8.2).

The debt related to the minority put option relates to TAV Airports for the minority interests in TAV Tunisia (see note 9.4).

4.9 Investment in associate and joint ventures from operating (and non-operating) activities

In accordance with the principle explained in note 3.1 and in the glossary, the share of profit or loss in joint ventures is presented in a separate line in the operating profit or loss, integrated on the operating result.

Investments in companies over which the Group exercises significant influence or joint control are described below:

International and airport developments:

TAV Airports: The companies consolidated under the equity method in TAV Airports are mainly joint-ventures: 50% of parts of TAV Antalya have been acquired in May 2018 and which operates international airport of Antalya, TGS a ground-handling service company which is 50%-owned, ATU a company specialized in duty free and 50%-owned, Tibah Development and Tibah Operation which are 33%-owned and 51%-owned respectively and operating the Medine airport in Saudi Arabia and BTA Denizyollari which is 33.33%-owned.

Royal Schiphol Group N.V ("Schiphol Group"), which operates Amsterdam Airport Schiphol, created with Aéroports de Paris SA a long-term industrial cooperation and capital 8% cross-equity investment agreement at the end of 2008 that created a leading alliance in the global airport industry. This industrial cooperation agreement between two of Europe's leading airport groups for an initial duration of 12 years represents a bold strategic move that has generated significant mutual benefits for both companies in all their core areas of business.

Sociedad Concesionaria Nuevo Pudahel, joint-venture 45%-owned by ADP International, 40%-owned by Vinci Airports and 15%-owned by Astaldi, operating the concession of Santiago International Airport for a period of 20 years and with the objective to ensure the financing, design and construction of a new 175,000-square meter terminal.

Société de gestion et d'exploitation de l'aéroport de Conakry ("Sogec"), 28.98%-owned.

Airport Terminal Operations LTD ("ATOL"), company whose main purpose is the management and operation of Sir Seewoosagur International Airport in Mauritius. Although holding only 10% of the capital of this company, ADP International actively participates in the governance as well as the financial and operational decision making policies of the company.

Retail and services:

Groupe ADP exercises a joint control on the following companies:



Société de Distribution Aéroportuaire: entity which capital and voting rights are 50%-owned, specialized in the sale of alcohol, tobacco, perfumes-cosmetics, food, fashion and accessories and photo-video-sound systems. The company conducts direct management and commercial lease activities.

Relay@ADP: joint-venture which is 50%-owned dedicated to retail of press, book store, commodities and souvenirs.

EPIGO: company which is 50%-owned dedicated to arranging, operating and developing fast food points of sale in the terminals.

Transactions between Aéroports de Paris SA and these companies relate to:

- fees collected under the operational rights granted by Aéroports de Paris SA;
- rents for the occupation of sales areas.

Real estate:

The main companies consolidated under equity method in the Real estate sector are the following:

Coeur d'Orly Commerces and Coeur d'Orly Bureaux: Aéroports de Paris is a 50%-co-investor of the Coeur d'Orly project for retail outlets and offices, along with Foncière des Régions.

Transport Beheer and Transport CV: companies which are 40%-owned along with Schiphol Group, with the objective to own an office building.

SCI Heka Le Bourget: company which is 40%-owned, holder of the construction lease and investor in the building intended to be operated by the company Chenu Le Bourget.

4.9.1 Share of profit or loss of associates and joint ventures from operating activities

The amounts included in the income statement are broken down by sector as follows:

<i>(in millions of euros)</i>	2018	2017
International and airport developments (i) (ii)	75	77
Retail and services	2	3
Real estate	2	(2)
Other activities	-	-
Share of profit or loss in associates and joint ventures from operating activities	80	78

- (i) In 31 December 2018, this amount includes the share of profit or loss in associates and joint ventures from operating activities of AIG until 18 April 2018, equivalent to a loss of less than €1 million, and the profit recognized as part of the disposal of 9,5% of AIG shares for the total amount of €22 million (see note 2.1).
- (ii) Prior to the control acquisition dated 7 July 2017, TAV Airports investment was accounted for using the equity method. Following the additional acquisition on that date, TAV Airports is fully consolidated in the Group accounts. The contribution of TAV Airports in the share of profit or loss in associates and joint ventures from operating activities until 7 July 2017 amounts to €63 million.



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4.9.2 Impairment tests on investments in associates and joint ventures

Investments in associates are tested for impairment when the Group identifies one or more indices of impairment likely to have an impact on the future estimated cash flows from these associates. An impairment loss is recognized if the recoverable value of the investment falls below its carrying value.

In 2018, the Group recognized a provision for depreciation of international investment of €20 million (in 2017, a provision for depreciation of international investment was recognized for €46 million).

4.9.3 Breakdown of balance sheet amounts

The amounts relating to the stakes recognized with the equity method can be analysed as follows:

<i>(in millions of euros)</i>	As at Dec 31, 2018	As at Dec 31, 2017
International and airport developments	1,091	654
Retail and services	12	10
Real estate	29	10
Other activities	1	1
Total activities from operating associates	1,133	675
Total activities from non-operating associates	13	11
Total investment in associates	1,146	686

The goodwill recognized and included within the shares consolidated under the equity method above amounts to:

- ◆ €149 million for the International and airport developments sector, including €120 million for Schiphol, €23 preliminary goodwill for TAV Antalya and €6 million for TGS;
- ◆ €3 million for the other activities sector.

4.9.4 Changes in share of net assets

Changes in the Group's share of the net asset value of associates and joint ventures at the beginning and ending of the periods are as follows:

	Net amount as at Jan 1, 2018	Share of net profit (loss) for the period	Change in consolidation scope	Change in translation adjustment reserves	Change in other reserves and reclassifications	Dividends paid*	Net amount as at Dec 31, 2018
<i>(in millions of euros)</i>							
International and airport developments	654	75	333	(1)	16	(36)	1,091
Retail and services	10	2	-	-	3	(3)	12
Real estate	10	3	-	-	-	1	29
Other activities	1	-	1	-	-	(1)	1
Total activities from operating associates	675	80	334	(1)	19	(39)	1,133
Total activities from non-operating associates	11	1	-	-	-	-	13
Total investment in associates	686	81	334	(1)	19	(39)	1,146

* Including the results of tax-transparent real estate companies



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4.9.5 Summary Financial Information

The following accounting aggregates of Schiphol and TAV Antalya have been drawn up in accordance to IFRS as adopted by Europe, homogenized according to Group accounting policies.

<i>(in millions of euros)</i>	Schiphol		TAV Antalya	
	As at Dec 31, 2018	As at Dec 31, 2017	As at Dec 31, 2018	As at Dec 31, 2017
Tangible, Intangible assets and Investment property	5,241	4,795	558	641
Investments in associates	957	921	-	-
Other non-current financial assets	122	100	1	-
Deferred tax assets	94	144	29	30
Non-current assets	6,414	5,960	588	672
Inventories	-	-	2	2
Trade receivables	477	427	10	5
Other receivables and prepaid expenses	13	18	12	17
Cash and cash equivalents	387	170	187	159
Current assets	877	615	211	183
Total assets	7,291	6,575	798	855

<i>(in millions of euros)</i>	Schiphol		TAV Antalya	
	As at Dec 31, 2018	As at Dec 31, 2017	As at Dec 31, 2018	As at Dec 31, 2017
Shareholders' equity - Group share	4,024	3,877	78	27
Non-controlling interests	49	42	-	-
Shareholders' equity	4,073	3,919	78	27
Non-current debt	2,369	2,075	560	604
Provisions for employee benefit obligations (more than one year)	-	-	3	2
Other non-current liabilities	197	209	-	-
Non-current liabilities	2,566	2,284	563	606
Other current liabilities	452	35	112	207
Current debt	200	337	40	13
Provisions for employee benefit obligations (less than one year)	-	-	1	-
Other current provisions	-	-	4	1
Current liabilities	652	372	157	221
Total equity and liabilities	7,291	6,575	798	855



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<i>(in millions of euros)</i>	Schiphol		TAV Antalya	
	2018	2017	2018	2017
Revenue	1,510	1,505	324	260
Operating income	375	359	277	223
Financial income	(93)	(86)	(56)	(69)
Share of profit or loss in associates and joint ventures from non-operating activities	94	73	-	-
Income before tax	376	346	123	56
Income tax expense	(95)	(60)	(32)	(16)
Net income	281	286	91	40
Net income attributable to the Group	274	280	91	40
Net income attributable to non-controlling interests	7	6	-	-
Total comprehensive income for the period	291	267	91	40

NOTE 5 Cost of employee benefits

Groupe ADP offers benefits to employees such as end-of-career indemnities and health coverage to some of its retiring employees. The main benefit plans are described below. These benefits are classified and accounted for in accordance with IAS 19 applicable since 1 January 2013 "Employee benefits".

Post-employment benefits – Defined contributions plans

Defined contributions plans are post-employment benefit plans under which the Group's commitment is limited solely to the payment of contributions. The contributions paid are expensed in the period in which they occur.

Post-employment benefits – Defined benefit plans

Defined benefit plans entail an obligation for the Group to pay an amount or a level of defined benefits. This obligation is recognized as a provision based on an actuarial estimate.

The measurement method used is the projected unit credit method. It consists in estimating the amount of future benefits acquired by employees in exchange for services rendered in the current and prior periods.

Estimates are performed at least once a year by an independent actuary. They rely on assumptions such as life expectancy, staff turnover, and wages forecasts. The discount rate used at year-end is based on first-class bonds of which the maturity date is close to that of the Group's commitments. When these plans are funded by external funding and meet the definition of plan assets, the provision is reduced by the fair value of plan assets.

This provision is broken down into:

- service costs: they are recognized in the operating income together with other staff expenses;
- net interest on the net defined liability (including interests from the plan's assets), which include the accretion expense of the liability and the implicit revenue of return on assets;
- re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, and the difference between the return on plan assets and interest income on plan assets (included in net interests). They are recognized immediately and fully in other comprehensive income (OCI).

In case of a plan amendment, a curtailment or a liquidation, past service costs are recognized immediately in income.



Other long term employee benefits

Other long term employee benefits include items such as aeronautics industry long-service awards payable to employees of Aéroports de Paris SA, and the corresponding distinguished service bonuses. These are benefits of which the settlement date is expected to exceed 12 months after the end of the reporting period in which the employees render the related services. Measurement and accounting methods are similar to those used for defined benefit plans except for re-measurements that are recognized immediately in income, and not OCI (equity).

Termination benefits

Termination benefits payable as a result of voluntary redundancy plan are recognized as a liability and expense at the earlier of the following dates:

- date on which the Group can no longer withdraw the offer of those benefits; or
- date on which the Group recognizes costs for restructuring that involves the payment of termination benefits.

Concerning the non-recurring elements, the expense is recognized as other operating income and expenses in the income statement. Actuarial hypotheses are presented in note 5.2.2.

5.1 Staff expenses and number of employees

Staff expenses can be analysed as follows:

<i>(in millions of euros)</i>	2018	2017
Salaries and wages	(657)	(581)
Social security expenses	(278)	(261)
Salary cost capitalised	69	69
Employees' profit sharing and incentive plans	(42)	(36)
Net allowances to provisions for employee benefit obligations	18	(5)
Total	(890)	(814)

Capitalised production which amounts to €69 million, represents mainly internal cost related to employees who are involved in construction projects of the company assets including studies, overseeing of construction activities and assistance to the contracting authority.

The Competitiveness Employment Tax Credit ("CICE") amounts to €4 million (€7 million in 2017). It is recognized as a reduction of staff expenses in "Salaries and wages".



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The average number of employees can be broken down as follows:

	2018	2017
Average number of employees	25 819	17 422
Aéroports de Paris SA	6 349	6 435
TAV Airports*	18 097	8 418
Hub Safe Group**	0	1 603
Hub One Group	500	456
ADP Ingénierie Group	421	392
Média Aéroports de Paris	57	59
ADP International Group***	395	59

* Control acquisition of TAV Airports on 7 July 2017

** Sale of Hub Safe at the end of September 2017

*** Average number of employees since the takeover of AIG (see note 2.1). If the transaction had taken place on 1 January, the average workforce would have been 613.

5.2 Post-employment employee benefits and other long term obligations

5.2.1 Description of the various benefits

A. END-OF-CAREER INDEMNITIES

The Group offers end-of-career indemnities to employees entitled to assert their right to retire. Benefit paid is in the form of a capital in months of salary based on seniority within the Group at the date of the retirement leave. Employer contributions are due on this amount.

For TAV Airports, the computation of the fixed compensation for employees of entities operating in Turkey is performed in accordance with the existing labour law in Turkey. These indemnities are paid to employees who have completed one year of service and whose employment is terminated without cause or whose entity reaches the end of the concession or who retire, are called up for military service or die.

This year, the end date of the TAV Istanbul concession, initially scheduled on 2 January 2021 was brought forward to March 2019. Consequently, several legal indemnities, considered as IAS 19 provision reversals, were paid in 2018, and will continue until March 2019.

In addition to these legal indemnities recognized under IAS 19, TAV Istanbul has offered those employees additional support measures for the end of the concession: payment of not performed notice, payment of unused vacations, cooperation allowance and other contractual and discretionary bonuses.

B. HEALTH COVERAGE

Aéroports de Paris SA contributes to financing the contribution of two mutual insurance agreements covering two closed populations of employees who are currently retired.

The main risks identified are the risk of:

- ◆ increase in employers' contributions applicable to the financial participation of Aéroports de Paris SA;
- ◆ increase in medical costs incurred by the mutual, as they have an impact on the financial participation of Aéroports de Paris SA.

C. DEFINED BENEFIT PLAN

There are two defined benefit plans:

- ◆ A defined benefit plan – This plan is of additional type and relates to all employees;
- ◆ A supplementary pension scheme – This pension scheme is:
 - of additional type for fire-fighters. The additional pension corresponds to the compensation of 50% ARRCO and AGIRC points no-acquired over the period between the release of the PARDA and the age of 65 years;
 - a life annuity and of differential type for a majority of the beneficiaries of the PARDA scheme. This temporary annuity is paid simultaneously to the PARDA pension for firefighters, and between the release of PARDA and the age of 65 for other pre-retirees. This



"differential" annuity is calculated as the difference between the net PARDA annuity received by the beneficiary on leaving PARDA and his net legal annuities (SS, ARRCO and AGIRC).

Aéroports de Paris SA provides additional pensions and has insurance contracts to support the management of annuity payments. Then, Aéroports de Paris SA is compliant with the law n° 2015-839 dated 9 July 2015 on minimum requirements for securing current annuities applicable to pension plans falling under Article L137-11 of the French Social Security Code.

In this context, Aéroports de Paris SA has opted for the Fillon tax on the premiums paid into the collective fund of the insurer (24 %) for the defined benefit plan, and the tax on annuities paid by the insurer (32 % for liquidations occurred from the 1 January 2013) for the second scheme. The main risk on these existing L137-11 plans at Aéroports de Paris SA would be the application of the Directive 2014/50 / EU of

European Parliament of 16 April 2014 on the acquisition and preservation of supplementary pension rights for workers in the member states of the European Union; expected by Order within a period of 12 months from the promulgation of the PACTE law - would lead to a significant increase in the commitment of Paris SA Airports.

D. OTHER BENEFITS

Aéroports de Paris SA provides other benefits to its employees generating a commitment:

- ◆ An early retirement scheme PARDA ("Protocole d'Accord de Régime de Départ Anticipée") : this early retirement scheme consists of paying income replacement benefits during a temporary period before retirement of fire-fighters as well as the corresponding social contributions and the Fillon tax of 50%;
- ◆ A long service award for its employees.



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5.2.2 Breakdown of obligations under the various benefits

Breakdown of obligations, changes in assets and liabilities and reconciliation in the balance sheet, and in the income statement:

<i>(in millions of euros)</i>	Post-employment benefits					Total as at 31/12/2018	Total as at 31/12/2017
	Retirement Plan	Additional retirement benefits	PARDA	Long-service medals	Health cover		
Net Defined Benefit Asset / (Liability) as of the Prior Period End Date	333	74	10	2	49	468	470
(Cost) Recognised in P&L (excl Reimbursement Rights)	27	4	1	-	1	33	18
Remeasurement Gain / (Loss) Recognised in OCI (excl Reimbursement Rights)*	12	2	3	-	-	17	(15)
Employer Contributions	-	(3)	-	-	-	(3)	-
Disbursements Paid Directly by the Employer	(33)	(1)	(1)	-	(3)	(38)	(21)
Acquisition / Divestiture	-	-	-	-	-	-	18
Others adjustments	33	-	-	-	-	33	(2)
Currency Gain / (Loss)	(17)	-	-	-	-	(17)	-
Net Defined Benefit Asset / (Liability) as of the Period End Date	355	76	13	2	47	493	468
Defined Benefit Obligation as of the Prior Period End Date	333	74	10	2	49	468	469
Current Service Cost	20	3	1	-	-	24	25
Interest Cost on the DBO	7	1	-	-	1	9	8
Net Actuarial (Gain) / Loss	12	2	3	-	-	17	(15)
Disbursements from Plan Assets	-	(3)	-	-	-	(3)	-
Disbursements Directly Paid by the Employer	(33)	(1)	(1)	-	(3)	(38)	(20)
Past Service Cost - Plan Amendments	(2)	-	-	-	-	(2)	(15)
Past Service Cost - Curtailments	2	-	-	-	-	2	-
Acquisition / Divestiture	-	-	-	-	-	-	18
Others adjustments	33	-	-	-	-	33	(2)
Currency Gain / (Loss)	(17)	-	-	-	-	(17)	-
Defined Benefit Obligation as of the Period End Date	355	76	13	2	47	493	468

* The total actuarial losses generated on the pension obligation for €17 million is mainly due to experience losses (update of individual data); the actuarial gains and losses cancel each other out by the change of assumptions.



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The flows explaining the changes in provision are as follows:

<i>(in millions of euros)</i>	Present value of employee benefit obligation	Fair value of plan assets	Net actuarial liability
As at Jan 1, 2017	470	(1)	469
Change in consolidation scope	18	-	18
Other changes	(2)	-	(2)
Service costs for the period	25	-	25
Interest costs	8	-	8
Actuarial gain/(loss) in the period	(15)	-	(15)
Reduction/curtailment	(15)	-	(15)
Cash flows:			
Payments to beneficiaries	(21)	-	(21)
Contributions paid	-	(3)	(3)
Payments received from third parties	-	4	4
As at Dec 31, 2017	468	-	468
Change in consolidation scope	-	-	-
Other changes	33	-	33
Service costs for the period	33	-	33
Interest costs	(17)	-	(17)
Actuarial gain/(loss) in the period	17	-	17
Reduction/curtailment	-	-	-
Cash flows:			
Payments to beneficiaries	(38)	-	(38)
Contributions paid	(3)	-	(3)
Payments received from third parties	-	-	-
As at Dec 31, 2018	493	-	493

5.2.3 Assumptions and sensitivity analysis

The main assumptions used are as follows:

As at Dec 31, 2018	France	Turkey
Discount rate / Expected rate of return on plan assets	1.50%	18.00%
Inflation rate	1.75%	10%
Salary escalation rate (inflation included)	1.75% - 3.55%	11%
Future increase in health care expenses	2,50%	N/A
Average retirement age	62 - 65 years	51-52 years

For the rates used in France:

The rate used for discounting the commitment is representative of the rate of return for first-class bonds in euros with duration comparable to those of the commitments involved (weighted average duration of 12.0 years).

Mortality assumptions used are those defined by:

- ◆ mortality tables of men/women INSEE prospective 2007-2060 on the service period of beneficiaries; and
- ◆ generational tables of men/women TGH05-TGF-05 on the annuity phase.



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The table below shows the sensitivity of the commitment to the main actuarial assumptions:

<i>(in millions of euros)</i>	Low assumption	Impact on present value of obligation at 31/12/2018	High assumption	Impact on present value of obligation at 31/12/2018
Drift in medical costs	-1.00%	(5)	1.00%	5
Discount rate / Expected rate of return on plan assets	-0.50%	28	0.50%	(26)
Mortality rate	- 1 year	4	+ 1 year	(4)
Salary escalation rate (inflation included)	-0.50%	(19)	0.50%	20

Based on the employee benefit commitments for end-of-career indemnities as at 31 December 2018, a decrease of 100bp of the employer contribution rate would have an equity impact of €2.3 million.

5.3 Provisions for employee benefit commitments on the balance sheet

Provisions for employee benefit obligations have evolved as follows on the liabilities of the balance sheet:

<i>(in millions of euros)</i>	2018	2017
Provisions as at 1 January	468	469
Increases	66	56
Operating allowances	24	25
Financial allowances	9	8
Recognition of actuarial net gains	17	-
Increase due to changes in consolidation scope	-	23
Other changes	16	-
Decreases	(41)	(57)
Provisions used	(41)	(20)
Recognition of actuarial net gains	-	(15)
Reduction/curtailment	-	(15)
Decrease due to changes in consolidation scope	-	(5)
Other changes	-	(2)
Provisions at 30 June	493	468
Non-current portion	484	458
Current portion	9	10

5.3.1 Best estimate of the contributions to be paid

The amount of contributions that the Group believes will need to be paid for the defined benefits plans on the assets side in 2018 is not significant.



NOTE 6 Intangible assets, tangible assets and investment property

6.1 Intangible assets

Intangible assets include:

- airports operation rights (see note 6.1.1);
- goodwill generated by business combinations in accordance with the principles outlined in note 2.3;
- patents and licenses;
- contractual relationships;
- computer software;
- usage rights.

Goodwill is not amortizable. In compliance with IAS 36, Impairment of assets, goodwill is subject to an annual impairment test or more frequently if there is objective evidence that an impairment loss has been incurred. An impairment loss is recognized if the recoverable value falls below its carrying value. Impairment loss are irreversible.

The identifiable intangible assets acquired in a business combination are measured at fair value. Intangible assets acquired or produced outside of a business combination are measured initially at their historic cost in accordance in accordance with IAS 38, Intangible assets.

Other intangible assets are mainly composed of the intangible asset related to Istanbul Atatürk concession (see paragraph below) and contractual relationships recognised as part of the identification and evaluation of the identifiable assets and liabilities of TAV Airports.

Intangible assets are depreciated using the straight-line method according to their estimated useful life and estimated traffic:

Software	4 to 10 years
Patent and licenses	4 to 10 years
User right	15 years
Airport operation right*	Concession agreement period

*see note 6.1.1

Istanbul Atatürk operations contract: Considering that TAV Istanbul has control over a significant part of revenue and tariffs, the Group considers that the concession agreement related to Istanbul Atatürk, which terminates as of 2 January 2021 at midnight, does not fall in the scope of IFRIC Interpretation 12 "Service Concession Arrangements". The Group recognized an intangible asset included in the category "other" in the below table, resulting from the right to receive a remuneration from the users of Istanbul Atatürk airport. This right to receive a remuneration was valued at fair value at initial recognition. Considering the anticipated closure of the Atatürk airport, this asset is amortized based on passenger traffic over the estimated remaining term of the concession, taking into account its residual value.



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Intangible assets are detailed as follows:

	Goodwill	Airport operation right*	Software	Other	Fixed assets in progress, related advances & prepayments	Total
<i>(in millions of euros)</i>						
Gross value	139	2,021	315	690	29	3,194
Accumulated amortisation & depreciation	(7)	(41)	(236)	(102)	-	(386)
Carrying amount as at Jan 1, 2018	132	1,980	79	588	29	2,808
Purchases	-	17	4	-	24	45
Change in advances and prepayments	-	-	-	-	9	9
Depreciation and Amortisation, net of reversals	-	(123)	(27)	(141)	-	(291)
Changes in consolidation scope	52	862	-	13	-	927
Translation adjustments	2	39	-	1	-	42
Transfers to and from other headings	13	(2)	34	-	(25)	20
Carrying amount as at June 30, 2018	199	2,773	90	461	37	3,560
Gross value	206	2,938	351	700	37	4,232
Accumulated amortisation & depreciation	(7)	(165)	(261)	(239)	-	(672)

* See note 6.1.1

As of 31 December 2018, the goodwill relates mainly to:

- ◆ TAV Airports for €125 million (€113 million as at 31 December 2017);
- ◆ AIG for €43 million (preliminary evaluation - see note 2.1);
- ◆ Hub One Mobility for €12 million;
- ◆ ADP Immobilier Tertiaire for €7 million;
- ◆ Sysdream for €7 million;
- ◆ Merchant Aviation for €5 million.

The PPA assessment for TAV Airports led in 2018 to the adjustment for provisions for risks and charges and employee benefit obligations for an amount of €26 million net of deferred tax and goodwill for €12 million.

The net amount of transfers from other headings relates in particular to the assets reclassification in progress as intangible assets.

As at 31 December 2018, there is no indicator of impairment loss on the intangible asset related to the operation contract of Istanbul Atatürk airport. Whenever the effective date of transfer of the majority of activities of Atatürk to the third airport, scheduled on 3 March 2019, the Group does not expect to have a negative impact on the future results of the concession. Indeed, TAV Airports has been officially informed by the DHMI (Devlet Hava Meydanları İşletmesi) that it will be compensated for the shortfall undergone for the period starting from the transfer of activity to the new airport and the end of the initial concession (2 January 2021 at midnight). The practical terms to determine this compensation are subject to discussions with the DHMI.

6.1.1 Airport operation rights

Under the terms of IFRIC 12 Service Concession Arrangements, a concession operator has a twofold activity, for which revenue is recognized in accordance with IFRS 15:

- A construction activity in respect of its obligations to design, build and finance a new asset that it delivers to the grantor: revenue is recognized in progression;
- An operating and maintenance activity in respect of concession assets.



- In return for its activities, the operator receives remuneration either from:

The users - intangible asset model: The Group recognizes an intangible asset arising from a service concession agreement when it receives a right (a license) to charge the public service users. In this model, the right to receive a remuneration is recognised as an intangible asset and is accounted at fair value at initial recognition. This right corresponds to the fair value of the concession sold. Subsequent to initial recognition the intangible asset is measured at cost less accumulated amortisation and accumulated impairment losses.

The estimated useful life of an intangible asset in a service concession arrangement is the period from when the Group is able to charge the public for the use of the infrastructure to the end of the concession period. Amortisation of airport operation right is calculated based on units of production method over passenger figures for all airports except Monastir and Enfidha Airport for which the amortisation is calculated on a straight-line basis over the concession period, as traffic forecasts could not be estimated reliably.

The grantor - financial asset model: The Group holds an unconditional contractual right to receive payments from the grantor, independently of the user attendance of the airport. In this model, the activity of the concessionaire lead to the recognition of a financial asset giving right to interests. In balance sheet, these financial assets are classified under "Other financial assets" and are initially recognised at fair value. Subsequently, the financial assets are accounted for at amortised costs and recovered according to the lease payments received from the grantor. The income computed based on the effective interest rate is accounted for as operating revenue.

The Group applies the financial asset model to the concession agreement signed between TAV Esenboga and the DHMI which terminates in May 2023. The financial asset was initially recognized at fair value. As at 31 December 2018, the current part of this financial asset amounts to €21 million and the non-current part amounts to €81 million (see note 9.5.3).

Movements in airport operating rights are as follows:

<i>(in millions of euros)</i>	Izmir Adnan Menderes International Airport	Tbilisi and Batumi International Airport	Monastir and Enfidha International Airport	Skopje and Ohrid International Airport	Milas-Bodrum Airport	Queen Alia International Airport	Other	Total
End of contract date	December 2032	February 2027 and August 2027	May 2047	March 2030	December 2035	November 2032		
Carrying amount as at Dec 31, 2017	608	361	411	101	438	-	61	1,980
Carrying amount at acquisition date	-	-	-	-	-	862	-	862
Change	-	-	(2)	-	-	17	-	15
Depreciation and Amortisation, net of accumulated	(26)	(29)	(14)	(6)	-	(44)	(4)	(123)
Translation adjustments	-	1	-	-	-	38	-	39
Carrying amount as at Dec 31, 2018	582	333	395	95	438	873	57	2,773
Gross value	619	373	415	105	444	919	63	2,938
Accumulated amortisation & depreciation	(37)	(40)	(20)	(10)	(6)	(46)	(6)	(165)



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The main features of concession agreements concerning Izmir Adnan Menderes International Airport, Tbilissi and Batumi International Airport, Monastir and Enfidha International Airport, Skopje and Ohrid International Airport and Milas Bodrum Airport are as follows:

- ◆ The fee schedule is defined in the concession agreements and price increases are subject to agreement by the grantor;
- ◆ The remuneration is paid by users and airlines;
- ◆ No grant or guarantee is given by the concession grantor;
- ◆ Infrastructures are returned to the grantor with no consideration at the end of the contract.

BOT (Build - Operate - Terminate) and BTO (Build - Transfer - Operate) operations and management contracts include the following activities:

- ◆ **Terminal and airport services**, which includes passenger, ramp and check-in counter services and services for parking-apron-taxi ways (for airport operations). A fee is charged to each airline based on the number of passengers that utilise the airport, based on the number of aircrafts that utilise ramps and runways and based on the number of check-in counters utilised by the airlines;
- ◆ **Duty free goods** – The Group has the right to manage duty free operations within the terminals which the Group entities operate. Duty free shopping is available to both arriving and departing passengers. The duty free shops are subcontracted either to Group's joint ventures or to other companies in exchange for a commission based on sales;
- ◆ **Catering and airport hotel services** – The Group has the right to manage all food and beverage operations within the terminals both for the passengers and the terminal personnel. The Group subcontracts certain food and beverage operations in exchange for a commission based on sales;
- ◆ **Area allocation services** – As a lessor, the Group leases office space in the airport terminal including the offices leased to the airlines for ticket office and banks;
- ◆ **Ground handling** – The Group has the right to provide all ground handling operations for domestic and international flights under the Civil Aviation Legislation License (traffic, ramp, flight operation, cargo, etc.).

Other activities operated by the Group under these concession agreements include security services within the domestic terminals, bus and car parking services, software and system services, lounge services, airline taxi services.

The main features of concession agreements of Queen Alia International Airport (AIG) are as follows:

- ◆ The tariff regulation applicable to the concessionaire, concerning airport fees and other charges, is included in the concession agreement (Rehabilitation, Expansion and Operation Agreement). The aeronautical tariffs can only be increased by inflation, with the conditions of adjustment provided for in the concession contract;
- ◆ The users and the airlines are at the origin of the remuneration of the contracts;
- ◆ Subsidies were granted by the grantor as part of acceleration measures related to the construction contract. No warranty from the grantor is provided in the contracts;
- ◆ The infrastructures are returned to the grantor at the end of the concession without compensation.

Impairment loss test of airport concessions:

In December 2017, subsequently especially to the traffic decrease from the airports of Milas-Bodrum and Monastir and Enfidha International in 2016, the impairment tests were realized on these concessions as of 31 December 2018 and were again performed as of 31 December 2018.

◆ Milas-Bodrum Airport

The utility value of the right to operate Milas-Bodrum airport was determined from the business plan on the residual term of the concession (December 2035) and in taking into account the assumption of traffic growth and of the retail revenue per passenger. The actualization rates applied to cash flows correspond to the cost of capital (WACC)'s company and amount to 9.1% in average on the projection period.

The economic sub-jacent were widely improved during the year 2018, the recoverable value is higher than the book value and none of impairment loss has been recognized as of 31 December 2018. The sensitivity analyses justify that an increase of the actualization rate of 100 base points do not lead to any impairment loss.

◆ Monastir and Enfidha International Airport



The utility value of the right to operate Monastir and Enfidha international airports were determined from the business plan, prepared by the management of TAV Tunisia, on the residual duration of the concession (May 2047), on the basis of a debt restructuring assumption in mid-2019, corresponding to the end of the moratorium period. The actualization rates applied to cash flows correspond to the capital cost (WACC)'s company and amount to 8.4% in average on the projection period.

On the basis of the traffic prevision and the business plan, the recoverable value is higher than the book value and none of impairment loss has been recognized as of 31 December 2018. The sensitivity analyses justify that an increase of the actualization rate of 100 base points do not lead to any impairment loss.

6.2 Tangible assets

The identifiable tangible assets acquired in a business combination are measured at fair value from the date of the business combination. Tangible assets acquired or produced outside of a business combination are recognized at cost less accumulated depreciation and any accumulated impairment losses.

The cost of an asset produced by the Group itself includes exclusively direct labor costs.

Subsequent costs are included in the asset's carrying amount when it is probable that these costs generate future economic benefits and can be reliably measured. Current maintenance costs are recorded when they are incurred.

From 1 January 2009, borrowing costs are capitalised for eligible assets according to IAS 23.

The Group as a lessee holds financial leases related to real property. finance lease agreements, which transfer to the Group virtually all risks and rewards attached to ownership of the leased asset, are recognized in the balance sheet at the beginning of the lease period at the fair value of the leased asset or, if less, at the discounted value of minimum lease payments. Lease payments are broken down between financial expenses and the reduction of the outstanding liability to obtain a constant periodic interest rate on the outstanding balance.

As part of the CRE 2016-2020 signed with the French State, the Group pursues an investment program on the regulated scope (see note 4.2.1 which defines the term "regulated scope"), which must comply with the effective implementation of an investment allowance of €2,978 million over the period as well as an investment calendar constraint.

Depreciable tangible assets, which have been purchased outright or under finance lease agreements, are depreciated using the straight-line method according to their estimated useful life:

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

As a reminder, the Group achieved in 2016 a review of the useful life applicable to airport works in regard of the useful life technically permissible by the structures and with development prospects formalised in the ERA 2016-2020. Therefore, some useful lives had been extended from 50 to 60 years.

The residual value and useful life of an asset are reviewed at least at each financial year end and adjusted if appropriate, in order to reflect the foreseen usage period.

When it is probable or highly probable that an asset or a group of asset will be recovered principally through a sale transaction rather than through continuing use, the asset or the group of asset is reclassified on a separate line in the balance sheet, Non-current assets held for sale. Non-current assets or disposal groups that are classified as held for sale



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are measured at the lower carrying amount and fair value less costs to sell and the carrying amount is no longer amortized. A tangible asset is derecognized when withdrawn or when no future economic benefit is expected from its use or disposal. Any gain or loss resulting from derecognition of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement (disclosed in a separate line "Other operating income and expenses").

Property, plant and equipment are detailed as follows:

	Land and improvements of land	Buildings	Plant and equipment	Other	Fixed assets in progress, related advances & prepayments	Total
<i>(in millions of euros)</i>						
Gross value	69	10,825	482	575	960	12,911
Accumulated amortisation & depreciation	(17)	(5,466)	(302)	(333)	-	(6,118)
Carrying amount as at Jan 1, 2018	52	5,359	180	242	960	6,793
Purchases	1	23	39	26	929	1,018
Change in advances and	-	-	-	-	(1)	(1)
Disposals and write-offs	-	-	(2)	-	-	(2)
Depreciation and Amortisation	(1)	(400)	(35)	(58)	-	(494)
Translation adjustments	-	-	-	4	(2)	2
Transfers to and from other headings	5	532	-	40	(620)	(43)
Carrying amount as at Dec 31, 2018	57	5,514	182	254	1,265	7,272
Gross value	74	11,329	508	644	1,265	13,820
Accumulated amortisation & depreciation	(17)	(5,815)	(326)	(390)	-	(6,548)

The net amount of transfers from other headings mainly concerns the assets reclassification in progress as tangible assets. This reclassification focuses in particular on the following implemented items:

- ◆ the hold luggage conveying, handling and increased security screening system under satellite S3 of terminal 2E at Paris-Charles de Gaulle;
- ◆ the Baikal office building at Paris-Charles de Gaulle;
- ◆ the extension of hall 1 of the West terminal at Paris-Orly;
- ◆ parts of the renovation of terminal 2B and its junction with terminal 2D at Paris-Charles de Gaulle;
- ◆ the relocation of Paris-Charles de Gaulle taxi

operating base and the adjustment of its access roads;

- ◆ sanitary facilities upgrading at both airports;
- ◆ parts of the redesign of the shops in hall K of terminal 2E at Paris-Charles de Gaulle;
- ◆ the renovation of roads and aprons in the cargo zone at Paris-Charles de Gaulle;
- ◆ the taxi operating base at Paris-Orly;
- ◆ the partial commissioning of the rehabilitation of building 5720 at Paris-Charles de Gaulle

The borrowing costs capitalised at 31 December 2018 in according to IAS 23 revised amounted to €14 million, based on an average capitalization rate of 2,64%.

6.3 Investment property

Investment property is the real estate (land, building, real estate or part of one of these elements) held (in full ownership or under a finance lease) for leasing to third parties and / or looking for a capital gain.

In contrast, the buildings occupied by Groupe ADP for its own needs (head offices, administrative buildings or operating buildings) are not investment properties but operating properties on the balance sheet under tangible assets.



Vacant buildings not intended to be used by Groupe ADP for its own use are wholly considered as investment property. These are essentially held by Aéroports de Paris SA.

Mixed-use buildings that meet the definition of investment properties for more than half of their surface area are retained in their entirety.

Investment properties thus appear on a specific line of the balance sheet and, in accordance with the option offered by IAS 40, are valued by the historical cost method, namely at their cost less accumulated depreciation and amortization accumulated impairment losses.

Straight-line depreciation is applied to the property concerned on the basis of 20 to 50 years of life.

The fair value of investment property, the amount of which is disclosed in paragraph 6.3.2, is based on a value appraised by independent real estate appraisal firms for almost 99% of its whole value (excluding land reserves).

- All the buildings not used for the own use of Aéroports de Paris SA have been appraised on the Paris-Orly and Paris-Charles de Gaulle platforms; more than 99% of those of Paris-Le Bourget have also been valued by independent experts.
- The leased properties were valued on the basis of a mixed approach based on external valuations for almost 100% of the land. The value of the other lands are assessed internally by an infinite renting method, considering that the duration of the lease is indefinite and that the cash flow can be discounted in perpetuity.
- Development projects (as developer and/or investor) are valued as soon as a construction lease is signed, subject to a condition precedent. A risk indemnity is applied in order to reflect a discount primarily before the procurement of a building permit and upon the deadline for appeal. Regarding the buildings, the property is evaluated as delivered and leased, then all remaining costs (residual works, marketing, franchises) are deducted for this value.
- The valuation of land reserves was assessed internally and results from a differentiation of the parcels by destination according to four categories defined by their mutability deadlines (reserves available immediately, under aeronautical constraints, of PLU evolution and mutable in the short term after demolition/decontamination). It results from the product of their theoretical market value per square meter by the area in square meters available, to which is applied a 15% discount corresponding to the cost of the non-transferability of the land and the cost of carrying. The discount rate applied to cash flows is the cost of capital of Aéroports de Paris SA.
- The lease contracts operated by the Group are analysed according to the IAS 17 "Lease contracts" standard in order to determine if they are qualified as simple lease contracts or finance lease contracts, through separate analysis of lands and buildings. For finance lease contracts, the disposed asset is taken out of the balance sheet; the gain or loss from disposal is then recognized in operating income from operational activities.



6.3.1 Analysis of investment property

Investment property is detailed as follows:

(in millions of euros)	Land, improvements of land and substructure	Buildings	Fixed assets in progress, related advances & prepayments	Total
Gross value	119	563	95	777
Accumulated amortisation & depreciation	(56)	(245)	-	(301)
Carrying amount as at Jan 1, 2018	63	318	95	476
Purchases and change in advances and prepayments	-	4	11	15
Depreciation and Amortisation	(2)	(18)	-	(20)
Transfers to and from other headings	(1)	61	(22)	38
Carrying amount as at as at June 30, 2018	60	365	84	509
Gross value	118	627	84	829
Accumulated amortisation & depreciation	(58)	(262)	-	(320)

6.3.2 Fair value of investment property

The fair value of investment properties amounts to €2,624 million as at 31 December 2018, compared to €2,433 million as at 31 December 2017, representing a growth of almost 8%.

The rate of coverage of external expertise for the buildings valuation and the lands leased to third parties amounts to almost 100% of their value. These appraisals were managed by a group of independent property experts composed of the following firms:

- CBRE Valuation;
- Cushman & Wakefield Valuation & Advisory;
- Crédit Foncier Expertises.

Real estate experts use for their valuation (i) confidential data communicated by the Group (such as lease reports) and (ii) appropriate hypotheses mainly related to the actualization or capitalization rates, market leasing values and specific advantages for lessees.

Some other lands leased to third parties had not yet been assessed; these are mainly located at the general aviation aerodromes.

The fair value of IAS 40 buildings (i.e. not used for Aéroports de Paris' own requirements), including their right-of-way, amounts to €1,147 million in increasing of €95 million compared to 2017. This increase is mainly due to new buildings deliveries such as a business park on the Paris-Orly platform, an office building on the Roissy-Pole district and ongoing developments, particularly in the hotel and freight sector, whose the delivery date approaches.

In addition, areas with more liquidity (standard products with high occupation rates and long committed terms) increases due to the pursue of the compression rates. The year was marked by a strong dynamism of e-retail and by a hotel

activity which is doing well, which is reflected on the rates level inducing a mechanical growth of the fair value of warehouse/logistics assets, freight and hotels (impact + €19 million). However the tertiary rental market tends on the Paris-Charles-de-Gaulle platform combined with a cyclical vacancy of one of our main customers.

The fair value of leased lands amounts to €1,171 million, representing a decrease of 1.4%. This decrease is mainly due to a presentation change operated in 2018 with the maintenance of lands holdings of projects in construction not yet delivered in the land reserves as well as the freehold valuation of the business park delivered at the beginning of the year 2018 on the Paris-Orly platform. On a comparable basis, land is up almost 1% (impact +€8 million).

A mission to critically review of the methodology for valuing land reserves estimated internally was entrusted in 2018 to one of the independent expert firms. The method used has been validated with the recommendations on the valuation criteria to better take into account benchmarks. These recommendations have been incorporated into the fair value estimate of the land reserves.

The land reserves value increases from €162 million to €306 million, as a result of an adjustment to the valuation method mentioned above (impact + €81 million) and retention in land reserves for projects in realization and in negotiation until the delivery asset (impact + €60 million). Unrestricted and immediately exploitable reserves account to almost 66% of available non-project areas in progress and are valued for €194 million. These reserves allow to adapt to all types of needs (tertiary, hotels, shops, housing, industrial activity, freight, logistics, maintenance, aeronautical support). They are located at the heart of the platforms and in the periphery, well served by the road and motorway network,



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mainly consisting of land currently unused and easily developed, but also areas of activity undergoing restructuring, suitable for densification. . In addition, their public transport service should be substantially improved with the Grand Paris metro (line 14 and 18 at Orly, line 17 at LBG and CDG), and CDG express.

The short-term mutable zones represent about 60 hectares and currently represent a value of €37 million with significant growth potential in the short and medium term.

External valuations made appear the main immediate returns on investments properties presented below:

<i>(in millions of euros)</i>	As at Dec 31, 2018	As at Dec 31, 2017	Rate of immediate return
Buildings			
Offices Paris-Charles de Gaulle	382	404	6,5% - 9,0%
Cargo Paris-Charles de Gaulle	329	272	8,0% - 10,0%
Hangars Paris-Charles de Gaulle	91	90	9,0% - 13,0%
Hotels/shops Paris-Orly and Charles de Gaulle	48	6	4,0% - 6,5%
Hangars/freight Paris-Orly	140	129	10,0% - 20,0%
Activity Paris-Orly and Charles de Gaulle	28	27	7,0% - 12,0%
Paris-Le Bourget	129	124	7,0% - 13,0%
Total of external rented buildings	1,147	1,052	
Ground leases			
Offices Paris-Charles de Gaulle	93	95	6,0% - 7,5%
Cargo Paris-Charles de Gaulle	345	339	6,0% - 8,0%
Hangars Paris-Charles de Gaulle	115	115	8,0% - 10,0%
Hotels/shops Paris-Orly and Charles de Gaulle	238	253	4,0% - 6,5%
Hangars/freight Paris-Orly	44	58	13,0% - 16,0%
Logistic/activity Paris-Orly and Charles de Gaulle	202	218	6,0% - 9,0%
Paris-Le Bourget and AAG	134	141	5,0% - 8,0%
Total of external ground leases	1,171	1,219	
Total of land reserves	306	162	
Total of investment property	2,624	2,433	

Valuation hypotheses and sensitivity analyses

Considering the limited available public data, the complexity of the real estate assets and the fact that real estate experts use for their valuation (i) the Group's confidential rent reports, (ii) non-observable published data e.g. rent increase rates forecasts or capitalization rates; the Group considered the classification under level 3 of these assets to be best suited (see note 9.5.2 regarding fair value hierarchy).

All things being equal, a combined +25 to +75 basis points change in discount rates and resale, applied on a sample representing 74% of the value of investment properties (excluding land reserves) would decrease €72 million (-4%) to €156 million (or -9%) the value of assets excluding transfer taxes and expenses (excluding development assets and land reserves or assets accounted for by the equity method).

6.3.3 Additional information

The law promulgated on 20 April 2005 provides that, in the event of a partial or total closure of one of the aerodromes operated by Groupe ADP, a percentage of at least 70% of the difference existing between, firstly, the market value at that date of the buildings situated within the enclosure of that aerodrome that are no longer used

for the airport public service and secondly, the value of those buildings on the date on which they were allocated to the airport plus the associated costs. Their rehabilitation and the closure of airport facilities is paid to the State. In addition, rental income (excluding rebilled charges) amounts to €191 million in 2018 (€184 million in 2017).



6.4 Impairment of intangible, tangible and investment properties

Intangible assets, property, plant and equipment and investment properties are tested for impairment when the Group identifies indices of impairment.

For intangible assets with an indefinite useful life, a test is performed at least once a year and whenever an indication of impairment appears. For land that is assumed non-depreciable, it is tested for impairment if there is an indication of impairment.

Intangible assets, property, plant and equipment and investment properties are tested at the level of the relevant asset group (isolated asset or Cash Generating Unit - CGU) determined in accordance with the requirements of IAS 36. In the case where the recoverable amount is less than net book value, an impairment loss is recognized for the difference between these two amounts. The recognition of an impairment loss results in a review of the base and the schedule of amortization/depreciation of the assets concerned.

In accordance with IAS 36, the criteria used to assess impairment indicators may include underperformance, a decrease in traffic, a significant change in market data or the regulatory environment, or obsolescence or material deterioration not initially foreseen in the amortization/depreciation plan.

Impairment losses on property, plant and equipment or intangible assets may be reversed later if the recoverable amount becomes higher than the net book value. The value of the asset after reversal of the impairment loss is capped at the carrying amount that would have been determined net of amortization if no impairment loss had been recognized in prior years.

The Group did not recognize any significant impairment losses on its intangible assets (see note 6.1), tangible assets (see note 6.2) and property, plant and equipment (see note 6.3).

NOTE 7 Equity and Earnings per share

7.1 Equity

Equity breaks down as follows:

(in millions of euros)	Share capital	Share premium	Treasury shares	Retained earnings	Other equity items	Group share	Non-controlling interests	Total
As at Dec 31, 2018	297	543	-	4,096	(86)	4,850	951	5,801

7.1.1 Share capital

Aéroports de Paris SA¹ aggregate share capital amounts to €296,881,806 divided into 98,960,602 fully paid shares of €3 each, which were not subject to any change during the year 2018.

The share capital is accompanied by a share premium of 542,747 thousands of euros pertaining to the issuance of shares in 2006.

7.1.2 Treasury shares

Treasury shares held by the Group are booked as a deduction from equity at their cost of acquisition. Any gains or losses connected with the purchase, sale or cancellation of treasury shares are recognised directly in equity without affecting the income statement.

As part of its liquidity contract and in accordance with the authorization given by the shareholders at the ordinary general meeting of 4 May 2018, during the period, the company repurchased and sold 196 596 shares.



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Thus, the number of treasury shares that was nil as at 31 December 2017 is also nil as at 31 December 2018 under this contract.

7.1.3 Other equity items

Other equity items break down as follows:

<i>(in millions of euros)</i>	As at Jan 1, 2017	Comprehensive income - 2017	As at Dec 31, 2018	As at Jan 1, 2018	Comprehensive income - 2018	As at Dec 31, 2018
Translation adjustments	4	(14)	(10)	(10)	12	2
Actuarial gain/(loss)*	(94)	10	(84)	(84)	(11)	(95)
Fair value reserve	5	(8)	(3)	(3)	10	7
Total	(85)	(12)	(97)	(97)	11	(86)

* Cumulative losses on variances, net of deferred tax

7.1.4 Retained earnings

Retained earnings may be analysed as follows:

<i>(in millions of euros)</i>	As at Dec 31, 2018	As at Dec 31, 2017
Reserves of parent company Aéroports de Paris:		
Legal reserve	30	30
Other reserves	865	865
Retained earnings	1,288	1,102
Consolidated reserves	1,303	1,266
Net income for the period attributable to the owners of the parent company	610	571
Total	4,096	3,834

7.1.5 Dividends paid

Dividends paid amounted to:

- ◆ €342 million in 2018, i.e. €3.46 per share, in compliance with Resolution 3 of the 4 May 2018 Ordinary General Meeting of Shareholders;
- ◆ €261 million in 2017, i.e. €2.64 per share, in compliance with Resolution 3 of the 11 May 2017 Ordinary General Meeting of Shareholders.

7.1.6 Proposed dividends

During the Ordinary General Meeting of Shareholders of the Group approving the 2018 accounts, the payment of a dividend amounting to €3.70 per share i.e. a total amount of €366 million will be proposed, on the basis of the number of shares existing as at 31 December 2018.

The Board of Directors of the Group authorized the payment of an interim dividend until the financial year ending on 31

December 2020. For the 2018 financial year, this interim dividend represents an amount of €69 million, or an amount per share of €0.70. The dividend payment of the interim dividend was made on 6 December 2018 and the payment of the interim dividend for 2018 was made on 10 December 2018.



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7.1.7 Earnings per share

The calculation of earnings per share is as follows at the closing date:

	2018	2017
Weighted average number of outstanding shares (without own shares)	98,955,790	98,955,790
Net profit of continuing activities attributable to owners of the parent company (in million euros)	610	571
Basic earnings per share (in €)	6.16	5.77
Diluted earnings per share (in €)	6.16	5.77
Net income attributable to owners of the parent company (in million euros)	610	571
Basic earnings per share (in €)	6.16	5.77
Diluted earnings per share (in €)	6.16	5.77

Basic earnings per share correspond to the income attributable to holders of equity in the parent company.

The weighted average number of shares corresponds to the number of shares making up the share capital of the parent

company, less the average self-owned shares held during the period, i.e. 2,142 as at 31 December 2018 and 4,812 as at 31 December 2017.

There are no diluting equity instruments.

7.2 Minority interests

Minority interests break down as follows:

(in millions of euros)	As at Dec 31, 2018	As at Dec 31, 2017
Non-controlling interests		
TAV Airports (Turquie)	857	849
Airport International Groupe (AIG)	87	-
Média Aéroport de Paris	7	6
Others	-	2
Total	951	857

NOTE 8 Other provisions and other non-current liabilities

8.1 Other provisions

Other provisions set up by Groupe ADP concern essentially commercial and social litigation, as well as country, tax and environmental risks. A provision is recognized as soon as a liability of uncertain timing or amount occurs.

A provision is recognized when the three following conditions are satisfied:

- the Group has a present legal or constructive obligation resulting from a past event;
- it is probable that future outflows of resources embodying economic benefits will be necessary to settle the obligation;
- the amount of the obligation can be estimated reliably.



Other provisions evolved as follows:

<i>(in millions of euros)</i>	Litigation and claims	Other provisions	2018	Litigation and claims	Other provisions	2017
Provisions as at 1 January	14	75	89	15	54	69
Increases	5	18	23	10	55	65
Additions	5	6	11	3	13	16
Provision for non-recurring items	-	1	1	-	20	20
Increase due to changes in consolidation scope	-	7	7	-	22	22
Other changes	-	4	4	7	-	7
Decreases	(5)	(52)	(57)	(11)	(34)	(45)
Provisions used	(1)	(16)	(17)	-	(7)	(7)
Provisions reversed	(4)	(36)	(40)	(11)	(7)	(18)
Decrease due to changes in consolidation scope	-	-	-	-	(1)	(1)
Other changes	-	-	-	-	(19)	(19)
Provisions at closing	14	41	55	14	75	89
Of which						
Non-current portion	14	25	39	14	42	56
Current portion	-	16	16	-	33	33

Provisions for disputes relate to various supplier, employee and commercial issues.

Other provisions include in particular provisions for customer and supplier risks.

Information on contingent liabilities is disclosed in note 14.

8.2 Other non-current liabilities

Items presented as other non-current liabilities include:

- Investment subsidies. In compliance with the option offered by IAS 20, these subsidies are recorded as liabilities and are transferred to the income statement as the associated assets are amortized;
- Concession rent payable for concessions operated by TAV Airports;
- Revenues from contracts accounted as deferred income;
- Debt related to the minority put option.

In compliance with IAS 32, this debt is initially measured at the present value of the option exercise price. The counterpart of this debt is a decrease in the carrying value of the minority interests. The difference between the present value of the option exercise price and the carrying value is recorded in shareholder's equity – Group share under other reserves. Subsequently, this debt is revalued by an offsetting entry in the income statement at the end of each period.



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At the end of the period, other non-current liabilities were as follows:

(in millions of euros)	As at Dec 31, 2018	As at Dec 31, 2017
Concession rent payable > 1 year	594	621
Investment grants	48	49
Debt related to the minority put option	53	18
Deferred income	83	91
Other	2	1
Total	780	780

Concession rent payable relate to TAV Airports for TAV Milas Bodrum and TAV Ege which concession rent are fixed as defined in the concession agreements and have been recognized as counterparty for the airport operating right (see note 6.1.1). As at 31 December 2018, non-current concession rent payable amounts to €269 million for Milas Bodrum and €259 million for Ege (vs. €280 million and €273 million respectively as at 31 December 2017).

The debt related to the minority put option concerns Ville Aéroportuaire Immobilier 1 which option exercise date will be at the end of 2023.

Deferred income over a year mainly concerning Paris SA Airport and consists in:

- ◆ the rent to Air France of terminal T2G, i.e. €22 million as of 31 December 2018 (€25 million as of 31 December 2017);
- ◆ leasing construction of SCI Aéroville, i.e. €29 million as of 31 December 2018 (€29 million as of 31 December 2017).

NOTE 9 Financing

9.1 Management of financial risk

9.1.1 Introduction

In addition to derivative instruments, the Group's main financial liabilities consist of bank loans and overdrafts, bonds, rental financing debts, supplier debts and rental contracts. The main objective of these financial liabilities is to finance the Group's operating activities.

The Group has other financial assets such as customer debts, cash and short-term deposits that are generated directly by its activities. The Group also holds derivative instruments, mainly interest rate swaps. The objective of these instruments is the management of interest rate risks linked to the financing of the Group.

The main risks linked to the Group's financial instruments are:

- ◆ credit risk;
- ◆ liquidity risk;
- ◆ market risk.

This note presents information on the exposure of the Group to each of the above risks, its objectives, its risk measurement and management policy and procedures, and its capital management. Quantitative information appears elsewhere within the consolidated financial statements.

It is the task of the risk and audit committee to define and supervise the scope of the Group's risk management. The objective of the Group's risk management policy is to identify and analyse the risks that the Group must face, define the limits within which the risks should fall and the controls to be implemented, manage the risks and ensure compliance with the limits defined. The risk management policy and systems are regularly reviewed in order to take account of changes in market conditions and the Group's activities. Through its training and management rules and procedures, the Group aims to develop a rigorous and constructive control environment, within which all personnel have a good understanding of their roles and obligations.

The Group's audit committee has responsibility for carrying out an examination, together with senior management, of the main risks faced by the Group, and examining the risk control policy in all areas. In addition, the Internal Audit Department carries out reviews of the risk management controls and procedures, the results of which are communicated to the audit committee.

Customers and other debtors

The Group policy is to place under legal supervision and to check the financial health of all its customers (either new or not). Except for the contracts signed with the State and its fully owned subsidiaries, leases agreed between the Group and its customers include warranty clauses (deposit cheque, bank guarantee, first demand bank



guarantee, etc.). Moreover, receivables are continuously monitored. Therefore, Group exposure to bad debt is not significant.

The Group exposure to credit risk is principally affected by the individual characteristics of each customer. Around 18% of the Group revenue is derived from services sold to its main customer Air France.

Quantitative details regarding trade receivables and anteriority or current receivables are set out in note 4.3.

According to IFRS 9, the Group determines a level of write-down on accounts receivable from clients that represents its estimate of expected credit losses. This write-down model relies on:

- ◆ the type of account receivable (homogeneous and material accounts receivable);
- ◆ the probability of client default;
- ◆ and the rate of irrecoverable loss in case of default.

Investments and derivative instruments

With regard to credit risk relating to the Group's other financial assets (cash, cash equivalents, financial assets available for sale and certain derivative instruments), Aéroports de Paris SA invests its surplus cash via short term Euro money market funds. The counterpart risk linked to these investments is considered to be marginal. Concerning TAV Airports, credit risk linked to liquid funds is limited considering that counterparties are high credit rated banks. For derivative instruments, the Group's exposure is linked to possible default on the part of third parties involved, mainly first rank financial institutions. The maximum exposure is equal to the book value of these instruments.

Guarantees

Guarantees are accorded by the Group to the correct execution of international contracts. In particular, ADP International and TAV Airports gave commitments (share

pledges, receivable pledge, pledge over bank accounts) in relation to bank loans that are intended to finance the construction and operation of certain concessions (see note 14).

9.1.2 Market risk

Market risk corresponds to the risk that market price variations, such as exchange rates, interest rates and equity instrument prices, may affect the Group's results or the value of financial instruments held. The objective of the management of market risk is to manage and control exposure to market risk within acceptable limits, while optimising the profitability/risk ratio. Analyses of sensitivity to rate risk and to exchange risk are presented in note 9.5.3.

9.2 Capital management

The Group's policy is to maintain a solid capital basis in order to preserve the confidence of investors, creditors and the market and to support the future growth of its businesses.

The gearing ratio increased from 70% in 2017 to 85% in 2018. The increase of the gearing ration is driven by the increase of the net debt, mainly due to the impact of the Group new acquisitions.

The Group did not alter its capital management policy over the course of the year.

The Group occasionally buys its own shares on the open market to ensure the liquidity of its shares. The frequency of such purchases depends on market prices.

The Board of Directors monitors the level of dividends paid to holders of ordinary shares.

As of 31 December 2018, Employees currently hold 1.64% of ordinary shares.

Neither the parent company nor its subsidiaries are subject to any specific requirements under external regulations.

9.3 Net financial income

Net financial income include interest payable on borrowings, calculated using the effective interest rate method, interest receivable on investments, interests on the employee benefit liability relating to defined benefit plans and gains and losses on foreign exchange and on hedging instruments which are recognized in the income statement. As such, it includes the realized and unrealized result on foreign exchange and interest rate derivatives carried by Groupe ADP, whether or not they are documented in hedge accounting. Net financial income also include unwinding of discount on concession rent payable.



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The analysis of net financial income is as follows respectively for 2018 and 2017:

<i>(in millions of euros)</i>	Financial income	Financial expenses	Financial income 2018
Gross interest expenses on debt	-	(180)	(180)
Net income (expense) on derivatives	10	(22)	(12)
Cost of gross debt	10	(202)	(192)
Income from cash and cash equivalents	18	(3)	15
Cost of net debt	28	(205)	(177)
Income from non-consolidated investments	7	-	7
Net foreign exchange gains (losses)	49	(46)	3
Impairment and provisions	2	(9)	(7)
Other	14	(46)	(32)
Other financial income and expenses	72	(101)	(29)
Net financial income	100	(306)	(206)

<i>(in millions of euros)</i>	Financial income	Financial expenses	Financial income 2017
Gross interest expenses on debt	-	(126)	(126)
Net income (expense) on derivatives	15	(15)	-
Cost of gross debt	15	(141)	(126)
Income from cash and cash equivalents	9	(1)	8
Cost of net debt	24	(142)	(118)
Income from non-consolidated investments	2	-	2
Net foreign exchange gains (losses)	14	(40)	(26)
Impairment and provisions	-	(17)	(17)
Other	7	(27)	(20)
Other financial income and expenses	23	(84)	(61)
Net financial income	47	(226)	(179)



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Gains and losses by category of financial instruments are as follows:

<i>(in millions of euros)</i>	2018	2017
Income, expenses, profits and loss on debt at amortised cost	(193)	(127)
Interest charges on debt at amortised cost	(180)	(126)
Net interest on derivative instruments held as cash-flow hedges	(13)	(6)
Net interest on derivative instruments held as fair value hedges	-	4
Change in value of fair value hedging instruments	-	(56)
Change in value of hedged items	-	57
Gains and losses of financial instruments recognized at fair value in the income statement	15	7
Gains on cash equivalents (fair value option)	15	7
Gains realized and unrealized on derivative instruments not classified as fair value hedges (trading derivatives)	-	-
Profits and losses on assets held for sale	1	(9)
Dividends received	1	-
Gains (losses) on disposal	-	-
Net allowances to provisions	-	(9)
Other profits and losses on loans, credits and debts and amortised cost	(20)	(42)
Net foreign exchange gains (losses)	3	(27)
Other net profit	(23)	(15)
Financial allowances to provisions for employee benefit obligations	(9)	(8)
Financial allowances to provisions for employee benefit obligations	(9)	(8)
Total net gains (net losses) recognized in the income statement	(206)	(179)

9.4 Financial debt

Bond issues and other interest-bearing liabilities are initially recognized at their fair value, which corresponds to the amount received, less attributable transaction costs, such as issue premiums and expenses. Subsequently, the debt is recognized according to the method of the amortised cost using the effective interest rate of the instrument.

The effective rate corresponds to the rate that enables to obtain the booked value of a bond at its initial date, when discounting future cash flows related to the instrument.

Similarly, trade payables are recognized at their fair value at the date of their initial recognition. They are subsequently recognized at the amortised cost.

Financial debts with maturities greater than one year are recognized as non-current debt. Financial debts due for repayment within less than one year are recognized as current debt.



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9.4.1 Details of loans and financial debt

Loans and financial debt at the closing date may be analysed in this way:

(in millions of euros)	As at Dec 31, 2018	Non-current portion	Current portion	As at Dec 31, 2017	Non-current portion	Current portion
Bonds	4,678	4,379	299	4,179	4,179	-
Bank loans (i)	2,078	1,350	728	1,623	1,057	566
Other loans and assimilated debt	212	180	32	42	35	7
Accrued interest	98	-	98	67	-	67
Debt (excluding derivatives)	7,066	5,909	1,157	5,911	5,271	640
Derivative financial instruments (liabilities)	63	61	2	54	49	5
Total debt	7,129	5,970	1,159	5,965	5,320	645

- (i) The current portion of bank loan liabilities notably includes bank loans contracted by TAV Tunisia. Due to the non-respected funding convention, bank loans of TAV Tunisia are classified under the exigible debts for an amount of €342 million as at 31 December 2018.

Changes in loans and financial debt 2018 are as follows:

(in millions of euros)	As at Dec 31, 2017	Increase / subscription *	Repayment *	Exchange differences	Change in fair value	Changes in consolidation scope	Other changes	As at Dec 31, 2018
Bonds	4,179	495	-	-	8	-	(4)	4,678
Bank loans	1,623	501	(380)	10	-	317	7	2,078
Other loans and assimilated debt	42	68	(12)	11	-	149	(46)	212
Accrued interest	67	145	(120)	(7)	-	9	4	98
Debt (excluding derivatives)	5,911	1,209	(512)	14	8	475	(39)	7,066
Derivative financial instruments (liabilities)	54	-	-	(1)	(15)	26	(1)	63
Total debt	5,965	1,209	(512)	13	(7)	501	(40)	7,129

*The increases/subscriptions and repayments excluding derivatives and excluding accrued interests are disclosed in the consolidated cash flow statement respectively under the lines "Proceeds from long-term debt" and "Repayment of long-term debt"

9.4.2 Net financial debt

Net financial debt as defined by Groupe ADP corresponds to the amounts appearing on the liabilities of the balance sheet under the items non-current loans and debts, and current loans and debts, debt related to the minority put option, reduced by derivative financial instruments in an asset position, receivables and current accounts from associates, cash and cash equivalents and restricted bank balances.



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This net financial debt appears as follows at the closing date:

<i>(in millions of euros)</i>	As at Dec 31, 2018	Non-current portion	Current portion	As at Dec 31, 2017	Non-current portion	Current portion
Debt	7,129	5,970	1,159	5,965	5,320	645
Debt related to the minority put option	91	53	38	50	18	32
Gross financial debt	7,220	6,023	1,197	6,015	5,338	677
Derivative financial instruments (assets)	21	17	4	27	23	4
Receivables and current accounts from associates	117	72	45	90	51	39
Cash and cash equivalents	2,056	-	2,056	1,912	-	1,912
Restricted bank balances (i)	84	-	84	189	-	189
Net financial debt	4,942	5,934	(992)	3,797	5,264	(1,467)
Gearing	85%			70%		

- (i) Restricted bank balances relate to TAV Airports. Certain subsidiaries, namely TAV İstanbul, TAV Esenboğa, TAV Tunisia, TAV Macedonia, TAV Milas Bodrum, TAV Ege and TAV Holding ("the Borrowers") opened Project Accounts designated mainly in order to reserve required amount to reimburse project debt or elements defined in the agreements with their lenders (lease payments to DHMI, operational charges, tax,...).



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9.4.3 Details of bonds and bank loans

Details of bonds and bank loans may be analysed in the following way:

	Nominal value	Nominal rate	Effective rate before taking account of fair value hedges	Value of the debt at amortised cost	Impact of fair value hedges	Book value as at 31/12/2018	Fair value as at 31/12/2018
<i>(in millions of euros)</i>							
Aéroports de Paris SA							
Of which Bonds:							-
ADP 2012-2019	300	2.375%	2.476%	300	-	300	304
ADP 2010-2020	500	4.824%	3.95%	494	-	494	528
ADP 2011-2021	400	4.0%	4.064%	399	9	408	442
ADP 2011-2022	400	3.875%	3.985%	399	-	399	448
ADP 2015-2023	500	1.50%	1.524%	499	-	499	529
ADP 2012-2024	500	3.125%	3.252%	497	-	497	576
ADP 2014-2025	500	1.50%	1.609%	495	-	495	533
ADP 2013-2028	600	2.75%	2.846%	595	-	595	706
ADP 2017-2027	500	1.0%	1.036%	497	-	497	510
ADP 2018-2038	500	2.13%	2.207%	494	-	494	565
Of which Bank loans:							-
BEI 2004-2019	220	Eur 3M + margin	Eur 3M + margin	220	-	220	220
BEI 2004-2020	30	Eur 3M + margin	Eur 3M + margin	30	-	30	30
BEI 2005-2020	130	Eur 3M + margin	Eur 3M + margin	130	-	130	130
BEI 2018-2038	250	Eur 3M + margin	Eur 3M + margin	250	-	250	258
Other	37	-	-	37	-	37	39
TAV Tunisia							
Bank loans 2022-2028	342	Eur 6M + margin	Eur 6M + margin	342	-	342	384
TAV Ege							
Bank loan 2028	237	EUR6M + 5,50%	EUR6M + 5,50%	237	-	237	321
TAV Milas Bodrum							
Bank loan 2031	142	4,50%	4,50%	142	-	142	183
TAV Esenboga							
Bank loan 2022	103	EUR6M + 2,35%	EUR6M + 2,35%	103	-	103	111
Havas							
Bank loan 2021-2023	125	2,70% - 4,40%	2,70% - 4,40%	125	-	125	139
TAV Macedonia							
Bank loan 2025	49	EUR6M + 4.95%	EUR6M + 4.95%	49	-	49	59
TAV Gazipasa							
Bank Loans 2018-2020	39	3.9%-4.6%	3.9%-4.6%	39	-	39	40
Other subsidiaries of TAV Airports							
Bank loans	70	-	-	70	-	70	72
AIG							
IFC 2023-2028	296	LUSD6M +	LUSD6M + margin	210		210	238
IDB 2024-2028	118	LUSD6M +	LUSD6M + margin	85		85	95
Stanby loan 2025	9	6.75%	6.75%	9		9	11
Total	6,897			6,747	9	6,756	7,471

The fair value (M-to-M) is a value calculated by discounting future cash flows excluding accrued interest. This value does not include the Aéroports de Paris SA credit spread.



9.5 Financial instruments

Derivative financial instruments

As part of its interest rate risk on mid and long-term liabilities managing policy, the Group uses derivative financial instruments. These consist of interest rate swaps and cross-currency swaps matched with bond issues and bank loans.

Interest rate swaps are initially and subsequently valued in the balance sheet at their fair value through the income statement. Changes in the fair value of derivative instruments are recognized through the income statement, with the exception of particular cases in respect of hedge accounting set out below.

Where a financial instrument can be qualified for hedge accounting, it is valued and accounted for in accordance with hedge accounting criteria contained in IFRS 9:

- if the derivative is designated as a cash flow hedge, changes in the value of the effective part of the derivative are recorded in other elements of the comprehensive income statement and are presented in fair value reserves within equity capital. They are taken to the income statement when the hedged item is itself recognized in the income statement. Conversely, the ineffective part of the derivative is recognized directly in the income statement. Where the hedged transaction is a future debt issue, the reclassification to the income statement is carried out over the term of the debt issue, once the issue has taken place. When the forecasted transaction leads to the recognition of a non-financial asset or liability, the cumulative changes in the fair value of a hedging instrument formerly recognized through shareholders' equity are included in the initial valuation of the asset or liability in question;
- if the derivative instrument is designated as a fair value hedge, changes in the value of the instrument and of the hedged item are recognized in the income statement in the same period;
- a hedge of a net investment in a foreign entity receives the same accounting treatment as a cash flow hedge. Changes in the fair value of the hedging instrument are recognized in equity, for the effective part of the hedging relationship, whereas changes in connection with the ineffective part of the hedge are recognized in net finance costs. When the investment in the foreign entity is sold, all changes in the fair value of the hedging instrument previously recognized through equity are transferred to the income statement.

Hedge accounting is applicable if the hedging relationship is clearly defined and documented when it is set up and if the effectiveness of the hedging relationship is demonstrated prospectively and retrospectively at the initial date and at each subsequent closing period, to ensure that an economic relationship exists between the hedged item and hedging instrument.

Derivatives are entered on the assets side of the balance sheet under "Other current financial assets" or on the liabilities side under "Current debt". Such derivatives can be cancelled at any time by paying or receiving a cash amount corresponding to their fair value.

Fair value of financial instruments

- Measuring method of fair value

The best criterion for measuring the fair value of a contract is the price agreed upon between a buyer and seller operating on a free market under market conditions. At the date of the agreement, this is generally the transaction price. Subsequently, the value of the contract must be based on observable market data which constitute the most reliable indication of fair value for financial instruments:

- updated future cash flows for bonds and bank loans;
- quoted prices on an organized market for non-consolidated listed investments;
- market value for interest rate and foreign exchange instruments, valued using discounting of differential future cash flows or on the basis of quoted prices issued by third party financial institutions.

The fair value for forward contracts to sell foreign currencies corresponds to the difference between the currency amounts converted at the contractually fixed rates for each maturity and the currency amounts converted at the forward rate for the same maturities.



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The fair value of a financial instrument reflects the effect of non-performance risk: the counterparty credit risk (Credit Valuation Adjustment – CVA) and the own credit risk of Aéroports de Paris SA (Debit Valuation Adjustment – DVA). For derivatives, the Group has elected to determine the CVA using a mixed model including market data (use of counterparty's spreads CDS) and historical statistic data.

9.5.1 Categories of financial assets and liabilities

	As at Dec 31, 2018	Breakdown by category of financial instrument						
		Fair value				Amortised cost ***	Hedging derivatives	
		Fair value option*	Trading **	Equity instr. - FV through P&L***	Equity instr. - FV through OCI***		Fair value hedge	Cash flow hedge
<i>(in millions of euros)</i>								
Other non-current financial assets	403	-	17	61	-	325	-	-
Contract assets	9	-	-	-	-	9	-	-
Trade receivables	628	-	-	-	-	628	-	-
Other receivables****	163	-	-	-	-	163	-	-
Other current financial assets	201	-	4	-	-	197	-	-
Cash and cash equivalents	2,056	2,056	-	-	-	-	-	-
Total financial assets	3,460	2,056	21	61	-	1,322	-	-
Non-current debt	5,970	-	10	-	-	5,910	-	50
Contract liabilities	6	-	-	-	-	6	-	-
Trade payables	590	-	-	-	-	590	-	-
Other debts****	1,184	-	-	-	-	1,184	-	-
Current debt	1,159	-	2	-	-	1,157	-	-
Total financial liabilities	8,909	-	12	-	-	8,847	-	50

* Identified as such at the outset

** Classified as held for trading purposes

*** The Group applies IFRS 9 "Financial Instruments" since 1 January 2018. Impacts linked to the first application of IFRS 9 on the various categories of financial instruments are detailed in note 1.3.

**** Other receivables and other debts exclude all accounts which do not constitute, within the terms of IAS 32, contractual rights and obligations, such as tax and social security debts or receivables.



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	As at Dec 31, 2017	Breakdown by category of financial instrument						
		Fair value		Available -for-sale financial assets	Loans and receivables	Debt at amortised cost	Hedging derivatives	
		Fair value option*	Trading **				Fair value hedge	Cash flow hedge
<i>(in millions of euros)</i>								
Other non-current financial assets	376	-	23	29	324	-	-	-
Trade receivables	641	-	-	-	641	-	-	-
Other receivables***	161	-	-	-	161	-	-	-
Other current financial assets	248	-	4	-	244	-	-	-
Cash and cash equivalents	1,912	1,912	-	-	-	-	-	-
Total financial assets	3,338	1,912	27	29	1,370	-	-	-
Non-current debt	5,320	-	13	-	-	5,271	-	36
Trade payables	422	-	-	-	-	422	-	-
Other debts***	1,161	-	-	-	-	1,161	-	-
Current debt	645	-	5	-	-	640	-	-
Total financial liabilities	7,548	-	18	-	-	7,494	-	36

* Identified as such at the outset

** Classified as held for trading purposes

*** Other receivables and other debts exclude all accounts which do not constitute, within the terms of IAS 32, contractual rights and obligations, such as tax and social security debts or receivables.

In the scope of the determination of fair value of derivatives, the credit valuation adjustment (CVA) was

computed as of 31 December 2018 audits impact was assessed as non-significant.

9.5.2 Fair value hierarchy

Fair value hierarchy

IFRS 13, "Fair Value Measurement", establishes a fair value hierarchy and distinguishes three levels:

- level 1: fair value based on quoted prices for the same instrument in an active market (without modification or repackaging). This level mainly applies to marketable securities whose prices are reported by the French Financial Markets Authority (Autorité des Marchés Financiers);
- level 2: fair value based on quoted prices for similar assets or liabilities and valuation techniques whose major data are based on observable market data. This level mainly applies to derivative instruments whose values are provided by Bloomberg;
- level 3: fair value based on valuation techniques whose major data are not all based on observable market data. Currently, this level does not apply within the Group.



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The fair value hierarchy for financial instruments in 2018 and 2017 is as follows:

	As at Dec 31, 2018		Level 1 Quoted prices in active markets	Level 2 Prices base on observable data	Level 3 Prices base on non- observable data
	Book value	Fair value			
<i>(in millions of euros)</i>					
Assets					
Equity instruments - fair value through P&L*	61	61	-	61	-
Loans and receivables excluding finance leases receivables	379	390	-	390	-
Trade receivables	628	628	-	628	-
Derivatives	21	21	-	21	-
Cash and cash equivalents	2,056	2,056	2,056	-	-
Liabilities					
Bonds	4,678	5,141	-	5,141	-
Bank loans	2,078	2,330	-	2,330	-
Other loans and assimilated debt	212	212	-	212	-
Accrued interest	98	98	-	98	-
Derivatives	63	63	-	63	-
Other non-current liabilities	780	804	-	804	-
Other debts and deferred income	793	793	-	793	-

* see note 1.3

	As at Dec 31, 2017		Level 1 Quoted prices in active markets	Level 2 Prices base on observable data	Level 3 Prices base on non- observable data
	Book value	Fair value			
<i>(in millions of euros)</i>					
Assets					
Available-for-sale financial assets	29	29	-	29	-
Loans and receivables excluding finance leases receivables	420	417	-	417	-
Trade receivables	641	641	-	641	-
Derivatives	27	27	-	27	-
Cash and cash equivalents	1,912	1,912	1,912	-	-
Liabilities					
Bonds	4,179	4,640	-	4,640	-
Bank loans	1,623	1,835	-	1,835	-
Other loans and assimilated debt	42	42	-	42	-
Accrued interest	67	67	-	67	-
Derivatives	54	54	-	54	-
Other non-current liabilities	780	743	-	743	-
Other debts and deferred income	724	724	-	724	-



9.5.3 Analysis of risks related to financial instruments

Rate risks

To supplement its available cash flow, the Group resorts to debt to finance its investment programme.

The risk rate relating to the debt is managed by modulating the respective proportions of fixed rates and variable rates in line with market developments.

The management of this risk depends on the implementation or cancellation of interest rate operations (swaps).

The Group's exposure to interest rate risk is essentially a result from its financial debt, and to a lesser extent its portfolio of rates derivatives.

The Group's policy consists of managing its interest charge by using a combination of fixed rate and variable rate loans. The Group's policy is that 50% to 100% of its debt should be at fixed rates. In line with this objective, the Group puts in place interest rate swaps through which it exchanges, at specific intervals, the difference between the amount of interest at fixed rates and the amount of interest at variable rates, calculated on a nominal loan amount agreed between the parties. These swaps are assigned to loan hedging.

The Group enters into interest rates swaps where the critical terms match exactly with the terms of the hedged item. Therefore, the hedging relationship is qualified as 100% effective. If changes in the circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess the amount of ineffectiveness.

Hedge ineffectiveness may occur due to:

- the value adjustment on the interest rate swaps which is not matched by the hedged item, and
- differences in critical terms between the interest rate swaps and the loans hedged.

The breakdown of financial debt at fixed and variable rate is as follows:

<i>(in millions of euros)</i>	As at Dec 31, 2018			As at Dec 31, 2017		
	Before hedging	After hedging	%	Before hedging	After hedging	%
Fixed rate	5,892	6,545	93%	4,578	4,991	84%
Variable rate	1,174	521	7%	1,333	920	16%
Debt (excluding derivatives)	7,066	7,066	100%	5,911	5,911	100%

As of 31 December 2018 the Group holds rate and exchange based derivative financial instruments (swaps), with a fair value of €21 million, appearing on the assets

under other current financial assets, and €62 million appearing on the liabilities under financial debt.

The notional amounts of fair value hedging derivatives may be analysed as follows:

<i>(in thousands of euros)</i>	Maturity < 1 year	Maturity between 1 & 5 years	Maturity > 5 years	As at Dec 31, 2018	Fair value
Derivatives classified as cash flow hedges	-	95	558	653	(50)
Derivatives not classified as hedges	-	400	-	400	8
Total	-	495	558	1,053	(42)



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The portfolio of non-hedging derivatives is made up exclusively of return swaps with a fixed margin. This part of the derivatives portfolio is therefore not very sensitive to

change in interest rates. An immediate 1% decrease in interest rates on 31 December 2018 would not result in a material increase on the fair value of the derivatives.

The economic relationship between hedged items and hedging instruments qualified as hedge accounting according to IFRS 9 may be analysed as follows:

Hedged item				Hedging instrument				Hedging ratio
Type	Maturity date	Rate	Nominal value	Type	Maturity date	Rate	Nominal value	
TAV Airports								
Bank loan	2028	EUR6M + margin	237	Interest rate swap	2026	8.00%	237	100%
Bank loan	2031	4.50%	71	Interest rate swap	2031	6.00%	64	90%
Bank loan	2031	4.50%	71	Interest rate swap	2031	6.00%	64	90%
Bank loan	2025	5.00%	49	Interest rate swap	2025	5.00%	49	100%
Bank loan	2022	LBUSD6M + margin	7	Interest rate swap	2022	5.00%	7	100%
Bank loan	2022	LBUSD6M + margin	4	Interest rate swap	2022	6.00%	4	100%
AIG								
Bank loan	2023-2025	LBUSD6M + margin	227	Interest rate swap	2023-2025	LBUSD6M + margin	228	100%

There was no ineffectiveness during 2018 in relation to the interest rate swaps.

Exchange risks

Following the takeover of TAV Airports (see note 2), the Group is henceforth exposed to exchange risk. TAV Airports converts its financial statements in a currency other than its functional currency, therefore the main risk of change relates to the variations of the euro currency compared to the Turkish lira and American dollar. The currencies in which transactions are mainly denominated are euro, Turkish lira (TRY) and American dollar, as well as few currencies from the Persian Gulf linked to American dollar with a fixed parity, e.g. Sudanese rial, United Arab Emirates dirham and the Oman rial.

In order to reduce exposure to exchange fluctuations, the Group has a hedging policy consisting of:

- implementing derivative instruments;
- neutralising exchange rate risk as far as possible by reducing the balance of revenue and expense in these currencies;
- if necessary making partial forward sales of dollars for residual balances.

The breakdown of financial assets and liabilities by currency is as follows :



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<i>(in millions of euros)</i>	As at Dec 31, 2018	Euro	TRY	USD	AED	JOD	Other currencies
Other non-current financial assets	403	351	1	51	-	-	-
Contract assets	9	3	-	-	2	-	4
Trade receivables	628	502	24	35	9	31	27
Other receivables*	163	104	10	46	-	1	2
Other current financial assets	201	157	8	14	1	15	6
Cash and cash equivalents	2,056	1,880	17	64	3	68	24
Total financial assets	3,460	2,997	60	210	15	115	63
Non-current debt	5,970	5,473	-	497	-	-	-
Contract liabilities	6	3	-	-	-	-	3
Trade payables	590	447	19	5	4	103	12
Other debts*	1,184	1,055	40	26	1	26	36
Current debt	1,159	1,121	21	15	-	-	2
Total financial liabilities	8,909	8,099	80	543	5	129	53

* Other receivables and other debts exclude all accounts which do not constitute, within the terms of IAS 32, contractual rights and obligations, such as tax and social security debts or receivables.

Other currencies relate primarily to the Oman rial (OMR) and Sudanese rial (SAR).

Concerning the exposure of TAV Airports to exchange risk, an appreciation/depreciation of the currencies compared to euro of 10% would have a positive/negative impact of €10 million on the profit before tax.



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The exchange rates used for the conversion of the financial statements of foreign subsidiaries, joint ventures and associated are as follows:

	As at Dec 31, 2018		As at Dec 31, 2017	
	Closing rate	Average rate	Closing rate	Average rate
United Arab Emirates Dirham (AED)	0.23819	0.23078	0.22798	0.24151
Bahrain Dinar (BHD)	2.32072	2.24635	2.22025	2.35200
Swiss franc (CHF)	0.88558	0.86622	0.86014	0.86851
Chilean peso (CLP)	0.00126	0.00132	0.00136	0.00137
Chinese yuan (CNY)	0.12745	0.12816	0.12811	0.13120
Danish Krone (DKK)	0.13393	0.13417	0.13432	0.13435
Ethiopian Birr (ETB)	0.03087	0.03000	0.03034	0.03782
Georgian Lari (GEL)	0.32646	0.33478	0.32212	0.35308
Guinean Franc (GNF)	0.00010	0.00009	0.00009	0.00010
Hong Kong Dollar (HKD)	0.11173	0.10816	0.10768	0.11387
Croatian Kuna (HRK)	0.13495	0.13481	0.13388	0.13396
Jordanian Dinar (JOD)	1.23213	1.19490	1.17925	1.25082
Kenyan shilling (KES)	0.00859	0.00837	0.00812	0.00858
Libyan Dinar (LYD)	0.62637	0.62235	0.61595	0.63232
Moroccan Dirham (MAD)	0.09173	0.09029	0.08952	0.09130
Ariary (MGA)	0.00025	0.00025	0.00026	0.00028
Macedonian denar (MKD)	0.01626	0.01624	0.01626	0.01624
Mauritian Rupee (MUR)	0.02538	0.02491	0.02483	0.02569
Nepalese Rupee (NPR)	0.00777	0.00774	0.00816	0.00850
Omani Rial (OMR)	2.27221	2.20180	2.17486	2.30385
Qatari Rial (QAR)	0.23930	0.23180	0.22815	0.24141
Russian Ruble (RUB)	0.01259	0.01353	0.01456	0.01522
Rwandan Franc (RWF)	0.00098	0.00097	0.00100	0.00101
Saudi Riyal (SAR)	0.23317	0.22600	0.22326	0.23652
United States Dollar (USD)	0.87489	0.84765	0.83731	0.88704
Turkish Lira (TRY)	0.16530	0.17973	0.22157	0.24350
Taiwanese Dollar (TWD)	0.02854	0.02811	0.02813	0.02692
Tanzanian shilling (TZS)	0.00038	0.00040	0.00038	0.00040

Liquidity risks

Liquidity risk corresponds to the risk that the Group may experience difficulties in honoring its debts when these become due.

The Group's liquidity risk must be assessed in relation to:

- its cash and potential cash credit lines unused;

The Group monitors its cash on a daily basis. Every month a report summarizes, in particular, financing operations and investments, and analyses divergences with regard to the annual cash-flow budget. It also includes a detailed breakdown of investments, possibly together with their degree of risk.

- its existing financial commitments in terms of repayment (debt maturities, off balance sheet commitments, prepayment provisions);



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The maturity schedule of financial liabilities are presented below. Off Balance Sheet commitments are presented in note 13.3.

The Group has entered into loan agreements with mandatory prepayment clauses:

For loans issues contracted through the European Investment Bank (EIB), a consultation clause that could lead to a request for early repayment is included within the contracts. These clauses concern: a lowering of the Group's rating to below or equal to A by the specialist agency Standard & Poor's (or any equivalent rating issued by a comparable rating agency), loss by the State of most of its share capital and its voting rights, and in the case of a substantial reduction in the cost of the project as defined within the loan contract (proportional repayment only);

- its ability to raise funds to finance investment projects.

The Group's euro-denominated bonds are listed on the Paris Stock Exchange.

There is a provision in place with regard to bonds issued since 2008 that, in the case of a change of controlling interest in the Company and a rating below or equal to BBB- at the point of the change of controlling interest, each holder of a bond may request repayment or buy-back by the issuer of all or a proportion of the bonds that it holds at their nominal value.

The breakdown of the residual contractual maturities of financial liabilities is as follows:

	Balance sheet value 31/12/2018	Total contractual payments 31/12/2018	0 - 1 year	1 - 5 years	Over 5 years
<i>(in millions of euros)</i>					
Bonds	4,678	4,700	300	1,800	2,600
Bank loans	2,078	2,273	404	1,126	743
Security deposits received	20	20	3	-	17
Other loans and assimilated debt	212	197	7	56	134
Interest on loans	98	1,103	179	523	401
Debt (excluding derivatives)	7,066	8,273	890	3,505	3,878
Trade payables	590	590	590	-	-
Contract liabilities	6	6	6	-	-
Other debts*	1,184	1,184	450	390	344
Debt at amortised cost	8,846	10,053	1,936	3,895	4,222
Outgoings	-	(124)	(26)	(78)	(20)
Receipts	-	73	13	43	17
Hedging swaps	50	(51)	(13)	(35)	(3)
Outgoings	-	(18)	(6)	(12)	-
Receipts	-	27	9	18	-
Trading swaps	(11)	9	3	6	-
Outgoings	-	-	-	-	-
Receipts	-	-	-	-	-
Exchange rate hedging	1	-	-	-	-
Total	8,886	10,011	1,926	3,866	4,219

* Other debts exclude all accounts which do not constitute, within the terms of IAS 32, contractual obligations, such as tax and social security debts.

Financial covenants

In addition to the remark related to TAV Tunisia detailed in note 9.4.1, financing agreements linked to concessions operated by TAV Istanbul, TAV Esenboga, TAV Macedonia, TAV Milas Bodrum and TAV Ege also include early repayment clauses in



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case of non-compliance with financial ratios. These contracts account for 12.92% of the total bank loans of the Group as at 31 December 2018. For these contracts, ratios were all met at 31 December 2018.

The maturity schedule of loans and receivables is as follows:

<i>(in millions of euros)</i>	As at Dec 31, 2018	0 - 1 year	1 - 5 years	Over 5 years
Receivables and current accounts from associates	117	45	9	63
Other receivables and accrued interest related to investments	35	35	-	-
Loans and security deposits	12	4	-	2
Receivables, as lessor, in respect of finance leases	143	3	-	115
Other financial assets	212	106	-	3
Trade receivables	628	628	-	-
Other receivables*	163	163	-	-
Loans and receivables	1,315	989	143	183

* Other receivables exclude all accounts which do not constitute, within the terms of IAS 32, contractual rights, such as tax and social security receivables.

Credit risks

Credit risk represents the risk of financial loss to the Group in the case where a customer or counter-party to a financial instrument failing to meet its contractual obligations. This risk essentially results from customer debts and investment securities.

The book value of financial assets represents the maximum exposure to credit risk. This maximum exposure to credit risk on the closing date is as follows:

<i>(in millions of euros)</i>	As at Dec 31, 2018	As at Dec 31, 2017
Equity instruments	61	29
Financial assets recognized at fair value through the income statement	21	27
Loans and receivables less than one year	997	1,045
Loans and receivables more than one year	325	325
Cash and cash equivalents	2,056	1,912
Total	3,460	3,338



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Maximum exposure to credit risk concerning receivables and loans on the closing date, broken down by customers, is as follows:

<i>(in millions of euros)</i>	As at Dec 31, 2018	As at Dec 31, 2017
Air France	109	104
Easy Jet	10	7
Federal Express Corporation	7	9
Turkish Airlines	30	29
Other airlines	61	109
Subtotal airlines	217	258
Direction Générale de l'Aviation Civile	17	62
Société de Distribution Aéroportuaire	34	33
ATU	7	7
Other trade receivables	353	281
Other loans and receivables less than one year	370	404
Total loans and receivables less than one year	997	1,045

The anteriority of current receivables is as follows:

<i>(in millions of euros)</i>	As at Dec 31, 2018	
	Gross value	Net value
Outstanding receivables	890	889
Due receivables:		
from 1 to 30 days	45	42
from 31 to 90 days	36	31
from 91 to 180 days	15	12
from 181 to 360 days	6	4
more than 360 days	68	19
Current loans and receivables (according to the schedule - see § Liquidity risks)	1,060	997

The development of trade receivables is detailed in note 4.4.

Financial instruments compensation

Derivatives contracts of the Group may include a compensation right if specific events occur such as a change in control or a credit event.

However, these contracts do not include any comprehensive compensation agreement conferring a

legally enforceable right to compensate the financial instruments, nor collateralization agreement.



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The following table presents the book value of the assets and liabilities derivatives and the impact of the compensation agreement mentioned above, as of 31 December 2018:

	Gross amounts recognised before offsetting (a)	Amounts that are set off in the statement of financial position (b)	Net amounts presented in the statement of financial position (c) = (a) - (b)	Effect of "other offsetting agreements" (that do not meet the offsetting criteria of IAS 32) (d)		Net exposure (c) - (d)
				Financial instruments	Collateral fair value	
<i>(in millions of euros)</i>						
derivatives : interest rate swap	21	-	21	-	-	21
derivatives : currency swap	-	-	-	-	-	-
Total financial assets - derivatives	21	-	21	-	-	21
derivatives : interest rate swap	(63)	-	(63)	-	-	(63)
derivatives : currency swap	1	-	1	-	-	1
Total financial liabilities - derivatives	(62)	-	(62)	-	-	(62)

9.6 Other financial assets

The amounts appearing on the balance sheet as at 31 December 2018 and 31 December 2017 respectively are broken down as follows:

<i>(in millions of euros)</i>	As at Dec 31, 2018	Non-current portion	Current portion
Equity instruments - fair value through P&L*	61	61	-
Loans and receivables excluding finance leases receivables	379	185	194
Receivables & current account from associates	117	72	45
Other receivables and accrued interest related to investments	35	-	35
Guaranteed passenger fee receivable*	102	81	21
Other financial assets	125	32	93
Receivables, as lessor, in respect of finance leases	143	140	3
Derivative financial instruments	21	17	4
Hedging swaps	-	-	-
Trading swaps	21	17	4
Total	604	403	201

* see note 1.3

* see note 6.1.1



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<i>(in millions of euros)</i>	As at Dec 31, 2017	Non-current portion	Current portion
Available-for-sale securities	29	29	-
Loans and receivables excluding finance leases receivables	420	180	240
Receivables & current account from associates	90	51	39
Other receivables and accrued interest related to investments	13	5	8
Guaranteed passenger fee receivable*	97	97	-
Other financial assets	220	27	193
Receivables, as lessor, in respect of finance leases	148	144	4
Derivative financial instruments	27	23	4
Hedging swaps	-	-	-
Trading swaps	27	23	4
Total	624	376	248

The receivable recorded on Fedex, which amounts to €125 million, is presented under the heading "Receivables, as lessor, in respect of finance leases".

NOTE 10 Other operating income and expenses

Other operating income and expenses are significant and non-recurrent items at the level of the Group's consolidated performance.

This may involve the disposal of assets or activities, costs incurred related to a business combination, restructuring costs or costs related to a one-off operation.

As a reminder, following the disposal of 80% of the subsidiary Hub Safe on 29 September 2017, the Group recognized a gain of €27 million in 2017, net of selling costs before corporate income tax. The investment is since then accounted under equity method.

NOTE 11 Income tax

The income tax covers domestic and foreign taxes which are based on taxable profits and taxes payable on dividends distributed by subsidiaries and associates and joint ventures. Groupe ADP considers that the Company value-added contribution (Cofisation sur la Valeur Ajoutée des Entreprises - CVAE) cannot be analyzed as an income tax. Therefore, this contribution is recorded in operating expenses.

Income taxes include:

- Current tax expense or profit, and
- Deferred tax expense or profit.

Current tax is the amount of income tax due to or receivable from the tax authorities with regard to taxable income or tax loss from a given financial year. Such amounts are recognized respectively in current liabilities or current assets in the balance sheet.

Income taxes are calculated for each entity or taxable unit. The tax consolidation Group encompassing the parent company Aéroports de Paris SA and thirteen French subsidiaries held, in which the parent company, directly or indirectly, holds over 95%: ADP Immobilier, ADP Immobilier Industriel, Hub One, Hub One Mobility, ADP Ingénierie, ADP International, Cœur d'Orly Commerces Investissements SAS, Cœur d'Orly Investissements SAS, ADP Invest, ADP Immobilier Tertiaire, and Hôtels Aéroportuaires.



Deferred taxes are recognized for all temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except for the cases specified in IAS 12, Income Taxes. Deferred taxes are calculated using the liability method, applying the last enacted income tax rates expected to be applicable when the temporary differences will be reversed. They are not discounted.

Deferred tax assets are recognized, when applicable, in respect of tax loss carryforward and unused tax credits. Generally speaking, deferred tax assets are not recognized except when it is probable that the taxable entity in question will have sufficient future taxable income against which the deductible temporary differences, tax loss carryforward or tax credits can be offset. Non-recognized deferred tax assets are revalued at the end of each accounting period and are recognized to the extent that it has become probable that a future profit will allow them to be recovered.

Income tax is recognized in the income statement unless it concerns items recognized directly in equity; in such cases it is recognized directly or as part of other elements of the comprehensive income statement.

11.1 Tax rate

The current tax rate used as at 31 December 2018 amounts to 34.43%.

11.2 Analysis of the income tax expense

Within the income statement, the income tax expense is detailed as follows:

<i>(in millions of euros)</i>	2018	2017
Current tax expense	(351)	(267)
Deferred tax expense	16	7
Income tax expense	(335)	(260)

These amounts do not include income tax on profit/loss associates and joint ventures, the amounts that appear for these items on the appropriate line of the income statement being net of income tax.



11.3 Tax reconciliation

The reconciliation between the theoretical income tax based on the tax rate applicable in France and the effective income tax is as follows:

<i>(in millions of euros)</i>	2018	2017
Net income after tax	695	614
Share of profit or loss from associates and joint ventures**	(81)	(79)
Income tax expense	335	260
Income before tax and profit/loss of associates	949	795
<i>Theoretical tax rate applicable in France</i>	34.43%	34.43%
Theoretical tax expense	(327)	(274)
Impact on theoretical tax of:		
Different rate on foreign taxable income and payment at source (i)	21	12
Extraordinary contribution of 15% on the tax rate	-	(32)
Income receivable related to the cancellation of the 3% dividend contribution	-	24
Previously unrecognized tax loss carryforwards used in the period (i)	(7)	-
Additional tax on dividends	-	(6)
Tax losses incurred in the period for which no deferred tax asset was recognized (i)	(19)	(1)
Evolution of tax rates	6	26
Changes in unrecognized temporary differences	1	1
Non-deductible expenses and non-taxable revenue	(19)	(16)
Tax credits	4	5
Adjustments for prior periods	5	1
Effective tax expense	(335)	(260)
<i>Effective tax rate</i>	35.31%	32.65%

- (i) The variation in the effect of different rates on foreign taxable income, in previously unrecognized tax loss carryforwards used in the period and in tax losses incurred in the period for which no deferred tax asset was recognized is mainly due to TAV Airports.

11.4 Deferred tax assets and liabilities broken down by category

Deferred tax assets and liabilities are presented on the balance sheet as follows:

<i>(in millions of euros)</i>	As at Dec 31, 2018	As at Dec 31, 2017
In respect of deductible temporary differences		
Employee benefit obligation	126	123
Amortisation of fees for the study and overseeing of works	9	12
Provisions and accrued liabilities	19	23
Other	39	43
For taxable temporary differences		
Accelerated tax depreciation and other regulated provisions	(317)	(319)
Finance leases	(5)	(6)
Revaluation reserves	(8)	(8)
Purchase Price Allocation	(187)	(175)
Other	(58)	(61)
Net deferred tax assets (liabilities)	(382)	(368)



11.5 Table of changes in deferred tax assets and liabilities

Deferred tax assets and liabilities evolved as follows between the beginning and the end of the period:

<i>(in millions of euros)</i>	Assets	Liabilities	Net amount
As at Jan 1, 2018	1	369	(368)
Amount recognized directly through equity on employee benefit obligations	-	(4)	4
Amounts recognized for the period	(1)	(24)	23
Translation adjustments	-	2	(2)
Changes in consolidation scope	-	39	(39)
As at Dec 31, 2018	-	382	(382)

11.6 Current tax assets and liabilities

Current tax assets correspond to the amount to be recovered from the tax authorities. Current tax liabilities correspond to the amounts remaining to be paid to these authorities.

These tax assets and liabilities appear as follows:

<i>(in millions of euros)</i>	As at Dec 31, 2018	As at Dec 31, 2017
Current tax assets		
Aéroports de Paris SA and tax-consolidated companies	-	55
Other consolidated entities	6	4
Total	6	59
Current tax liabilities		
Aéroports de Paris SA and tax-consolidated companies	21	1
Other consolidated entities	16	24
Total	37	25

The Group has no knowledge of any contingent tax assets or liabilities as of 31 December 2018.

NOTE 12 Cash and cash equivalents and Cash flows

12.1 Cash and cash equivalents

Cash and cash equivalents comprise current accounts at banks and short-term liquid investments subject to negligible risks of fluctuations of value. Cash equivalents consist essentially of money market funds. Bank overdrafts are not included in cash and are reported under current financial liabilities.

"Cash management financial assets" comprises units in UCITS, made with a short-term management objective, satisfying the IAS 7 criteria for recognition as cash.



Cash and cash equivalents break down as follows:

<i>(in millions of euros)</i>	As at Dec 31, 2018	As at Dec 31, 2017
Marketable securities	1,288	1,404
Cash*	768	508
Bank overdrafts**	(1)	(2)
Cash and cash equivalents	2,055	1,910

* Including €22 million of cash dedicated to aid to local residents funding collected through the tax on airborne noise nuisances (TNSA).

** Included in Current liabilities under debt

As part of its cash management, Groupe ADP has mainly invested in euro-denominated UCITS.

which repatriation conditions are complex in the short term for mainly regulatory reasons (less than €1 million at 31 December 2018).

Cash and short-term cash equivalents for the Group include the bank accounts of certain subsidiaries for

12.2 Cash flows

12.2.1 Cash flows from operating activities

- **Income and expense with no impact on net cash**

<i>(in millions of euros)</i>	2018	2017
Depreciation, amortisation and impairment losses (excluding current assets)	742	616
Profit/loss of associates from operating activities	(80)	(78)
Net gains on disposals	(3)	(89)
Other	(15)	11
Income and expense with no impact on net cash	644	460

As a reminder, in 2017, the net gains on disposals mainly relate to the profit linked to the Fedex for €63 million euros.

- **Change in working capital**

<i>(in millions of euros)</i>	2018	2017
Inventories	-	3
Trade and other receivables	43	160
Trade and other payables	(46)	(50)
Change in working capital	(3)	113

12.2.2 Cash flows from investing activities

- **Acquisition of subsidiaries and associates (net of acquired cash)**

<i>(in millions of euros)</i>	2018	2017
Acquisitions of subsidiaries and investments (net of cash acquired)	(630)	20
Proceeds from sale of subsidiaries (net of cash sold) and investments	1	21



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In 2018, the flow related to the financial investments, the acquisitions of subsidiaries and equity interests is mainly due to:

- The additional acquisition of 41.5% of AIG shares (see note 2.1) for an amount of €157 million net of cash acquired,
- The acquisition of 49% by TAV Airports of its subsidiary TAV Antalya (see note 2.2) for an amount of €360 million.
- The acquisition of 100% of shares of Sysdream by Hub One for an amount of €6 million,

- The additional financial investments on Ravinala Airports and Nuevo Pudahel for the equivalent of €49 million, on TGS (stake of HAVAS) for the equivalent of €17 million and on SAS Cœur d'Orly Investissement for €14 million).

In 2017, the flow related to acquisition of subsidiaries and investments was mainly due to the additional acquisition of shares in TAV Airports, the additional acquisition of BTA shares, additional acquisitions by ADP Intenational and investments in investment funds by the parent company. In 2017, the flow related to proceeds from sale of subsidiaries was mainly due to the disposal of 80% of the shares of Hub Safe and disposal of the shares in TAV Construction.

■ Purchase of property, plant & equipment and intangible assets

The amount of purchase of property, plant and equipment and intangible assets is broken down in the table below:

<i>(in millions of euros)</i>	Notes	2018	2017
Purchase of intangible assets	6	(46)	(32)
Purchase of property, plant and equipment	6	(1,032)	(847)
Purchase of property, plant, equipment and intangible assets		(1,078)	(879)

Details of this expenditure are as follows:

<i>(in millions of euros)</i>	2018	2017
Renovation and quality	(285)	(232)
Increases in capacity	(293)	(256)
Cost of studies and supervision of works (FEST)	(103)	(95)
Real estate development	(143)	(126)
Restructuring	(139)	(81)
Security	(84)	(55)
Other	(31)	(34)
Total	(1,078)	(879)

Major projects carried out by Aéroports de Paris SA during the period include:

- ◆ Investments at Paris-Charles de Gaulle Airport mainly related to:
 - a system of conveying, handling and increasing security of luggage under the satellites S3 and S4 of terminal 2E;
 - the renovation of terminal 2B and its junction with the terminal 2D;
 - preparatory work for the construction of the CDG Express;
 - the junction of the international satellites of terminal 1;
 - the completion of the building of the Baikal office building;
- ◆ Investments at Paris-Orly Airport mainly related to:
 - continued building work on the junction between South and West terminals;
 - the East baggage handling system compliance in Orly South terminal;
 - the extension of hall 1 of the West terminal;
 - preparatory work for the refurbishment of runway 3;
 - waterproofing work and strengthening of bridge n°2 under runway n° 3;
- ◆ Investments at the Paris-Le Bourget airport, mainly related to the construction of the AFMAE apprentice training center;
- ◆ Aéroports de Paris SA also made significant investments in its support functions and projects common to both platforms in 2018, mainly in IT.
- ◆ On Queen Alia Airport, the investments are mainly ported on the extension of the luggage sorter.



▪ **Dividends received**

<i>(in millions of euros)</i>	2018	2017
Associates and joint ventures of TAV Airports	23	24
Schiphol Group (Netherlands)	12	12
Société de Distribution Aéroportuaire	-	2
RELAY@ADP	3	2
SCI Roissy Sogaris	-	2
Other	1	-
Total	39	42

NOTE 13 Related parties disclosure

In accordance with IAS 24, the Group discloses the following related parties:

- associated and jointly controlled companies;
- the State, public institutions and State participations;
- and its senior executives and shareholders.

Transactions with related parties are summarised as follows:

<i>(in millions of euros)</i>	Associates and jointly controlled companies		State or state participations		Other related parties		TOTAL GROUP	
	2018	2017	2018	2017	2018	2017	2018	2017
Revenue	620	477	1,326	1,284	80	-	2,026	1,761
External expenses (inc. purchases of fixed assets)	76	22	40	132	93	6	209	160
Financial assets	15	90	-	-	5	2	20	92
Other assets	66	65	154	181	77	2	297	248
Financial liabilities	-	-	-	-	190	-	190	-
Other liabilities	24	34	73	101	106	-	203	135

13.1 Relations with associated or jointly controlled companies

CDG EXPRESS

The company "CDG Express Etudes" was dissolved on 30 December 2018 in accordance with its statutes. This company, created at the end of 2013, and is equally held by Paris SA Airports, SNCF Réseau and the State, in charge to conduct the legal, technical and financial studies of the CDG Express rail link project between Paris and CDG airport. These studies, €15.6 million for ceding to the infrastructure management company "GI CDG Express".

The company "GI CDG Express", created on 10 October 2018, in charge of the project fund as well as the design, the construction, the maintenance and the maintenance of the

connection under the works concession contract with the State which should be signed early 2019. GI CDG Express is equally held (33%) and conjointly controlled by Paris SA Airports, SNCF Réseau and the Caisse des Dépôts and Consignation.

Pending the signature of the main contracts of the CDG Express project, and in particular the concession contract between the State and the GI CDG Express, and the construction design contract between Paris Airports and the GI CDG express, the State, in a letter of July 2018, invites Paris Airports and SNCF Réseau to pursue their studies and works necessary for the commissioning of the project at the end of 2023 and undertakes to reimburse the expenses incurred by its two companies within the limit of €313 million, in which the eventual contract rupture fees and the repair fees can be added.



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In this context, Paris Airports recognized in the income statement a receivable income for the studies and the works realised in 2018 within an amount of €38 million.

RETAIL JOINT VENTURES

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

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

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

13.2 Relations with the French State and State participations

RELATIONS WITH THE FRENCH STATE

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

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

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

- ◆ The Economic Regulation Agreement relating to the 2016-2020 signed on 31 August 2015;
- ◆ Relationship with the Direction Générale de l'Aviation Civile (DGAC) - public service duties such as safety assignments, air transport securities and aircraft firefighting and rescue tasks carried out by Aéroports de Paris. The costs incurred in the performance of these duties are invoiced to Direction Générale de l'Aviation Civile (DGAC), which funds the airport tax charged to airlines to cover these costs. In 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 amounts 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 THE COMPANY OF GRAND PARIS

In order to increase its passenger capacity at Paris-Orly Airport, Aéroports de Paris SA decided to construct a connecting building between the western and southern terminals of Paris-Orly Airport. Furthermore, as part of the development of the Grand Paris transport system; a metro station will be built to accommodate metro lines 14 and 18 at Paris-Orly airport. Completion is scheduled for 2024. For this purpose, two agreements have been signed between Aéroports de Paris SA and the Société du Grand Paris:

- ◆ an indemnity agreement signed on 9 January 2015, whereby the Société du Grand Paris compensates Aéroports de Paris SA for the additional costs to bear in the context of the construction of the aforementioned connecting building due to the fact that two tunnels, for Lines 14 and 18, will pass under this building. An amendment was made to this agreement on 9 August 2015;
- ◆ a joint project management agreement signed on 16 July 2015, relating to the construction at Paris-Orly Airport of a metro station to accommodate the 2 metro lines and airport facilities. Aéroports de Paris is named as the sole contractor for this project and will manage all works which are due for completion in 2024. An amendment to this agreement was signed between SGP and ADP on 6 March 2017 to clarify the different sub-projects, the budget allocated to the construction works, the amount of indemnities to be paid to ADP for the losses and additional costs related to the buildings affected by the construction of the metro station, and the allocation of the missions between the parties.

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

RELATIONS WITH AIR FRANCE-KLM

Transactions with Air France-KLM primarily concern:

- ◆ the invoicing of aeronautical and ancillary fees set by the Economic Regulation Agreement pursuant to the Civil Aviation Code;
- ◆ and rental costs invoiced related to the rental of land and buildings surrounding the airports.



13.3 Relations with senior executives and shareholders

REMUNERATION OF SENIOR EXECUTIVES

Senior executives at Aéroports de Paris SA are: the Chairman and Chief Executive Officer, the members of the Executive Committee and the board members appointed by the General Meeting.

The remuneration granted to these executives amounted to €6.1 million in 2018, compared with €6,8 million in 2017. This change was mainly due to the decrease in directors' fees, the turnover in the members of the Executive Committee and lump sum payments to members who left in 2018. This remuneration includes the short-term benefits (fixed and variable remuneration and benefits in kind), as well as the corresponding employers' charges and directors' fees. The details of the remunerations are as follows:

<i>(In thousand of euros)</i>	2018	2017
Rémunération des dirigeants	6 116	6 840
Salaries and wages	4 142	4 520
Social security expenses	1 601	1 926
Total short term remuneration	5 743	6 446
Post employment benefit	187	181
Directors' fees	186	213

RELATIONS WITH VINCI

Significant transactions between Aéroports de Paris SA and Vinci are mainly related to the construction of a connecting

building between the western and southern terminals of Paris-Orly Airport and the partnership with Vinci Airports in the context of the Santiago de Chile International Airport concession.

NOTE 14 Off-balance sheet commitments

14.1 Minimum lease payments

Futhermore, the future minimum lease payments receivable for Aéroports de Paris SA as a lessor on existing contracts as at 31 December 2018 are as follows:

<i>(in millions of euros)</i>	Total As at Dec 31, 2018	0 - 1 year	1 - 5 years	Over 5 years
Minimum lease payments receivable	3,359	330	1,026	2,002

The future minimum lease payments payable for Aéroports de Paris SA as a lessor on existing contracts as at 31 December 2018 are as follows:

<i>(in millions of euros)</i>	Total As at Dec 31, 2018	0 - 1 year	1 - 5 years	Over 5 years
Minimum lease payments payable	74	7	28	39

14.2 Backlog

<i>(in millions of euros)</i>	Total As at Dec 31, 2018	0 - 1 year	1 - 5 years	Over 5 years
Revenue expected on contracts	23	15	8	-

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For the presentation of its backlog, the Group has chosen to apply the simplification proposed by IFRS 15 to exclude contracts with a duration inferior or equal to 12 months.

Thus, the revenue expected on contracts presented in the Group backlog amounts to €23 million as of 31 December 2018 and are a result of contracts which fulfill the following characteristics:

- Signed at the closing date with third parties;
- Whose execution began on the closing date, or, if the contract is not fully performed, where the customer has a right to cancel this contract without penalty payment;

- A duration of more than 1 year.

The backlog corresponds to future revenue linked to the services remaining to be performed at the reporting date as part of the contracts described above. It includes the income which correspond to only fixed orders from customers.

To this extent, are excluded from the backlog the airport fees and ancillary fees considering that these services do not correspond to fixed orders (they are only contractualized to the use of the services by the customer). Additionally, the revenue from airport safety and security services are also excluded, considering that they are validated each year by the DGAC and depend on the costs incurred.

14.3 Commitments granted and received

Off-balance sheet commitments and contingent assets and liabilities are presented below:

<i>(in millions of euros)</i>	As at Dec 31, 2018	As at Dec 31, 2017
Guarantees	495	473
Guarantees on first demand	90	88
Irrevocable commitments to acquire assets	914	845
Other	71	135
Commitments granted	1,570	1,541
Guarantees	113	133
Guarantees on first demand	158	174
Other	3	11
Commitments received	274	318

Aéroports de Paris SA

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

Irrevocable commitments to acquire assets which explains the main variation concern:

- the renovation works on the runway 3 in Paris-Orly
- the construction of the junction of international satellites of terminal 1 at Paris-Charles-de-Gaulle
- the purchase of standard 3 hold luggage inspection equipments related to European regulation;
- the construction of the junction between the South and West terminals of Paris-Orly;

The Group's employee benefit commitments are presented in note 5.

The commitments received are mainly guarantees from the beneficiaries of AOTs (temporary authorisations to occupy public property or *Autorisation d'Occupation Temporaire du*

domaine public), civil code leases, commercial concessions and suppliers.

In addition, pursuant to article 53 in the operating specifications of Aéroports de Paris SA, the minister in charge of Civil Aviation has a right of refusal regarding any contribution, disposal or grant of security involving certain plots of land – and the assets on such land – belonging to Aéroports de Paris SA. The lands concerned by this provision are listed in those same operating specifications.

The law of April 20, 2005 provides that in the event of a partial or total shutdown of air traffic at one of the airports owned by Aéroports de Paris SA, 70% of the capital gain due to the difference between the market value of the assets and the book value thereof must be paid to the French government. This provision relates in particular to the General Aviation Aerodromes.

ADP INGENIERIE AND ADP INTERNATIONAL

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

TAV AIRPORTS



Commitments given by TAV Airports and its subsidiaries amount to €493 million as at 31 December 2018 and are mainly letters of guarantee:

- given mainly to third parties (customs, lenders and customers), to the General Directorate of State Airports Authority (DHMI) as well as Saudi Arabian, Tunisian and Macedonian governments;
- issued from Build – Operate – Terminate agreements (BOT agreements), from concession agreements and lease contracts.

Main guarantees given to DHMI:

- TAV Istanbul is bound by the terms of the rent agreement made with DHMI and is obliged to give 6% of the total rent amount, i.e. \$153 million as a letter of guarantee.
- TAV Ege and TAV Milas Bodrum are both obliged to give a letter of guarantee at an amount equivalent to €37 and €43 million each to DHMI;

Main guarantees given to GACA (General Authority of Civil Aviation) in Saudi Arabia:

The Group is obliged as at 31 December 2018 to give a letter of guarantee at an amount equivalent of \$13 million (i.e. €11 million) to GACA according to the BTO agreement signed

with GACA in Saudi Arabia, as well as a letter of guarantee equivalent of \$194 million (i.e. €162 million) to National Commercial Bank which is included in letters of guarantee given to third parties.

Pledges

Furthermore, pursuant to project bank loans entered into by TAV entities, the following pledges were granted to their lenders:

- share pledge: TAV Esenboğa, TAV Ege, TAV Milas Bodrum, TAV Macedonia and TAV Tunisia have pledges over shares for an aggregate amount equivalent to €238 million. In case of default, the banks have the right to take control of the shares. Share pledges will expire after bank loans are paid or on the dates of maturity;
- receivable pledge: TAV Esenboğa, TAV Ege, TAV Milas Bodrum, TAV Holding and TAV Macedonia have pledges over receivables for an aggregate amount of €36 million. In case of event or default, the banks have the right to take control of the receivables;
- pledge over bank accounts: TAV Esenboğa, TAV Ege, TAV Milas Bodrum, and TAV Holding have pledges over bank accounts for an aggregate amount of €56 million.

NOTE 15 Litigations, legal and arbitration proceedings

In accordance with IAS 37 Provisions, contingent Liabilities are defined as:

- a **possible obligation** that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- a **present obligation** that arises from past events but is not recognized because:
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or
 - the amount of the obligation cannot be measured with sufficient reliability.

In the ordinary course of its business, Groupe ADP is involved in a certain number of judicial and arbitral proceedings. The Group is also subject to certain claims and lawsuits which fall outside the scope of the ordinary course of its business.

The amount of provisions made is based on Groupe ADP's assessment of the level of risk on a case-by-case basis and depends on its assessment of the basis for the claims, the stage of the proceedings and the arguments in its defense, it being specified that the occurrence of events during proceedings may lead to a reappraisal of the risk at any moment.

Main litigations and arbitration proceedings presented below are accounted as liability or depending on the case constitute contingent liabilities or assets.

- ◆ On 13 June 2013, the Company JSC Investissements initiated an action for compensation before the Paris Commercial Court following the decision of Aéroports de Paris SA, in 2004, not to grant an authorization of temporary occupation of public property concerning the construction and operation of a centre for shopping and services on Paris-Charles de Gaulle Airport site. To date, discussion focused primarily on the determination of the competent jurisdiction. By decision of 4 July 2016, the Conflict Court appointed the administrative judge as sole competent to hear the dispute. By decision of 19 January 2017, the Administrative Court of Paris dismisses JSC Investissements of all its claims. The dispute is still



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under instruction at the Administrative Court of Appeal. At this stage, the Group does not expect a

negative outcome of this litigation.

NOTE 16 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 period¹. 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.

NOTE 17 Auditor's fees

The amounts of auditors' fees recorded are as follows:

(in thousands of euros)	As at Dec 31, 2018		As at Dec 31, 2017	
	DELOITTE	EY	DELOITTE	EY
Parent company	450	527	380	478
Fully consolidated subsidiaries	333	498	286	335
Audit, certification, inspection of individual and consolidated financial statements:	783	1,025	666	813
Parent company	45	7	36	15
Fully consolidated subsidiaries	25	22	15	58
Services other than certification:	70	29	51	73
Total	853	1,054	717	886

Services other than the certification of accounts mainly concern:

- the services rendered by the statutory auditors related to acquisition and disposal projects by the Group,
- the review of environmental, social and societal information,
- Various certificates.

¹ 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.



NOTE 18 Scope of consolidation and non-consolidated companies

The main changes in consolidation scope and in corporate name of Group entities for the year 2018 are described in note 3.2.1).

As at 31 December 2018, the list of companies within the scope of consolidation is as follows:

Entity	Address	Country	% stake	% control
Aéroports de Paris SA (Multi activities)	1 rue de France – 93290 Tremblay-en-France	France	PARENT	PARENT
Fully Consolidated Subsidiaries				
International and airport developments:				
ADP Ingénierie	Aéroport d'Orly Parc central Zone sud - Bâtiment 641 91200 ATHIS-MONS	France	100%	100%
ADPi Middle East	Immeuble Baz - Rue Sursock BEYROUTH	Lebanon	100%	100%
ADPi Libya	El Nasser Street TRIPOLI	Libya	65%	65%
ADPi (Beijing) Architects and Engineers Design Co	ADPI Architects and Engineers Design Co, LTD Unit 1407A - No A302 Hua Teng Tower Jinsong 3rd zone Chaoyang District Beijing	China	100%	100%
ADPM Mauritius	C/o Legis Corporate Secretarial Services Ltd 3 rd Floor, Jamalacs Building, Vieux Conseil Street, PORT-LOUIS	Mauritius	100%	100%
Merchant Aviation	382 Springfield Avenue SUMMIT, NJ-07901	USA	100%	100%
ADP International	1 rue de France – 93290 Tremblay-en-France	France	100%	100%
ADP International Americas LLC	80 SW 8th St Suite 2900 Miami, Florida 33130, USA	France	100%	100%
Jordan Airport Management	Ali Sharif Zu'bi Law Office PO Box 35267 AMMAN 11180	Jordan	100%	100%
Airport International Group P.S.C ("AIG")	P.O. Box 39052 Amman 11104 Jordan	Jordan	51%	100%
Airport International Group For Training And Development	P.O. Box 39052 Amman 11104 Jordan	Jordan	51%	100%
AMS - Airport Management Services (OSC)	Ulica Rudolfa Fizira 1 10150 Velika Gorica Croatie	Croatia	78%	100%
Tank Öwa Alpha Gmbh	Teinfaltstrasse 8/4 A-1010 Vienna, AUSTRIA	Austria	100%	100%
Tank Öwc Beta Gmbh	Teinfaltstrasse 8/4 A-1010 Vienna, AUSTRIA	Austria	100%	100%
TAV İstanbul Terminal İşletmeciliği A.Ş. ("TAV İstanbul")	İstanbul Atatürk Havalimanı Dış Hatlar Terminali 34149 Yeşilköy. İstanbul, TURKEY	Turkey	46%	100%
TAV Esenboğa Yatırım Yapım ve İşletme A.Ş. ("TAV Esenboğa")	Esenboğa Havalimanı İç-Dış Hatlar Terminali 06750 Esenboğa Ankara, TURKEY	Turkey	46%	100%
TAV Ege Terminal Yatırım Yapım ve İşletme A.Ş. ("TAV Ege")	İstanbul Atatürk Havalimanı Dış Hatlar Terminali 34149 Yeşilköy. İstanbul, TURKEY	Turkey	46%	100%



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Entity	Address	Country	% stake	% control
TAV Milas Bodrum Terminal İşletmeciliği A.Ş. ("TAV Milas Bodrum")	İstanbul Atatürk Havalimanı Dış Hatlar Terminali 34149 Yeşilköy, İstanbul, TURKEY	Turkey	46%	100%
TAV Tunisie SA ("TAV Tunisia")	Rue de la Bourse, Cité les Pins, Immeubles "Horizon", Bloc B, 3ème étage, les Berges du Lac, 1053 Tunisia	Tunisia	31%	67%
TAV Urban Georgia LLC ("TAV Tbilisi")	Tbilisi International Airport, Tbilisi, Georgia, 0158	Georgia	37%	80%
TAV Batumi Operations LLC ("TAV Batumi")	Tbilisi International Airport, Tbilisi, Georgia, 0158	Georgia	35%	76%
Batumi Airport LLC	Airport Highway #220, Batumi /Georgia, 6010		-	100%
TAV Macedonia Doel Petrovec ("TAV Macedonia")	Orce Nikolov 98, 1000 Skopje, Republic of Macedonia	Macedonia	46%	100%
TAV Gazipaşa Alanya Havalimanı İşletmeciliği A.Ş. ("TAV Gazipaşa")	İstanbul Atatürk Havalimanı Dış Hatlar Terminali 34149 Yeşilköy, İstanbul, TURKEY	Turkey	46%	100%
SIA TAV Latvia ("TAV Latvia")	RIGA Airport 10/1, Marupe district, LV 1053, Latvia	Latvia	46%	100%
Havaş Havaalanları Yer Hizmetleri A.Ş. ("HAVAŞ")	Yeşilköy Mah. Havaalanı Cad. No: 2/5 Bakırköy, İstanbul, TURKEY	Turkey	46%	100%
Havas Latvia SIA ("HAVAŞ Europe")	Lidosta, Rīga, 10/1, Mārupes novads, LV-1053	Latvia	46%	100%
Havaalanları Yolcu Taşımacılığı A.Ş. ("HYT İzmir")	Atıfbey Mah. Prof.Dr.Türkan Saylan Cad. 11/2 Sk. No:23/B Gaziemir/İZMİR	Turkey	46%	100%
Havaalanları Araç Kiralama ve Yolcu Taşımacılığı A.Ş. ("HYT Muğla")	Akyol Mah. Merkez Sk. No.241/1 Milas/MUĞLA	Turkey	46%	100%
Havaalanları Taşımacılık ve Ticaret A.Ş. ("HYT Samsun")	Çınarlık Mah. Havaalanı Kümesi No:6/1 Çarşamba, Samsun, TURKEY	Turkey	46%	100%
BTA Havalimanları Yiyecek ve İçecek Hizmetleri A.Ş. ("BTA")	Atatürk Havalimanı Dış Hatlar Terminali Airport Hotel Yeşilköy, İstanbul, TURKEY	Turkey	46%	100%
BTA Georgia LLC ("BTA Georgia")	Tbilisi International Airport Tbilisi, Georgia	Georgia	46%	100%
BTA Tunisie SARL ("BTA Tunisia")	Enfidha International Airport A 1 Motorway, 91st Km.Enfidha 4030 Tunisia	Tunisia	46%	100%
BTA Macedonia Doel Petrovec ("BTA Macedonia")	Skopje Alexander The Great Airport 1043 Petrovec, Skopje, Macedonia	Macedonia	46%	100%
BTA Unlu Mamülleri Pasta Üretim Turizm Gıda Yiyecek İçecek Hizmetleri San. ve Tic. A.Ş. ("Cakes & Bakes")	Osmangazi Mah. 2647 SK. No:5 Esenyurt, İstanbul, TURKEY	Turkey	46%	100%
BTA Tedarik Dağıtım ve Ticaret A.Ş. ("BTA Tedarik")	Osmangazi Mah. 2647 SK. No:5 Esenyurt, İstanbul, TURKEY	Turkey	46%	100%
SIA Cakes and Bakes Latvia ("BTA Latvia")	Lidosta "Riga" 10/1, Marupes Novads, LV-1053 Latvia	Latvia	46%	100%



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Entity	Address	Country	% stake	% control
BTA Frances SAS. ("BTA France")	Orly Sud Terminal S1 Etage 3 Bureau 3103-3104 94390 Orly Aéroport		46%	100%
TAV İşletme Hizmetleri A.Ş. ("TAV İşletme")	Atatürk Havalimanı Dış Hatlar Terminali 34149 Yeşilköy, İstanbul	Turkey	46%	100%
TAV Georgia Operation Services LLC ("TAV İşletme Georgia")	International Airport, Tbilisi, Georgia, Post Code:0158	Georgia	46%	100%
TAV Tunisie Operation Services SARL ("TAV İşletme Tunisia")	Rue de la Bourse, Cité les Pins, Immeubles "Horizon", Bloc B, 3ème étage, les Berges du Lac, 1053 Tunisia	Tunisia	46%	100%
TAV Tunisie Operation Services Plus SARL ("TAV İşletme Tunisia Plus")	Aéroport Enfidha-Hammamet. 4080 Sousse-Tunisie	Tunisia	46%	100%
TAV Macedonia Operation Services Dooel ("TAV İşletme Macedonia")	Skopje Alexander The Great Airport 1043 Petrovec, Skopje, Macedonia	Macedonia	46%	100%
TAV Germany Operation Services GmbH ("TAV İşletme Germany")	Neue Mainzer StraBe 22, 60311 Frankfurt Am Main	Germany	46%	100%
TAV Latvia Operation Services SIA ("TAV İşletme Latvia")	Starptautiskā lidosta Rīga 10/1, Mārupes novads, Rīga, LV-1053, Latvia	Latvia	46%	100%
TAV Havacılık A.Ş. ("TAV Havacılık")	Genel Havacılık Terminali Beşyol Sefaköy, İstanbul	Turkey	46%	100%
TAV Africa Operation Services Ltd. ("TAV İşletme Kenya")	P.O.BOX 42279-00100 Panari Hotel Centre, First Floor Office No:12, LR.12918 Mombasa Road, Nairobi PIN:P051576403E	Kenya	46%	100%
TAV USA Operation Services Co. ("TAV İşletme America")	22648 Glenn Drive, Sterling VA 20164, Unit 101	United States	46%	100%
TAV Washington Operation Services Ltd. ("TAV İşletme Washington")	22648 Glenn Drive, Sterling VA 20164, Unit 101	United States	46%	100%
TAV Bilişim Hizmetleri A.Ş. ("TAV Bilişim")	İstanbul Atatürk Havalimanı Dış Hatlar Terminali 34149 Yeşilköy. İstanbul. Turkey	Turkey	46%	100%
TAV Information and Technologies Saudi Ltd. Company ("TAV IT Saudi")	Prince Mohammed Bin Abdulaziz Int. Airport P.O Box 4878, Al-Madinah Al Munawarah 42342 KSA	Saudi Arabia	46%	100%
TAV Özel Güvenlik Hizmetleri A.Ş. ("TAV Güvenlik")	İstanbul Atatürk Havalimanı Dış Hatlar Terminali 34149 Yeşilköy. İstanbul. Turkey	Turkey	46%	100%
TAV Akademi Eğitim ve Danışmanlık Hizmetleri A.Ş. ("TAV Akademi")	İstanbul Atatürk Havalimanı Dış Hatlar Terminali 34149 Yeşilköy. İstanbul. Turkey	Turkey	46%	100%
TAV Aviation Minds Eğitim ve Danışmanlık Hizmetleri A.Ş. ("TAV Aviation Minds")	İstanbul Atatürk Havalimanı Dış Hatlar Terminali 34149 Yeşilköy. İstanbul. Turkey	Turkey	24%	51%
Aviator Netherlands B.V. ("Aviator Netherlands")	Strawinskylaan 3127 1077 ZX Amsterdam Netherlands	Netherlands	46%	100%
TAV Uluslararası Yatırım A.Ş. ("TAV Uluslararası Yatırım")	İstanbul Atatürk Havalimanı Dış Hatlar Terminali 34149 Yeşilköy. İstanbul. Turkey	Turkey	46%	100%



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Entity	Address	Country	% stake	% control
BTA Uluslararası Yiyecek İçecek Hizmetleri Sanayi ve Ticaret A.Ş. ("BTA Uluslararası Yiyecek")	Atatürk Havalimanı Dış Hatlar Terminali Airport Hotel Yeşilköy, İstanbul	Turkey	46%	100%
UTB Lokum Şeker Gıda San. ve Tic. A.Ş. ("BTU Lokum")	Osmangazi Mah. 2647 SK. No:5 Esenyurt, İstanbul, TURKEY	Turkey	39%	85%
UTB Gıda Satış ve Paz. A.Ş. ("BTU Gıda")	Osmangazi Mah. 2647 SK. No:5 Esenyurt, İstanbul, TURKEY	Turkey	32%	70%
MZLZ-Ugostiteljstvo D.o.o ("BTA MZLZ")	Velika Gorica, Rudolfa Fizira 1 Zagreb / Hrvatska	Turkey	46%	100%
Other activities:				
Hub One	Continental Square, 2 place de Londres 93290 TREMBLAY-EN-FRANCE	France	100%	100%
Hub One Mobility	5 route du Paisy 69570 Dardilly	France	100%	100%
Sysdream	14 PLACE MARIE JEANNE BASSOT 92593 LEVALLOIS PERRET CEDEX		100%	100%
ADP Invest	1 rue de France – 93290 Tremblay-en-France	France	100%	100%
ADP Invest 1	1 rue de France – 93290 Tremblay-en-France	France	100%	100%
Retail and services :				
Média Aéroports de Paris	17 rue Soyer 92200 Neuilly sur Seine	France	50%	50%
Real estate:				
Cœur d'Orly Investissement	Orlytech - Bat. 532 5 allée Hélène Boucher 91550 PARAY-VIELLE-POSTE	France	100%	100%
Cœur d'Orly Commerces Investissement	Orlytech - Bat. 532 5 allée Hélène Boucher 91550 PARAY-VIELLE-POSTE	France	100%	100%
ADP Immobilier Tertiaire	1 rue de France – 93290 Tremblay-en-France	France	100%	100%
ADP Immobilier	1 rue de France – 93290 Tremblay-en-France	France	100%	100%
Ville Aéroportuaire Immobilier 1	1 rue de France – 93290 Tremblay-en-France	France	100%*	100%
ADP Immobilier Industriel	Orlytech - Bat. 532 5 allée Hélène Boucher 91550 PARAY-VIELLE-POSTE	France	100%	100%
Aéroports de Paris Investissement Nederland Bv	Locatellikade 1 1076AZ AMSTERDAM	Netherlands	100%	100%
SCI ROMEO	1 rue de France – 93290 Tremblay-en-France	France	100%	100%
Hôtels Aéroportuares**	1 rue de France – 93290 Tremblay-en-France	France	100%	100%
Aviation:				
Fondation d'entreprise Aéroports de Paris	1 rue de France – 93290 Tremblay-en-France	France	100%	100%
CO-ENTREPRISE (Integrated up to Group's share of balance sheet and profit & loss)				



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Entity	Address	Country	% stake	% control
Other activities:				
CDG Express Etudes	1 rue de France – 93290 Tremblay-en-France	France	33%	33%

* The Group holds 60% of the capital of Ville Aéroportuaire Immobilier 1 and has a put and call option agreement over the remaining 40%. The analysis of this agreement leads to retain 100% ownership interest.

** Previously named SAS HOTEL RO3 until June 2018

Entity	Address	Country	% stake	% control
Associates (operating entities)				
International and airport developments:				
Schiphol Group	Evert van de Beekstraat 202 1118CP LUCHTHAVEN SCHIPHOL	Netherlands	8%	8%
MZLZ Retail Ltd	Ulica Rudolfa Fizira 1 10150 Velika Gorica Croatie	Croatia	50%	50%
Sociedad Concesionaria Nuevo Pudahuel SA (SCNP)	Aeropuerto Internacional Arturo Merino Benítez de Santiago, Rotonda Oriente, 4° piso, comuna de Pudahuel, Santiago, Chili	Chile	45%	45%
Zaic-A Limited	1 Park Row, Leeds, LS1 5AB, United Kingdom	United Kingdom	28%	36%
Upravitelj Zračne Luke Zagreb ("MZLZ Operations")	Ulica Rudolfa Fizira 1 10150 Velika Gorica Croatie	Croatia	28%	36%
Medunarodna Zračna Luka Zagreb ("MZLZ")	Ulica Rudolfa Fizira 1 10150 Velika Gorica Croatie	Croatia	28%	36%
Consortio PM Terminal Tocumen SA	Terminal Sur S.A. AV DOMINGO DIAZ Panama , Rep. De Panama	Panama	36%	36%
Ravinala Airports	Escalier C, Zone Tana Water Front – Ambodivona 101 Antananarivo, Madagascar	Madagascar	35%	35%
ATU Turizm İşletmeciliği A.Ş. ("ATU")	Büyükdere Cad.Bengün Han No:107/8 Gayrettepe - İstanbul	Turkey	23%	50%
ATU Georgia Operation Services LLC ("ATU Georgia")	TBILISI INTERNATIONAL AIRPORT, Georgia	Georgia	23%	50%
ATU Tunisie SARL ("ATU Tunisia")	AEROPORT INTERNATIONAL ENFIDHA-HAMMAMET AUTOROUTE AL KM 91 ENFIDHA 4080 SOUSSE	Tunisia	23%	50%
ATU Macedonia Doel ("ATU Macedonia")	SKOPJE 'ALEXANDER THE GREAT' AIRPORT 1043 PETROVEC Macedonia	Macedonia	23%	50%
AS Riga Airport Commercial Development ("ATU Latvia")	MARUPES NOV.LIDOSTA RIGA 10/1 LV-1053 LATVIA	Latvia	23%	50%
Tunisia Duty Free S.A. ("ATU Tunisia Duty Free")	RUE DU LAC TOBA-IMMEUBLE-BOUGASSASS-LES BERGES DU LAC 1053	Tunisia	7%	15%
Saudi ATU Trading Limited Co. ("ATU Medinah")	Prince Muhammad Bin Abdul Aziz International Airport / Madina, K.S.A	Saudi Arabia	23%	50%



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Entity	Address	Country	% stake	% control
ATU Americas LLC ("ATU America")	1704 Rankin Rd,SUITE 110, HOUSTON,USA	United States	17%	37%
ATU Mağazacılık İşletmeleri A.Ş. ("ATU Mağazacılık")	Büyükdere Cad.Bengün Han No:107/8 Gayrettepe - İstanbul	Turkey	23%	50%
ATU Uluslararası Mağaza Yiyecek ve İçecek İşletmeciliği A.Ş. ("ATU Uluslararası Mağazacılık")	Büyükdere Cad.Bengün Han No:107/8 Gayrettepe - İstanbul	Turkey	22%	48%
ATU Holdings, Inc. ("ATU Holdings")	1704 Rankin Rd,SUITE 110, HOUSTON,USA	United States	17%	38%
TAV Gözen Havacılık İşletme ve Ticaret A.Ş. ("TAV Gözen")	Atatürk Havalimanı 34149 Yeşilköy / İstanbul	Turkey	15%	32%
TGS Yer Hizmetleri A.Ş. ("TGS")	İstanbul Dünya Ticaret Merkezi A3 Blok Kat:6 Yeşilköy Bakırköy /İstanbul	Turkey	23%	50%
SAUDI HAVAŞ Ground Handling Services Limited ("SAUDI HAVAŞ")	Prince Mohammed bin Abdul Aziz International Airport Po box 42342/4878 Medina,KSA	Saudi Arabia	31%	67%
BTA Denizyolları ve Limanları Yiyecek ve İçecek Hizmetleri Tic. A.Ş. ("BTA Denizyolları")	Kennedy Cad.Hızlı Feribot iskelesi YeniKapı-Fatih/İstanbul	Turkey	23%	50%
Saudi BTA Airports Food And Beverages Serv.Ltd. ("BTA Medinah")	Imam Saud Bin Migren St. Opposite of Imam university gate no 1 P.O B. 18927, Riyadh 11425 / KSA	Saudi Arabia	31%	67%
BS Kahve Yiyecek ve İçecek Hizmetleri A.Ş. ("BS Kahve")	Atatürk Havalimanı Dış Hatlar Terminali Hava Tarafı Asma Kat No:ML3101 Yeşilköy, İstanbul	Turkey	28%	60%
Tibah Airports Development Company CJSC ("Tibah Development")	Prince Mohammed Bin Abdulaziz Int. Airport P.O Box 21291, AlMadinah Al Munawarah 41475	Saudi Arabia	15%	33%
Tibah Airports Operation Limited ("Tibah Operation")	Prince Mohammed Bin Abdulaziz Int. Airport P.O Box 21291, AlMadinah Al Munawarah 41475	Saudi Arabia	23%	51%
Primeclass Pasifico JSV. ("TAV İşletme Chile")	AV.NUEVA COSTANERA, Nro. 3698, Depto: 603, Comuna: VITACURA, Ciudad: SANTIAGO	Chile	23%	50%
TAV Operation Services Saudi Arabia LLC. ("TAV İşletme Saudi")	PO Box 4878, Postal code 42342, Prince Mohammad bin Abdulaziz International Airport/Medina	Saudi Arabia	31%	67%
Madinah Airport Hotel Company ("Medinah Hotel")	Prince Mohammed Bin Abdul Aziz International Airport, Post Office Box: 52681 Al Madinah Al Munawarah, 11573, Kingdom of Saudi Arabia.	Saudi Arabia	15%	33%
Airport Terminal Operations LTD ("ATOL")	SSR INTERNATIONAL AIRPORT PLAINE MAGNIEN	Jordan	10%	10%
Fraport IC İçtaş Antalya Havalimanı Terminal Yatırım ve İşletmeciliği A.Ş. ("TAV Antalya")	Antalya Havalimanı 1. Dış Hatlar Terminali 07230 Antalya TURKEY	Mauritius	23%	50%



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Entity	Address	Country	% stake	% control
Fraport IC İtař Antalya Havalimanı İřletme A.ř. ("TAV Antalya Invest")	Antalya Havalimanı 1. Dıř Hatlar Terminali 07230 Antalya TURKEY	Mauritius	23%	50%
Société de gestion et d'exploitation de l'aéroport de Conakry ("SOGEAC")	Aéroport de Gbessia, B.P 3126 Conakry République de Guinée	Mauritius	29%	29%
Liège Airport*	Aéroport de Bierset 4460 GRÂCE-HOLOGNE	Belgium	26%	26%
Real estate:				
Transport Beheer	Haarlemmermeer de Beekstraat 314 1118CX SCHIPHOL AIRPORT	Netherlands	40%	40%
Transport CV	Haarlemmermeer de Beekstraat 314 1118CX SCHIPHOL AIRPORT	Netherlands	40%	40%
SCI Cœur d'Orly Bureaux	8 avenue Delcasse 75008 PARIS	France	50%	50%
SNC Cœur d'Orly Commerces	8 avenue Delcasse 75008 PARIS	France	50%	50%
SCI Heka Le Bourget	151 boulevard Haussmann - 75008 PARIS	France	40%	40%
SAS Chenu Le Bourget	151 boulevard Haussmann - 75008 PARIS	France	40%	40%
Retail and services:				
Société de Distribution Aéroportuaire	114 avenue Charles de Gaulle 92200 NEUILLY-SUR-SEINE	France	50%	50%
RELAY@ADP	55 rue Deguingand 92300 Levallois Perret	France	50%	50%
ADPLS Présidence	1 rue de France – 93290 Tremblay-en-France	France	50%	50%
EPIGO Présidence	3 place de Londres – bâtiment Uranus – Continental Square 1 – Aéroport Roissy Charles de Gaulle – 93290 Tremblay en France	France	50%	50%
EPIGO	3 place de Londres – bâtiment Uranus – Continental Square 1 – Aéroport Roissy Charles de Gaulle – 93290 Tremblay en France	France	50%	50%
Other activities :				
Egidium	114 avenue Charles de Gaulle 92200 NEUILLY-SUR-SEINE	France	20%	20%
Safety Line	12 Rue Clavel, 75019 Paris	France	12%	12%
Innov'ATM	15 rue Alfred Sauvy 31270 Cugnaux	France	17%	17%
Gestionnaire d'Infrastructure CDG Express	1 rue de France – 93290 Tremblay-en-France	France	33%	33%
Associates (non-operating entities)				
Real estate:				
SCI Roissy Sogaris	Avenue de Versailles RN 186 94150 RUNGIS	France	40%	40%
Other activities:				
Hub Safe	Roissypole - Le Dôme 4 rue de la Haye 93290 TREMBLAY-EN-FRANCE	France	20%	20%



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Entity	Address	Country	% stake	% control
Alacrité	299 boulevard de Leeds – World Trade center Lille Services SAS espace International – 59777 Euralille	France	19%	19%

* reported under Associates non-perating entities until 31 December 2017

As part of its development, the Group has to take stakes in airports companies or creating subsidiaries dedicated to the exercise of its activities in France and abroad, and, in particular, the execution of services contracts.

These entities represent individually less than 1 % each of the aggregates (Consolidated revenue, operating income and net income for the period).

Entity	Activities	Country	% ownership	Owned by
INVESTMENTS IN COMPANIES NOT RELEVANT TO THE SCOPE (without activity or negligible activity)				
International and airport developments :				
ADPM 2	* For airport operations	France	100%	ADP International
ADPM 3	* For airport operations	France	100%	ADP International
Philippines Airport Management Company	* For airport operations	France	73%	ADP International & Aviator Netherland
Matar	* Operating contract of the Hadj terminal in Djeddah	Saudi Arabia	5%	ADP International
Other activities :				
CCS France	** Computer programming	France	20%	Aéroports de Paris SA
BestMile	* Experimentation of autonomous vehicle	Suisse	8%	ADP Invest
Civipol Conseil	** Promotion of the Ministry of Interior skills	France	1%	Aéroports de Paris SA
PACIFA	* Software company	France	12%	Aéroports de Paris SA
Pole Star	* Engineering, technical studies	France	11%	Hub One
Bolloré Télécom	* Telecommunications	France	2%	Hub One
Immobilière 3F	* Real estate management specialized in low-rent housing	France	<1%	Aéroports de Paris SA
SoffToGo	* Portage of software	Argentina	100%	Hub One Mobility
OnePark	* Software editor for distribution of parking spaces	France	1%	ADP Invest
FinalCAD	* Software editor for management of construction projects	France	2%	ADP Invest
INVESTMENTS IN COMPANIES NOT RELEVANT TO THE SCOPE (Investment funds*)				
Equipe de France	* Portfolio of equity investments in companies quoted on the Saudian stock exchange	France	N/A	Aéroports de Paris SA
ELAIA Delta Fund	* Investments in companies operating in the digital and BtoB sectors	France	N/A	Aéroports de Paris SA



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Cathay Innovation	*	Investments in high potential companies in Europe, China and USA	France	N/A	Aéroports de Paris SA
X ANGE	*	Investments in innovating companies operating in the digital, mobile services, software, infrastructure and banking sectors	France	N/A	Aéroports de Paris SA
White Star Capital II France S.L.P.	*	Venture capital fund investing in companies acting in the innovative technologies sector in North America and Western Europe	France	N/A	Aéroports de Paris SA
Cathay Innovation II	*	Investments in high potential companies in Europe, China and USA	France	N/A	Aéroports de Paris SA

* IFRS 9 classification: fair value adjustments are recognized through profit and loss accounts

** IFRS 9 classification: fair value adjustments are recognized through OCI

