



Aéroports de Paris

A société anonyme with a share capital of 256,084,500 euros
head quarters: 291 boulevard Raspail, 75014 Paris
552 016 628 RCS Paris

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Please note that the information attached to the present document is limited to the Statutory Auditors’ Report on the consolidated financial statements for the year ended December 31, 2005; the Consolidated Financial Statements as of and for the Year Ended December 31, 2005 (IFRS), the Statutory Auditors’ Report on the consolidated financial statements for the year ended December 31, 2004 and Consolidated Financial Statements as of and for the Year Ended December 31, 2004 (French GAAP). For the other Exhibits referred to in the present Document, please refer to the Document de Base registered with the AMF on April 21, 2006 under the number I. 06-036.

TABLE OF CONTENTS

	Page
CHAPTER 1 PERSONS RESPONSIBLE FOR THE BASE PROSPECTUS (DOCUMENT DE BASE).....	1
1.1. Person Responsible for the Base Prospectus	1
1.2. Statement of the Person Responsible.....	1
CHAPTER 2 AUDITORS	2
2.1. Statutory Auditors.....	2
2.2. Alternate Auditors.....	2
2.3. Term of Office of the Auditors	2
CHAPTER 3 SUMMARY FINANCIAL DATA	3
CHAPTER 4 RISK FACTORS	7
4.1. Risks Related to the Business Activities of Aéroports de Paris.....	7
4.2. Risks Relating to the Ownership Structure of Aéroports de Paris.....	17
4.3. Risk Management	17
CHAPTER 5 INFORMATION ON THE ISSUER	22
5.1. History And Development Of The Company	22
5.2. Investments	25
CHAPTER 6 GENERAL INFORMATION CONCERNING THE COMPANY	29
6.1. General Information Concerning the Company (Business of Aéroports de Paris)	29
6.2. Presentation of the Market.....	37
6.3. Activities of Aéroports de Paris.....	58
6.4. Factors of Dependency	114
6.5. Group's Competitive Position	114
6.6. Legal And Regulatory Environment.....	114
6.7. Environmental Information.....	129
CHAPTER 7 ORGANIZATION CHART.....	138
CHAPTER 8 REAL ESTATE PROPERTIES AND EQUIPMENTS.....	140
8.1. Real Estate Properties and Equipments of Aéroports de Paris	140
8.2. Environmental Restrictions Likely to Impact the Use by Aéroports de Paris of its Fixed Assets.....	141
CHAPTER 9 GENERAL INFORMATION CONCERNING RESULTS AND FINANCIAL SITUATION.....	142
9.1. Key Figures: Income Statement.....	142
9.2. Overview.....	143
9.3. Results of Operations.....	151
9.4. Material Differences Between IFRS and French GAAP for the Group's Consolidated Financial Statements.....	162

TABLE OF CONTENTS

(continued)

	Page
9.5. Year Ended December 31, 2004 Compared to Year Ended December 31, 2003 (French GAAP).....	164
CHAPTER 10 LIQUIDITY AND CAPITAL RESOURCES	168
10.1. Overview.....	168
10.2. Cash Flow	168
10.3. Financing.....	170
10.4. Equity.....	172
10.5. Investment Properties.....	172
10.6. Group Commitments.....	173
10.7. Market Risks	174
CHAPTER 11 RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES, INTELLECTUAL PROPERTY	178
11.1. Research and Development.....	178
11.2. Trademarks, Patents and Licenses	178
CHAPTER 12 RECENT DEVELOPMENTS AND OUTLOOK	180
12.1. Recent Developments Since the End of Fiscal Year 2005	180
12.2. Outlook	182
12.3. Objectives of the Group	184
CHAPTER 13 PLANNED OR ESTIMATED PROFIT	186
13.1. Planned or Estimated Profit of the Group.....	186
13.2. Report of Statutory Auditors on Forecast Information.....	186
CHAPTER 14 ADMINISTRATIVE, MANAGEMENT, SURVEILLANCE AND GENERAL MANAGEMENT STRUCTURES	187
14.1. Composition of the Board of Directors and Chief Operating Officer	187
14.2. Conflicts of Interest at the level of the Management Bodies.....	190
CHAPTER 15 COMPENSATION AND DIRECTORS' ADVANTAGES.....	192
15.1. Compensation and Benefits paid to The Executive Management of Aéroports de Paris.....	192
15.2. Pensions and Other Benefits	193
CHAPTER 16 FUNCTIONING OF THE ADMINISTRATION AND MANAGEMENT BODIES	194
16.1. Functioning of the Administration and Management Bodies.....	194
16.2. No Services Agreements.....	199
16.3. Functioning of the corporate governance bodies.....	199
16.4. Regime of Corporate Governance	204
CHAPTER 17 EMPLOYEES – HUMAN RESOURCES.....	205

TABLE OF CONTENTS

(continued)

	Page
17.1. Social Policy	205
17.2. Social Information	205
17.3. Stock Options.....	214
17.4. Employee Participation.....	214
17.5. Interests of Corporate Officers and Transactions by Members of the Board of Directors on Securities of the Company	215
CHAPTER 18 MAIN SHAREHOLDERS	216
18.1. Shareholding of the Company	216
18.2. Evolution of the Company's Shareholding.....	216
18.3. Control over the Company.....	216
18.4. Change of Control of the Company	216
18.5. Relations with the State and the Administrative Authorities.....	216
CHAPTER 19 TRANSACTIONS WITH RELATED PARTIES	218
CHAPTER 20 FINANCIAL INFORMATION ON THE ASSETS, FINANCIAL POSITION AND RESULTS OF THE ISSUER.....	219
20.1. Historical Financial Data	219
20.2. Pro forma Financial Data.....	219
20.3. Corporate Financial Statements	219
20.4. Verification of Annual Historical Financial Data	219
20.5. Date of Last Financial Data	219
20.6. Interim Financial Data	219
20.7. Dividend Distribution Policy	219
20.8. Legal Proceedings.....	220
20.9. Material Change in the Financial or Commercial Position.....	224
CHAPTER 21 ADDITIONAL INFORMATION ON THE SHARE CAPITAL AND PROVISIONS OF THE BY-LAWS	225
21.1. Information on the Share Capital.....	225
21.2. Provisions of the By-Laws.....	227
CHAPTER 22 MATERIAL CONTRACTS	233
CHAPTER 23 INFORMATION FROM THIRD PARTIES, EXPERTS' STATEMENTS AND STATEMENTS OF INTEREST	234
CHAPTER 24 DOCUMENTS AVAILABLE FOR THE PUBLIC.....	235
CHAPTER 25 INFORMATIONS ON INTERESTS	236
INDEX TO FINANCIAL STATEMENTS	F-1

TABLE OF CONTENTS

Page

CHAPTER 1 PERSONS RESPONSIBLE FOR THE BASE PROSPECTUS (DOCUMENT DE BASE)

In this document, the terms “Aéroports de Paris” or the “Company” shall mean Aéroports de Paris S.A. The term “Group” shall mean the group of companies made up of the Company and all its subsidiaries.

1.1. PERSON RESPONSIBLE FOR THE BASE PROSPECTUS

Mr. Pierre Graff, Chairman and Chief Executive Officer (Président-directeur général) of Aéroports de Paris.

1.2. STATEMENT OF THE PERSON RESPONSIBLE

Having taken all reasonable care for such purpose, we certify that, to the best of our knowledge, the information contained in this Registration Document accurately reflects reality and contains no omission likely to affect its meaning.

We have obtained a letter (*lettre de fin de travaux*) from the statutory auditors, in which they indicate having verified the information relating to the financial position and the financial statements provided for herein, and that they have read the document in its entirety.

This letter does not contain any observations.

Historical financial data provided for herein have been discussed in statutory auditors’ reports, attached as Exhibits 4, 5, 6 and 7 hereof, containing reserves and observations on the consolidated financial statements for the fiscal year ended December 31, 2003 and observations on the consolidated financial statements for the fiscal years ended December 31, 2004 and 2005.¹

The Chairman and Chief Executive Officer
Pierre Graff

¹

Note: Please refer to Index to Financial Statements Page F-1. Please note that the information attached to the present document is limited to the Statutory Auditors’ Report on the consolidated financial statements for the year ended December 31, 2005; the Consolidated Financial Statements as of and for the Year Ended December 31, 2005 (IFRS), the Statutory Auditors’ Report on the consolidated financial statements for the year ended December 31, 2004 and Consolidated Financial Statements as of and for the Year Ended December 31, 2004 (French GAAP). For the other Exhibits to the Document de Base, please refer to the Document de Base registered on April 21, 2006 under the number I. 06-036.

CHAPTER 2 AUDITORS

2.1. STATUTORY AUDITORS

- Ernst & Young Audit
Faubourg de l'Arche, 11 allée de l'Arche, 92037 Paris La Défense Cedex
Represented by Mr. Francis Gidoin
- Salustro Reydel, member of KPMG International
8 avenue Delcassé, 75378 Paris Cedex 08
Represented by Mr. Philippe Arnaud

2.2. ALTERNATE AUDITORS

- Mr. Jean-Jacques Dedouit
19 rue Clément-Marot, 75008 Paris
- Mr. Bernard Lelarge
61 rue La Boétie, 75008 Paris

2.3. TERM OF OFFICE OF THE AUDITORS

Ernst & Young Audit and Salustro Reydel, member of KPMG International, have been statutory auditors of Aéroports de Paris since January 19, 2004 (financial statements relating to the fiscal year ended December 31, 2003). Messrs. Jean-Jacques Dedouit and Bernard Lelarge have been alternate auditors since the same date. The terms of office of each of the auditors (statutory and alternate) shall expire upon adjournment of the annual shareholders' meeting ruling on the financial statements for the fiscal year ended December 31, 2008. Pursuant to the provisions of paragraph IV of Article 5 of the Law no. 2005-357 of April 20, 2005 on airports, the conversion of Aéroports de Paris into a *société anonyme* on July 22, 2005 has not modified such terms of office.

CHAPTER 3 SUMMARY FINANCIAL DATA

The consolidated financial statements for the year ended December 31, 2005 were prepared in accordance with IFRS (International Financial Reporting Standards) as adopted by the European Union and in effect on December 31, 2005. They include for comparison data relating to the year ended December 31, 2004 restated in accordance with the same principles.

The consolidated financial statements of the Group for the years ended December 31, 2003 and 2004 were prepared in accordance with French generally accepted accounting principles ("French GAAP") (Regulation 99-02 of April 29, 1999 of the *Comité de la réglementation comptable* on consolidated financial statements of commercial companies).

Aéroports de Paris's consolidated financial statements as of and for the years ended December 31, 2003, 2004, and 2005 have been audited by Ernst & Young Audit and Salustro Reydel, member of KPMG International.

Income Statement Data 2004-2005 (IFRS)

	Year ended December 31		Change
	2004	2005	2006
	<i>(in millions of euros)</i>		
Revenues ⁽¹⁾	1,811.7	1,914.6	5.7%
EBITDA ⁽²⁾	542.8	592.4	9.1%
Operating income from ordinary activities ⁽³⁾	291.0	331.2	13.8%
Operating income	274.8	354.7	29.1%
Net income, group share	144.1	179.9	24.9%
Net income, group share excluding CDG 2E accident	154.5	158.1	2.3%

(1) Products from ordinary activities.

(2) EBITDA : earnings before interest, tax, depreciation and amortization.

(3) Operating income from ordinary activities is operating income before the impact of certain non-recurring revenues and expenses, including those relating to the CDG Terminal 2 accident.

(4) Net income attributable to shareholders of Aéroports de Paris.

Balance Sheet Data 2004-2005 (IFRS)

	At December 31,	
	2004 (IFRS)	2005 (IFRS)
	<i>(in millions of euros)</i>	
Total non-current assets	4,734.0	4,947.9
Total current assets	784.5	1,120.9
TOTAL ASSETS	5,518.5	6,068.8
Shareholders equity	1,848.8	2,030.7
Total current liabilities	2,760.0	3,037.8
Total non-current liabilities	909.7	1,000.3
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	5,518.5	6,068.8

Consolidated Statements of Cash Flows Data 2004-2005 (IFRS)

	Year ended December 31,	
	2004 (IFRS)	2005 (IFRS)
	<i>(in millions of euros)</i>	
Cash flow from operating activities	389.3	647.3
Cash used in investment activities	(474.1)	(526.4)
Cash from financing activities	9.6	96.0
Change in cash and cash equivalents	(75.3)	217.4

Financial debt net December 31, 2004-2005 (IFRS)

	December 31	
	2004	2005
	<i>(in millions of euros)</i>	
Sub-total debt	2,507.3	2,768.1
Derivative financial instruments in a liability position	—	10.8
Gross debt	2,507.3	2,778.9
Derivative financial instruments in an asset position	—	(92.9)
Cash and cash equivalent	(173.5)	(388.3)
Net debt	2,333.8	2,297.7

Summary Consolidated Income Statement Data 2003-2004 (French GAAP)

	Year ended December 31,		Change
	2003	2004	2003-2004
	<i>(in millions of euros)</i>		%
Revenues	1,711.8	1,820.9	6.4%
Operating income before depreciation, amortization and provisions ⁽¹⁾	574.6	602.4	4.8%
Operating income ⁽²⁾	330.0	307.2	(6.9%)
Net income, Group share	128.9	125.9	(2.3%)

⁽¹⁾ Operating income before depreciation, amortization and provisions under French GAAP excludes the impact of provisions relating to operating activities as well as certain other operating revenues and expenses, while EBITDA (as defined by Aéroports de Paris in 2005) includes the impact of these items.

⁽²⁾ Operating income under French GAAP excludes exceptional items, which are separately recorded as exceptional income or loss, while operating income from ordinary activities under IFRS include certain items that were formerly recorded as exceptional income or loss.

Balance Sheet Data 2003-2004 (French GAAP)

	At December 31,	
	2003	2004
	<i>(in millions of euros)</i>	
Fixed assets	4,120.5	4,280.4
Current assets	749.2	851.7
TOTAL ASSETS	4,869.7	5,132.1
Shareholders equity (Group share)	1,432.0	1,544.9
Minority interests	45.2	0
Provisions for risks and charges	401.1	404.4
Debt	2,991.4	3,182.8
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	4,869.7	5,132.1

Consolidated Statements of Cash Flows Data 2003-2004 (French GAAP)

	Year ended December 31,	
	2003	2004
	<i>(in millions of euros)</i>	
Cash flow from operating activities	219.9	311.9
Cash used in investment activities	(504.7)	(485.0)
Cash from financing activities	239.5	97.8
Change in cash and cash equivalents	(45.3)	(75.3)

CHAPTER 4

RISK FACTORS

The reader should consider carefully the following risk factors. Additional risk factors not currently known or which are currently deemed immaterial may also impair Aéroports de Paris operations. Aéroports de Paris' business financial condition or results of operations could be materially adversely affected by any of these risks.

4.1. RISKS RELATED TO THE BUSINESS ACTIVITIES OF AÉROPORTS DE PARIS

Aéroports de Paris' revenues depend mainly on levels of air traffic, which in turn depend on factors that Aéroports de Paris does not control

Aéroports de Paris' revenues are closely linked to levels of passenger and cargo traffic and the number of plane movements at the airports it operates. These factors directly determine revenues from airport fees and indirectly determine revenues generated from shops and car parks.

The level of air traffic to or from the Paris airports, both in terms of numbers of passengers and cargo volumes, depend on numerous factors, some of which are beyond the control of Aéroports de Paris, including:

- the general level of economic growth, particularly in France and the rest of Europe;
- the political and public health situation in France and elsewhere in the world (see below);
- the strategies and successes of airlines and alliances that have important network hubs at the Aéroports de Paris airports, chief amongst them the Air France-KLM group and the SkyTeam alliances;
- the attractiveness of the airports managed by Aéroports de Paris relative to that of other European airports (particularly London, Amsterdam, Frankfurt and Madrid);
- competition from high-speed trains (TGV, Thalys and Eurostar);
- fluctuations in oil prices (which can have a negative impact on traffic through measures such as the fuel surcharge imposed by airlines following the rise in oil prices in 2005);
- the size of planes, their passenger level and their destinations (as fees charged for international flights are greater than those for domestic or European flights);
- the number of, allocation of and limitations on permitted take off and landing slots (see below); and
- more generally, regulatory decisions imposing specific costs on air travel (such as the development tax on plane tickets imposed pursuant to a French law adopted on 30 December 2005), which can have a negative impact on demand for air travel, even though the actual effect on traffic of such charges is difficult to assess.

Air traffic and its distribution between geographical regions for flights to or from Paris airports might not reach expected levels and could thus have significant negative effects on revenues of Aéroports de Paris, its results of operations and its financial position.

A significant share of Aéroports de Paris' business is linked to the business of the Air France-KLM group

Aéroports de Paris' business, results of operations and financial position are in part linked to the activities of the Air France-KLM group. This group, a member of the SkyTeam alliance, is Aéroports de Paris's largest client. In 2005, the Air France-KLM group represented revenues of 441.2 million euros (63% of which were airport fees), or 23% of the Group's total revenues. In addition, passengers carried by the airlines in the Air France-KLM group and the SkyTeam alliance generate a significant share of the Group's other revenues, such as commercial revenues.

A change in the Air France-KLM group's strategy (particularly whether it continues to use the hub system), the closure or relocation of certain routes, financial difficulties at the Air France-KLM group or a decline in the quality of its services would have, at least in the short term, a significant impact on the Group's business, profits and financial position. Moreover, in making investment decisions, the Group takes into consideration the requirements of its clients, especially airlines, the first of which is the Air France-KLM group.

The activities of Aéroports de Paris are regulated

Aéroports de Paris operates in a regulated business environment. French laws and regulations, European regulations and rulings by French and international courts with jurisdiction over airports and air transport have a direct influence on Aéroports de Paris' profits. As with all regulated sectors, future changes to regulations, or to their interpretation by government authorities or by the courts, could result in additional expenses for Aéroports de Paris and have a negative impact on its revenues, results of operations and financial position. Thus:

- the conditions for changes in airport fees are determined under multi-year contracts lasting up to five years entered into with the Republic of France or, in the absence of a multi-year contract, on an annual basis under conditions set by government decree. As part of the consultation process, which precedes the setting of changes in fees, airlines, particularly the Air France-KLM group, are invited to submit their comments and views on any changes. The interests of airlines are different from those of Aéroports de Paris;
- under the multi-year contracts entered into with the Republic of France, changes in the fees paid by airlines are based on estimated future results of operations that go beyond aviation activities to include projected commercial revenues and revenues from certain other activities;
- the allocation of take off and landing slots is carried out by an independent body. This organization could make decisions on the allocation of take off and landing slots that would be disadvantageous to Aéroports de Paris (see below);

- the French government determines the security policy to be implemented under its supervision and has allocated responsibility for aspects of security to Aéroports de Paris. Increasingly strict rules could be adopted by European or French authorities, particularly in response to serious political events, or as part of a heightened drive to eliminate terrorism, which could lead to more demanding operational requirements, the implementation of programs to upgrade facilities or an increase in the inconvenience to passengers caused by the various security measures;
- security costs, which were €313.5 million for the Group in 2005, are currently financed by an airport tax, designed to cover all costs borne by Aéroports de Paris in performing this public service. Aéroports de Paris cannot, however, guarantee that there will not be changes in regulations that affect the coverage of costs.
- the government sets the legal framework for airport and air transport safety. This legal framework could be strengthened, placing additional obligations on Aéroports de Paris.

The parameters for changes in the level of airport fees received by Aéroports de Paris could be changed when the *Contrat de Régulation Economique* expires or if this agreement is revised or terminated early

Under Article L. 224-2-II of the Civil Aviation Code, conditions for changes in airport fees are determined by a multi-year contract with the Republic of France, lasting for a maximum of five years. In the absence of any such contract, airport fee rates are set for a one-year period after approval by the Ministers responsible for civil aviation and the economy. The first such contract between Aéroports de Paris and the French Republic is known as the “*Contrat de Régulation Economique*” (CRE) and was signed on February 6, 2006, covering the period from 2006-2010. Article L. 224-2 of the Civil Aviation Code requires that the conditions governing changes in airport fees take into account forecasts of costs, revenues and investment and of the quality of public service provided by the airport operator, while Article R. 224-3-1 of the Code provides that the airport operator receives, based on these factors, a fair return on capital invested, evaluated by reference to the weighted average cost of its capital. Aéroports de Paris cannot, however, give any assurance regarding the level of fees that the Republic of France will authorize it to charge beyond 2010. In addition, the CRE may be modified or terminated early in the event of a circumstance that fundamentally changes the economics of the contract.

Litigation has been filed seeking to have the *Contrat de régulation économique* declared null and void. If successful, this litigation could have, at least temporarily, an adverse impact on the results of operations of the Group

Between April 4 and April 6, 2006, the airline union, the National Federation for Merchant Aviation and the Association of Airline Representatives in France filed three summary motions with the *Conseil d’Etat* against the CRE, seeking to have the contract declared null and void on the basis of a number of alleged procedural and substantive defects, including that the maximum airport fee increases authorized in the CRE were determined on the basis of a manifest error. The motions also sought to void the decisions of the Ministry of the Economy, Finance and Industry and of the Ministry of Transportation, Infrastructure, Tourism and Maritime Affairs to sign the CRE. The motions are preliminary and must be supplemented with full complaints. See

20.8 “Business – Legal Proceedings.” Aéroports de Paris nonetheless believes that the manner in which the maximum airport fee increases were determined did not involve any manifest error within the meaning of applicable administrative case law, and that the CRE entered into with the Republic of France was negotiated in conformity with the procedures set forth in Article R. 224-4 of the Civil Aviation Code. Nevertheless, Aéroports de Paris cannot give any assurance as to the likely outcome of the proceedings. If the CRE is declared null and void, it may be difficult to continue to apply any fee increases put in place after the signature of the CRE, until the signature of a new multi-year regulatory contract or the authorization of a fee increase on an annual basis. Any resulting loss of revenues would have an adverse impact on the Group’s results of operations for the relevant year or years.

Aéroports de Paris has no control over the number or allocation of take off and landing slots and as a result is not in a position to optimize their use

As the number of take off and landing slots at airports is limited, air traffic depends on the allocation of slots and the efficient use of the slots allocated. At Paris - Charles de Gaulle and Paris - Orly airports, allocation of slots and monitoring of their correct use by airlines is, under a ministerial order of 9 August 1996, the sole responsibility of COHOR, the *Association pour la Coordination des Horaires* (Timetable Coordination Association), whose members are airlines (Aigle Azur, Air France, Brit Air, CCM Airlines, Corsair, La Poste, Régional Compagnie Européenne and Star Airlines) and airport operators (Aéroports de Paris, the Chambers of Commerce and Industry of Lyon and Nice). In practice, and in order to meet European regulations, COHOR has appointed a “delegated coordinator” for the effective allocation of slots. The delegated coordinator, who must act in a way that is neutral, non-discriminatory and transparent, may decide to allocate the slots that become available at each airport (*i.e.* slots that are unused by an airline, slots freed by an airline that ceases operations or slots created by an increase in airport, and particularly runway, capacity) to routes generating low traffic volumes. In addition, as part of its public service mission, the Republic of France each year reserves a certain number of slots at the Paris - Orly airport (for example, 38,416 of the 250,000 slots available under the regulations each year are currently reserved) for allocation to so-called national improvement routes, providing regional links. The reallocation of unused slots, including those that had been held by an airline that ceases operations, may not take place immediately, thus reducing the number of slots in actual use. Lastly, at Paris - Charles de Gaulle airport, the number of available slots depends in part on factors outside the control of Aéroports de Paris, and in particular on the number of hourly movements that can be managed by air traffic control services.

Regulatory constraints regarding environmental protection could limit the business activities of Aéroports de Paris, hamper its growth or require substantial expenditure

Aéroports de Paris’ business activities are governed by stringent environmental protection regulations, relating in particular to noise pollution, air quality, the protection of water resources and waste management. In particular:

- Aéroports de Paris’ business at the Paris - Orly airport is subject to limits on the number of take off and landing slots available, runway use procedures and night take-off and landing times for planes, with a view to minimizing disturbance, particularly noise pollution.

Activities at Paris - Charles de Gaulle airport are also limited in terms of the number of take off and landing slots at night .

- While not directly applicable to Aéroports de Paris, regulations governing airlines, particularly in terms of air quality and fuel use, have an impact on air traffic (in terms of the volume and type of traffic) and thus on the revenues of Aéroports de Paris.

A tightening of environmental protection regulations, or of their interpretation by the authorities, could require significant expenditure by Aéroports de Paris (even though in principle this would be offset by an adjustment mechanism in the CRE) and create restrictions on the use of equipment or facilities. This could have a negative impact on Aéroports de Paris' business, growth prospects, financial situation or results of operations.

Aéroports de Paris operates in a competitive environment

The competition faced by Aéroports de Paris could intensify in all business areas, including both the operation of its airports and related businesses:

- Aéroports de Paris, and more particularly Paris - Charles de Gaulle airport, is in direct competition with other major European airports operating as hubs (primarily London Heathrow, Amsterdam Schiphol – the second hub of the Air France-KLM group – Frankfurt and Madrid-Barajas). In 2005, connecting passengers represented 32.0% of passenger traffic at Paris - Charles de Gaulle and 24.6% of total passenger traffic at the Group's airports. This competition is increased by the strategy of many airlines, in the face of growing competition in air transport to create marketing alliances resulting in networks of routes, thus maximizing their sales offering to clients seeking to fly anywhere in the world while dealing with a single carrier and single ticketing agent;
- Aéroports de Paris, and more particularly Paris - Charles de Gaulle airport, is in direct competition with these same airports to be the European choice for intercontinental routes, which generally seek to use airports offering a broad range of connecting flights to their passengers;
- Aéroports de Paris, and more particularly Paris - Orly airport, competes on journeys of less than three hours with rail services, especially high-speed rail services (TGV, Thalys and Eurostar), the network of which continues to expand;
- Low cost airlines have become significant players in the European air transport market. Aéroports de Paris competes for their flights with airports serving the Ile de France region that are not managed by Aéroports de Paris (notably Beauvais-Tillé airport);
- ground handling services have been open to competition since 1998; this competition has had a significant negative impact on income from this business;
- the Group's other activities (real estate, airport retail facilities and international expansion in the fields of architecture and engineering for airport infrastructure and systems, airport management and technical support and telecommunications on complex sites) face

competition to a greater or lesser degree from numerous other companies, many of which have already acquired considerable experience in their business.

Aéroports de Paris plans substantial investment; the return on investment could fall short of Aéroports de Paris' expectations

Given that growth in air traffic at the airports operated by Aéroports de Paris is directly related to the availability of facilities on the ground, Aéroports de Paris plans to make significant investments, primarily under its investment program for 2006 to 2010. Given the time required for the construction and implementation of complex infrastructures, investments must be planned long in advance and the investment decision is made several years before the corresponding facility comes into operation. By way of example, for a new air terminal, the successive phases of engineering and design, site preparation, major construction, secondary construction, installation of electrical and mechanical equipment and testing mean that a lead time of between four and six years is required, depending on the complexity of the terminal. However, growth in air traffic is more gradual and can be interrupted by isolated factors such as geopolitical events or public health problems. If growth in air traffic is lower or slower than assumed at the time an investment is planned, the return on investment could be lower than expected and perhaps insufficient to provide a satisfactory return on capital employed.

If the international air transport market changes, Aéroports de Paris could have to adapt some of its facilities

If the hub model, currently employed by numerous airlines and operated at the Paris - Charles de Gaulle airport by the Air France-KLM group, the Group's main client, were to be abandoned in favor of direct routes, Aéroports de Paris could be forced to adapt certain features and infrastructure of the Paris - Charles de Gaulle airport that are currently geared towards serving connecting passengers, who make up 32.0% of passenger traffic at this airport. In addition, some of the infrastructure at Aéroports de Paris has been specifically adapted or created to accommodate connecting traffic, and a change to this model early in the life of such infrastructure could have a significant effect on their profitability.

In making its decisions on investment and infrastructure, Aéroports de Paris must take strategies of the airlines into account. However, airlines choose the type of airplanes they will buy or charter and the routes that they will favor as a function of numerous criteria that are difficult to predict. The strategic choices of airlines, and changes in these choices, could therefore have an impact on the future investment policies of Aéroports de Paris and on the return on its past investments.

Aéroports de Paris could be obliged to adapt some of its facilities to be compatible with new technological developments

If the technology used by companies in the air transport market changes, Aéroports de Paris could have to adapt its facilities (as demonstrated by the launch of the A380, which will require some airports to modify their infrastructure), and its revenues could be negatively affected. In addition, although the CRE provides some mechanisms for compensation, technological changes such as online check-in and electronic ticketing could render the Group's facilities obsolete and

have a negative impact on revenues (for instance, revenues generated from the provision of check-in counters).

Aéroports de Paris is exposed to risk related to the business of construction of complex projects

The complexity of Aéroports de Paris' infrastructure could be a source of significant delay in the construction or implementation of projects or could lead to significant over-runs on planned budgets. These delays or over-runs could have significant negative consequences on the Group's revenues, its results of operations and its financial position. Such delays could also have a negative impact on the planned expansion of capacity at the airports operated by Aéroports de Paris and on the Group's image. Delays of this type could also lead to additional operating expenses if they are accompanied by budget over-runs, or even operating losses if they persist for a significant period of time. In addition, Aéroports de Paris could be obligated to pay contractual penalties if it delivers projects with significant delay.

Aéroports de Paris might also have to bear the financial consequences of problems with construction carried out on its behalf. For example, the collapse at terminal CDG 2E at Paris - Charles de Gaulle airport resulted in the temporary closure of the terminal and could lead to legal action against Aéroports de Paris (see 20.8 "Business – Legal Proceedings"). Aéroports de Paris could also suffer financial consequences if construction defects become apparent after the expiration of warranty periods provided by contractors.

Aéroports de Paris is exposed to risk related to the operation of airports

Aéroports de Paris has obligations to protect the public at its airports and to reduce the risk of accidents at its airports. These obligations can be divided into five types of risks:

- The facilities Aéroports de Paris makes available to airlines must be in good operational order. A malfunction (for example, in the new baggage handling system at Paris - Charles de Gaulle) could have a negative effect on relations with airlines, on the image of the Group or on its results of operations (which depend in part on revenues arising from the proper operation of its facilities);
- Poor weather conditions, labor disputes, technical problems (for example, a failure of computer networks) or political events (for example, blockades by truck drivers), all could result in temporary interruptions in airport services. In addition to the impact such interruptions may have on air traffic (and thus on Group revenues), such events are often subject to intense media coverage, particularly if there are major inconveniences to passengers. A prolonged closure of one or more of the Group's airports could negatively affect the perception of Aéroports de Paris' quality of service.
- As with any company dealing with members of the public, Aéroports de Paris is required to implement certain measures for the protection of the public, such as fire safety in public spaces, design and maintenance of car parks and access routes to meet the highway code and road safety rules;

- As an airport operator, Aéroports de Paris is required to implement certain measures specific to aviation activities: maintenance, management and supervision of aviation facilities, snow clearance, rescue and fire services for aircraft (SSLIA), monitoring of traction and skid levels and measures to control the threat from birds (a requirement that may be extended to controlling the risks created by the presence of any animal, not just birds, on the airport site);
- Aéroports de Paris provides certain services for the Republic of France. Thus it implements, on behalf of the government, security and public health protection measures and it implements specific national programs (such as the Vigipirate national security alert plan and the Piratox and Piratnet anti-terrorism measures). Paris - Orly, Paris - Charles de Gaulle, Paris - Le Bourget airports and Issy-les-Moulineaux heliport, have been classified as sensitive defense points (officially recognized as playing a major role in the defense of the country on a national or regional level), which requires the implementation of specific protective measures to ensure operational continuity.

Aéroports de Paris is exposed to the risk of failure of its sub-contractors

Aéroports de Paris sub-contracts some of its operations, particularly those relating to its security obligations. It is possible that some of these sub-contractors might fail to comply with their obligations.

Aéroports de Paris is exposed to the risk of a terrorist attack

As are all airport operators, Aéroports de Paris is constantly subject to the threat of terrorist attack. If this were to take place, in France or abroad, business levels at the Aéroports de Paris airports could be significantly affected following the probable considerable reduction in air traffic, for an indeterminate period, as was seen following the September 11, 2001 attacks. If the attack was on one of the airports operated by Aéroports de Paris, the airport in question could be closed, in whole or in part, for the time needed to rescue any victims, investigate the circumstances of the attack and rebuild any damaged buildings and areas. In addition, there would be a risk that victims of a terrorist act could hold Aéroports de Paris responsible for their suffering and seek compensation.

In addition, security measures could be heightened as a result of a terrorist attack, thus increasing the inconvenience caused to passengers by the various security checks, reducing passenger handling capacity at the airports, considerably increasing the Group's expenditures for security (despite the fact the current system allows Aéroports de Paris to finance all security expenditures through airport taxes) and possibly leading to changes in the investment program.

Aéroports de Paris' insurance coverage could prove to be insufficient

While Aéroports de Paris seeks to insure all risks reasonably, the Group cannot guarantee that its insurance policies would cover all its liability in the event of an incident. In particular, Aéroports de Paris holds policies covering its civil liability as an airport operator, civil liability - supplementary cover against risk of war, and damage to property – see 4.3 “Business - Risk Management - Main Insurance Policies”. The markets for airport insurance and for construction insurance are not particularly competitive, and a change in coverage policy by the insurance

companies involved could reduce Aéroports de Paris's ability to satisfactorily insure itself, whether in terms of the coverage offered or in terms of cost. In addition, since the collapse of terminal CDG 2E, insurance companies have withdrawn the option of taking out single-construction-site policies. A certain number of Group assets cannot, by their nature, be covered by property insurance (notably runways, aircraft movement areas, and certain civil engineering works and infrastructure). In addition, Aéroports de Paris does not currently carry business interruption insurance.

Air traffic could be affected by global public health crises such as epidemics

An epidemic, or the threat of one, could have a negative effect on traffic at the Group's airports and, in some cases, on the business, financial position and/or results of operations of the Group, due in particular to the high cost of special health protection measures that need to be put in place to limit the effects of this type of problem. In 2003, the epidemic of Severe Acute Respiratory Syndrome (SARS) produced international concern, one of the main effects of which was a substantial drop in air traffic to and from Asia. This drop resulted in a corresponding decline in revenues received by Aéroports de Paris from routes serving Asian destinations. Similarly, current fears of a pandemic caused by the spread of the H5N1 strain of avian influenza could potentially cut the levels of passenger traffic at airports operated by Aéroports de Paris.

Labor disputes could have an impact on the Group's business activities

Labor relations within the Group could become strained or there could be occasions of labor unrest. Strikes, slowdowns, retaliatory measures or other labor problems could disrupt the Aéroports de Paris' business and/or that of its subsidiaries. These strikes or other conflicts could arise not only within Aéroports de Paris and/or its subsidiaries, but also within other companies involved in the operation of its airports (for instance, strikes by sub-contractors, air traffic control, ground handling companies not belonging to the Group, or flight crews). The Company has no insurance against losses arising from interruptions to business caused by labor disputes. As a result, its business, financial position and results of operations could be affected by labor disputes.

Aéroports de Paris is exposed to certain risks inherent in the real estate development business and in the real estate rental business

The real estate development business at Aéroports de Paris is exposed to certain risks arising, in particular, from the complexity of projects and the applicable regulations, the large number of parties involved and the official authorizations required. These risks include, in particular, the cancellation of projects for which initial design studies have generated costs for Aéroports de Paris or the denial of requests for official authorizations (particularly changes in zoning plans). Aéroports de Paris is also exposed to risks that can affect the profitability of this business, such as budget over-runs, additional costs relating to delayed handover, or occupancy rates or rent levels that are below expectations.

More generally, as the owner of real estate assets that are rented, Aéroports de Paris is exposed to the risks of a drop in demand in the rental market or a reduction in the value of real estate assets following a weakening of the real estate market or non-payment of rent by tenants.

Moreover, the Group's real estate assets are located in small areas of the Paris region, limited to particular sites, and serve a single sector of the rental market, thus exposing the company to fluctuations in this very specific market.

Aéroports de Paris is exposed to certain risks related to the commercial business

Part of the Group's revenues are closely linked to the sales generated in the various commercial facilities located in Aéroports de Paris airports. The Group's revenues from renting commercial premises depend on the revenues of the commercial operators and, in some terminals of Paris - Charles de Gaulle airport, the Group's revenues as a retail operator through Société de Distribution Aéroportuaire, (a subsidiary that Aéroports de Paris owns jointly with Aélia, part of Hachette Distribution Services). The business of these commercial spaces could be affected by enlargement of the European Union, which would further reduce the number of passengers entitled to purchase goods duty free. The retail business is also subject to currency risks (product prices are higher, particularly for US, British and Japanese passengers, when the euro is strong) and to the effects of health policies that seek to reduce consumption of tobacco and alcohol, which could slow the expansion of this area of the Group's business activities. In 2004, 59% of the Group's space used for the core airport retail activities – perfume, alcohol, tobacco and news-stands are managed by Hachette Distribution Services. A change in this group's business plans or its financial difficulty could lead, temporarily at least, to a drop in the revenues and income that the Group generates from retail activities.

Expansion into new business areas and the resulting investment by Aéroports de Paris might not generate expected returns

Aéroports de Paris and its subsidiaries are expanding in business areas that build on the Group's expertise: airport operation and international engineering, telecommunications services on complex sites, and retail management at airports. The risk profile of these businesses differs from that of the Group's airport businesses in France and could, in certain circumstances, require specific knowledge and experience, forcing the Group to acquire skills additional to those employed in airport operations. In addition, Aéroports de Paris cannot guarantee the successful expansion of these businesses and could thus find itself in a position of having undertaken substantial expenditures without receiving the expected returns on investments.

Aéroports de Paris is exposed to risks in its international businesses

Aéroports de Paris generates part of its revenues outside France, particularly through its subsidiaries (in 2005, revenue generated abroad was 36,3 million euros, or 1.9% of total Group revenue). These activities abroad expose the Group to the risks inherent in international businesses, primarily:

- risks relating to differences in the regulatory environment and changes in legislation and regulations, particularly in the areas of tax, construction and safety, environmental protection and employment rights;
- risks relating to limits imposed on repatriation of profits;

- risks relating to fluctuations in exchange rates;
- risks relating to political or economic changes affecting a given country or region (particularly given the concentration of ADP Ingénierie's business in the Persian Gulf); and
- risks relating to the greater level of difficulty involved in recruiting staff and managing operational entities abroad.

The financial position of the Group could be negatively affected by interest rate fluctuations

The Group's business activities could be negatively affected by an increase in interest rates, primarily for the following reasons:

- Group debt was 2,768.1 million euros on December 31, 2005, of which 44.4% bore interest at variable rates and 55.6% bore interest at fixed rates (after taking into account hedging);
- the Group's real estate business and the valuation of its real estate assets depend on the financing terms for real estate projects.

4.2. RISKS RELATING TO THE OWNERSHIP STRUCTURE OF AÉROPORTS DE PARIS

Aéroports de Paris is controlled by the French State, which is its majority shareholder

Article L. 251-1 of the Civil Aviation Code provides that the French State must retain at least a 50% interest in Aéroports de Paris. As a result, the majority shareholder will be able to control the outcome of important decisions at shareholder meetings and, in particular, influence the appointment of directors, dividend policy and modifications of its statuts (by-laws).

4.3. RISK MANAGEMENT

4.3.1. Risk Management Policy

Against a background of ever-tighter national and international regulatory demands, and to ensure the excellence of its operations, Aéroports de Paris follows a risk management policy that aims to:

- identify, analyze, boost awareness of and reduce risks, as well as ensure the safe functioning of the Group's businesses, and
- deal with emergency or crisis situations under the best possible conditions, particularly those situations that result from accidents or malfunctions in the Group's businesses.

A specific action plan on Group risk management, included in the 2006-2010 strategic plan will be submitted to the Board of Directors. This action plan covers:

- the introduction of a continuous risk analysis system, based on the general Group risk evaluation prepared in early 2005 with the help of an external consultant on the basis of

interviews conducted with directors and heads of operating units at the end of 2004. This evaluation helped improve the identification of major risks and prioritize the actions to be taken to reduce them and improve control over them;

- the preparation of a three-year risk reduction plan, elements of which will be integrated into the operating plans of the various Group entities;
- the continuation of risk reduction measures, with priority given to technical risks associated with airport operation;
- the creation of a plan to upgrade ageing facilities a high priority;
- the optimization of the performance and efficiency of security structures, particularly through the use of new technologies;
- the continuation of the implementation of management systems, certified where appropriate, in at-risk operational areas;
- the institution of a professional approach to preparations for crisis management; and
- the development of continuity plans that would enable management on the ground to ensure continuity of operations in the event of a severe technical failure of facilities.

It should also be noted that as far as specific risks relating to investments are concerned, in 2005 the Group overhauled its investment decision-making and management processes. The responsibilities of the strategy and investment committee were redefined (see 16.3.2 “Functioning of the Corporate Governance Bodies – strategy and investment committee”) and an investment approval committee was created to examine all proposed investments of over 1 million euros in a collegiate fashion under the chairmanship of the Chairman and CEO of Aéroports de Paris. This committee meets every two weeks, with its administrative functions carried out by the finance department. Three decentralized local committees for airport management and real estate management have been created for projects that are below this threshold. After assessing the investment opportunity based on predefined criteria, Aéroports de Paris has put investment programming on a 5-year cycle, in keeping with the time frame of the CRE.

4.3.2. Insurance coverage policy

Aéroports de Paris is a service company that owns significant operating and real estate assets. It ensures against risks in two main categories: civil liability and damage to property. Some policies taken out by the Company also cover its subsidiaries, which in some cases are the exclusive beneficiaries. Management of insurance, however, is not completely centralized at the Group level, as some subsidiaries of Aéroports de Paris take out their own policies as needed for their international operations.

All Group businesses are covered by a total of approximately sixty policies. In most cases, these policies are underwritten by pools of insurers and reinsurers of good reputation and

internationally recognized financial solidity. Each pool is managed by an administrator, who is supported by co-insurers that underwrite all risks but are never jointly liable as all risks are reinsured.

Subject to exclusions that are customary in the insurance market, Aéroports de Paris believes that it currently has reasonable insurance coverage, with policy levels in line with both the observed frequency of claims and the risk prevention policy.

4.3.3. Main insurance policies

Civil liability

Civil liability for airport operations is covered by a policy that covers the financial consequences of contractual civil liability or misdemeanor claims against Aéroports de Paris, its subsidiaries, sub-contractors and/or co-contractors following physical, material or consequential damages caused to third parties in the conduct of their business. The main coverage amounts to 1.5 billion euros per event per year (with the exception of “civil product liability” for which the limit is per year only).

The company has taken out other civil liability policies, including one covering the liability of directors, one covering responsibility for accidental or gradual environmental damage (also covering the costs of decontaminating land) and one covering the civil liability of the Company (notably its car parks, buildings outside airport sites, cogeneration and medical assistance).

Lastly, Aéroports de Paris has taken out a “civil liability – additional war risk coverage” policy, providing 950 million US dollars of coverage per event per year, to the extent damages exceed coverage than under the “airport operator civil liability” policy it holds by more than 50 millions US dollars. The “airport operator civil liability” policy covers all sub-contractors in the area of security (the amount of 50 million US dollars per year applies per company per year).

Damage to property and construction risks

Aéroports de Paris has a property damage policy that covers all physical and real estate assets owned or held by the company against the risks of fire, explosion, lightning strike, storm, electrical damage, natural disaster and terrorist acts. The main coverage is limited to 230 million euros per claim.

In addition to the general policy mentioned above, the company has taken out specific policies designed to protect against certain specific types of damage to clearly identified assets, notably:

- a policy covering the risks of damage (aircraft impact, terrorist attack, water damage, fire, lightning, explosion, theft, breakage of glass, natural disaster, etc.) that could affect the physical and real estate assets in the “Roissy Pôle - Le Dôme” area; this policy covers Aéroports de Paris and its partners;
- a policy covering damage to the “transfer module” site, affecting the physical and real estate assets at this site which houses the connections between the TGV and RER stations at the Paris - Charles de Gaulle airport (coverage equivalent to the cost of the building itself);

- a “comprehensive office” policy;
- a policy to cover “machine damage” for de-icing equipment and other machinery used to maintain runways, covering Aéroports de Paris and entities within the Alyzia group.

The company has also taken out a number of policies to protect itself against construction risks for its largest projects. These policies fall into two categories:

- “comprehensive site policies” covering the main projects in progress, including the construction of the S3 satellite, the baggage sorting system, renovation of the CDG 1 terminal, CDGVal and LISA;
- policies covering the ten-year guarantees on buildings and civil engineering projects completed within the last ten years, including phases 1 and 2 of CDG 2E terminal, the CDG 2F terminal and improvements to the FedEx hub at Paris - Charles de Gaulle.

Given the diversified nature of its assets and airport facilities, Aéroports de Paris has not, as of the date of this document, taken out at a Group level any insurance against business interruption losses, but has begun a review to consider the possibility of taking out coverage against additional operating costs.

A certain number of the Group’s assets cannot, by their nature, be covered by property insurance. Runways, taxiways and certain civil engineering works and works of art fall into this category (works of art are covered, but only for up to 20 million euros per year).

Other insurance taken out by Aéroports de Paris

In addition to the policies discussed above, the Company holds a “car and machinery fleet” motor insurance policy covering the 2,000 land motor vehicles used in its business activities. Aéroports de Paris has also taken out an “individual accident and breakdown” policy to cover its employees.

Main policies that mostly cover Company subsidiaries

As part of its business of providing design, lead contractor and client support internationally, professional civil liability and ten-year warranty exposure at ADP Ingénierie (ADPi) are covered by specific insurance policies. Four such policies, covering ADPi’s activities in Dubai, have been taken out locally by ADPi.

As for ADP Management (ADPM), the subsidiary that manages assets in airports outside France and provides technical consulting on the operation of foreign airports, there are two insurance policies taken out directly on its behalf by Aéroports de Paris: one “comprehensive office” policy and one “professional civil liability” policy.

In addition, Aéroports de Paris has taken out several insurance policies for its Hub télécom subsidiary, a specialist operator of telecommunications services and networks accessible to the public at airports and external sites. These policies cover Hub télécom professional civil liability, operating losses and damage to property.

Lastly, for entities in the Alyzia group, which mainly provides support services for Aéroports de Paris's ground handling business and provides security services, the company has taken out several insurance policies to cover professional civil liability and damage to property (in particular the fleet of machinery and de-icing equipment).

CHAPTER 5 INFORMATION ON THE ISSUER

5.1. HISTORY AND DEVELOPMENT OF THE COMPANY

5.1.1. Corporate Name

The corporate name of the Company is Aéroports de Paris.

5.1.2. Registry of Commerce and Companies

The Company is registered with the Registry of Commerce and Companies of Paris under number 552 016 628. The APE code of the Company is 632 E.

5.1.3. Date of Incorporation and Term

Aéroports de Paris was incorporated under form of “*établissement public national*” (*national public entity*) on October 24, 1945 and registered with the Registry of Commerce and Companies on February 1, 1955. Aéroports de Paris has been a *société anonyme* since July 22, 2005, effective date of the Decree no. 2005-828 of July 20, 2005 on Aéroports de Paris, implementing the Law no. 2005-357 of April 20, 2005 on airports. Pursuant to Article 5 of its by-laws, the Company has a term of 99 years as from July 20, 2005, unless in case of early winding-up or extension thereof.

5.1.4. Registered Office, Legal Form and Applicable Laws

The Company’s registered office is located at 291 boulevard Raspail, 75014 Paris. The registered office’s switchboard phone number is +33 1 43 35 70 00.

Aéroports de Paris, created by order no. 45-2488 of October 24, 1945 under form of *établissement public* (*public institution*) with its organization detailed in particular in the Decree on public administration regulation no. 47-11 of January 4, 1947, has been administered in accordance with the provisions of the aforementioned texts, as amended, and other provisions applicable to public institutions. The Law no. 2005-357 of April 20, 2005 on airports and its Implementation Decree of July 20, 2005, effective as of July 22, 2005, have converted Aéroports de Paris into a *société anonyme*. Aéroports de Paris is governed by the laws and regulations applicable to *sociétés anonymes*, subject to specific laws, and by its by-laws as initially set by Exhibit II to the Decree no. 2005-828 of July 20, 2005 on the by-laws of the *société anonyme* Aéroports de Paris. The Company is more particularly governed by the Law no. 2005-357 of April 20, 2005 on airports, the French Code of Civil Aviation (*Code de l’aviation civile*) and the Law no. 83-675 of July 26, 1983 on democratization of the public sector.

5.1.5. History

- December 1923: ***creation of the Paris – Le Bourget airport***

Originally created under the name “*Port aérien du Bourget Dugny*”, the Paris – Le Bourget airport was the first purely commercial airport in France. Initially a mere grassy land,

this airport became the first European airport between the world wars, in large part thanks to the conversion of pre-existing military installations in the area to civilian purposes having enabled it to handle up to 140,000 passengers in 1938. Between 1940 and 1944, Paris – Le Bourget was used as German air base, and the Germans built concrete runways. Rebuilt after bombardment, Paris – Le Bourget became a civilian airport in 1946. Since 1981, Paris – Le Bourget has stopped handling regular commercial air traffic in order to specialize only in business aviation services.

- October 1945: ***creation of the public institution “Aéroports de Paris”***

The Order n° 45–2488 of October 24, 1945 has created the public institution Aéroport de Paris with the mission of public service through construction, operation and development of civilian airports in a 50 km radius around Paris.

- November 1946: ***beginning of operation of Paris – Orly***

After the departure in November 1946 of the US army, Aéroport de Paris was entrusted with the management of the first “air terminal” built near Orly. In March 1948, a second building, called “Terminale Nord”, was built with the goal of handling traffic of approximately 215,000 passengers per year.

- August 1954: ***opening of a temporary south terminal in Paris – Orly***

In August 1954, a building, later integrated in the final South terminal, was put into service to replace the building left by the US army. Its main feature is a very successful large terrace opened to the public.

- February 1961: ***inauguration of the new Orly South terminal***

In 1954, Paris – Orly terminals were saturated, with traffic having exponentially grown and approaching 1.2 million passengers per year. The extension of Paris – Orly was decided pursuant to a Decree of May 5, 1954 and the construction of the south terminal of Paris – Orly began in 1956. The new Orly South terminal was inaugurated on February 24, 1961.

- February 1971: ***inauguration of Orly West terminal (Halls 2 and 3)***

The new Orly West terminal was presented to the public on February 26, 1971 after 40 months of construction work. Specialized in domestic traffic and point to point traffic to the Dom-Tom (the French overseas departments and territories), Southern Europe and North Africa, it has two levels: one for departures, one for arrivals. Its initial structure anticipated possible extensions that took place with the building of Hall 4 in 1986 and of Hall 1 in 1993.

- March 1994: ***inauguration of Paris – Charles de Gaulle and opening of CDG1 terminal***

Beginning in 1957, Aéroport de Paris searched for sites for a new airport to reinforce the airport network in the Paris region then formed of Paris – Le Bourget and Paris – Orly. On June 16, 1964, a ministerial decree decided the creation of the “Paris Nord” airport located in an area north of Paris near Roissy-en-France. On December 1, 1966, Aéroport de Paris began the works

of this airport, which was inaugurated under the name of Paris – Charles de Gaulle on March 8, 1974.

- November 1981 – June 2003: *inauguration and extension of CDG 2 airport*

The conception work of CDG 2 started in 1973. CDG 2 has been designed around the concept of modularity to best favor the growth in the airport activity by progressively putting terminals into service. The CDG 2B and 2A terminals were designed and inaugurated with this spirit, respectively on November 1, 1981 and March 24, 1982. After a partial opening in March 1989, the terminal CDG 2D was fully opened to the public in March 1991. The CDG 2C terminal, reserved for international traffic, was inaugurated on June 3, 1993. The connection station of CDG 2 to the RER regional rail and the TGV high-speed rail was opened in November 1994. The two modules of CDG 2F terminal were respectively been put into service on March 29, 1998 for the 2F1 module and May 6, 1999 for the 2F2 module. Finally, the CDG 2E terminal was partly put into service on June 25, 2003.

Aéroport de Paris changed its name to Aéroports de Paris pursuant to the Decree n° 89-10 of January 4, 1989.

- 1995 – 2005: *creation and development of the Air France hub at CDG 2*

In 1995, Air France decided with the consent of Aéroports de Paris to reorganize its flight program and its commercial strategy to “bring in” via Paris – Charles de Gaulle (CDG 2 terminal) its medium- and long-haul flights. Thanks to an efficient cooperation between the Company and Air France, this hub has been operated since spring 1996. Making maximum benefit of the modular nature of CDG 2, Aéroports de Paris has continued to keep up with the growing capacity requirements of Air France through progressive addition of terminals to the original hub structure, in particular since the launching in 2000 of the SkyTeam and SkyTeam Cargo alliances, of which Air France was a founding members, and since the merger of Air France and KLM in the first half-year of 2004. With these developments, the CDG 2 hub has therefore become one of the main airports for in SkyTeam’s world network.

- 1997 – 2000: *setting-up of two parallel runways at Paris – Charles de Gaulle*

Paris - Charles de Gaulle was originally built with two runways: Runway 1 in the north of the airport, which became operational in 1974 and Runway 2 in the south of the airport, opened in 1976 and extended in 1981. The original plans for future extension of the site of the airport from the beginning provided for the creation of two sets of parallel independent runways, one in the north of the airport (Runways 1 and 3) and one in the south (Runways 2 and 4), both in an east-west orientation. The decision to set-up such two parallel runways was made in 1997, with the construction of two new runways designed to increase movements of aircraft at Paris - Charles de Gaulle, thereby favoring its development (and more particularly the development of the Air France hub). Runway 4 opened in November 1998 and Runway 3 in September 2000.

- From 1998: *opening to competition of ground-handling services*

Since the opening to competition of ground-handling services (January 1, 1998 in France), ground-handling service providers other than Aéroports de Paris have been active at the airports of the Paris region. In order to confront this competition, and as part of the restructurings that had to be implemented, Aéroports de Paris sped up the transfer and subcontracting of its ground-handling operations to its subsidiary Alyzia.

- June 2000 – April 2003: *creation of subsidiaries for other activities of the Group*

Starting in 1990's, the Group has adopted a strategy of capitalizing on its competencies in order to benefit from the know-how developed for many years by creating ADPM to manage interests in airports outside of France and export management and technical services. Since 2000, this strategy has been strengthened with the creation of ADPi (airport engineering and public infrastructure analysis), Hub télécom (telecommunications services for public areas) and Société de distribution Aéroportuaire (a joint venture for retail operations in Paris – Charles de Gaulle in which Aéroports de Paris holds 49% of the capital with Aélia, a subsidiary of the Hachette Distribution Services group).

- July 2003: *creation of the real estate division of Aéroports de Paris*

In January 2003, Aéroports de Paris created a real estate division in order best to manage its real estate assets. After deciding at the beginning of 2003 to have a decentralized organization to prepare and facilitate its conversion into a *société anonyme*, Aéroports de Paris created in July 2003 a real estate division regrouping the construction, development, marketing and real estate and land asset management activities outside terminals.

- July 2005: *conversion of Aéroports de Paris into a société anonyme*

The Law no. 2005-357 of April 20, 2005 on airports and its implementation Decree no. 2005-828 of July 20, 2005 have converted Aéroports de Paris into a *société anonyme* and confirmed its mission of operation of the Paris – Charles de Gaulle, Paris – Orly and Paris – Le Bourget platforms, as well as other ten airfields in the Ile-de-France region and the heliport at Issy-les-Moulineaux.

5.2. INVESTMENTS

5.2.1. Group's Main Investments for the Last Three Fiscal Years

The main investments carried out by the Group between 2003 and 2005 have been part of a strategic plan prepared in 2002 and providing for the starting of several major works to be completed between 2006 and 2008.

In 2005, the total volume of investments carried out by the Group amounted to € 578.9 million, as compared with € 551.9 million in 2004 and € 570.4 million in 2003, including costs of study and technical monitoring.

In 2005, transactions directly related to the increase in the Group's capacities represented € 254.0 million, restructuring investments € 54.3 million, renovation and quality upgrading investments € 167.7 million and surety investments (financed by the airport tax), as for them, amounted to € 30.8 million. The main investment costs during the last three fiscal years correspond to investments still on going, the detail of which appears in paragraph 6.3.2 – "Airport Services" (satellite S3, east baggage handling system (système du tri bagages Est), CDGVal, rehabilitation of CDG 1).

5.2.2. Group's Main On-Going Investments

On the date of registration hereof, investments budgeted by the Group represent approximately € 753.5 million for the year 2006, including € 732.1 million for Aéroports de Paris. Among the € 753.5 million, capacity and restructuring investments for Aéroports de Paris represented € 431.1 million, including € 385.3 million for the Paris - Charles de Gaulle airport, € 42.4 million for the Paris - Orly airport and € 3.5 million for the Paris - Le Bourget airport (see paragraph 6.3.2 – "Airport Services"). The Company also plans to allocate in 2006 € 49 million to surety investments (financed by the proceeds from the airport tax) and € 27.9 million for the development of its real estate assets (excluding air terminals).

5.2.3. Main Investments Planned or Included in Firm Commitments from the Management Bodies

For the 2006-2010 period, the investment global budget of Aéroports de Paris, representing almost all the Group's investments, amounts to € 2.7 billion. For such same period, covered by the CRE (Economic Regulation Agreement) (see paragraph 6.3.2.6 – "Revenues from the Operation of Airports"), the amount of investments relating to the regulated perimeter (as defined in the Order of September 16, 2005 on Fees for Services Rendered on Airfields, implementing Article R. 224-3-1 of the French Code of Civil Aviation), used as reference for the determination of the fee parameters of the CRE, is equal to € 2.478 billion, constant euros 2006. The balance of the budget mainly relates to surety investments.

For information, in the CRE, this amount is allocated per investment type as follows (in constant euros 2006):

- € 1,167 million for capacity investments (including € 890 million dedicated to structuring projects on the Paris - Charles de Gaulle airport and € 277 million for the other capacity developments);
- € 208 million for restructuring investments;
- € 687 million for maintenance investments;
- € 164 million for real estate investments; and
- € 252 million for costs of study and technical monitoring.

For information, the amounts of investments specific to each airport are as follows (in euros constants 2006):

- € 1,631 million on the Paris - Charles de Gaulle airport;
- € 210 million on the Paris - Orly airport;
- € 41 million on the Paris - Le Bourget airport and on the Ile-de-France airfields mentioned in Article D. 251 of the French Code of Civil Aviation; and
- €596 million not allocated at the geographic level.

In addition to the investment projects described in paragraph 6.3.2 – “Airport Services”, the estimated investment schedule appearing in the CRE includes the investments necessary at the beginning of works for satellite S4 of CDG 2, the opening of which is scheduled for the third quarter 2012.

As at December 31, 2005, the contractual commitments for the acquisition of fixed assets amounted to € 497.1 million (in particular € 311.1 million of capacity investments, € 82.4 million for restructuring investments, € 50.7 million for current investments, € 6.3 million for investments related to real estate developments, € 24.5 million for investments for costs of study and technical monitoring and € 20.4 million for surety investments).

Aéroports de Paris contemplates financing its investments mainly through self-financing. Additional necessary resources will be raised on the capital markets. Aéroports de Paris has regularly issued debenture loans during the last ten years, except for 2004 where additional financing were carried out with loans from the European Investment Bank (see paragraph 10.3 – “Investment Budgets”).

The chart below sets out the investment budget of Aéroports de Paris (social perimeter, excluding subsidiaries) per work over the 2006-2010 period (in constant euros 2006), based on the investment chart attached to the CRE, supplemented by investments outside the regulation perimeter.

<i>(in million euros, constant euros 2006)</i>	2006	2007	2008	2009	2010	2006 -2010
Capacity Investments, including:	377.2	311.1	148.5	149.4	181.1	1,167.3
CDGVal	30.9	11.5	—	—	—	42.4
CDG 2E Terminal (building, park, plane areas)						
1st phase	7.1	4.3	0.7	—	—	12.1
Rebuilding of the boarding area of terminal CDG 2E	27.3	78.0	19.2	—	—	124.5
East handling baggage (system)	25.0	13.8	—	—	—	38.8
Satellite S3 (including LISA; outside Handling baggage system)	197.7	112.5	23.3	0.2	—	333.7
Extension of the East Handling Baggage System (handling system for S3)	—	2.0	28.0	28.0	35.0	93.0
Satellite S4	4.0	4.3	3.3	59.0	71.0	141.6
Terminal CDG 2G (building, aircraft areas)	6.7	49.7	23.7	—	—	80.1
East access to the Paris –Charles de Gaulle platform	7.5	0.8	—	2.9	12.9	24.1
Laying-out in floors of PX car park	—	—	6.0	29.4	40.7	76.1
Access threshold 26 – aircraft runway E4	8.0	13.7	7.6	—	—	29.3
AGEN aircraft area (<i>aires Grand Est Nord</i>)	—	—	5.0	11.0	5.0	21.0
Reception B777 and new aircrafts	30.0	—	8.0	7.0	—	45.0
Restructuring Investments, including:	53.9	54.8	41.5	36.0	21.3	207.5
Rehabilitation CDG 1 (outside heavy renovation of satellites)	41.5	40.5	36.0	17.6	2.9	138.5
Renovation of satellites CDG 1	—	—	—	18.4	18.4	36.8
Hall 2 Orly Ouest	6.7	—	—	—	—	6.7
International Circuits Orly sud	5.7	14.3	5.5	—	—	25.5
Current Investments, including:	153.3	143.2	145.3	131.6	113.8	687.2
Renovation Orly park P0	5.0	5.4	5.3	1.4	—	17.1
Real Estate Development	27.9	33.8	33.5	34.4	34.3	164.0
Costs of study and technical monitoring (FEST)	62.7	53.9	45.8	44.1	45.3	251.7
Total regulated perimeter	675.0	596.8	414.6	395.6	395.8	2,477.8
Outside regulated perimeter	57.1	40.0	46.5	26.4	26.3	196.3
<i>Including surety</i>	49.0	30.6	27.4	15.2	15.2	137.4
Paris -Charles de Gaulle	462.6	418.6	251.6	244.9	253.5	1,631.2
Paris -Orly	70.6	43.4	40.6	31.7	23.7	210.0
Paris -Le Bourget	8.7	8.6	8.0	8.0	8.0	41.2
Not allocated (real estate, FEST, others)	190.1	166.2	161.0	137.5	137.0	791.7
Total Aéroports de Paris	732.1	636.8	461.1	422.0	422.1	2,674.1

The amounts of investment budgets and their schedules mentioned in the chart below are almost all those retained by Aéroports de Paris and the State in the CRE for the preparation of the fee evolution parameters. Aéroports de Paris cannot give assurance to investors that the time-periods and budgets mentioned in the chart below or in the CRE will be complied with. In case of *force majeure* or for a reason independent from the will of Aéroports de Paris, time-periods may be extended and investments may exceed the aforementioned budgets. In particular, this could be the case for reasons related to the increase in the costs of materials or workforce, unforeseeable technical difficulties, exceptional bad weather, regulatory modifications imposing on it additional obligations or for other reasons. See paragraph 4.1 – “Risks Related to the Business of Aéroports de Paris – Aéroports de Paris Incurs Risks Inherent to its Complex Work Construction Business”.

A more detailed description of the above-mentioned investments appears in paragraph 6.3.2 - “Airport Services”.

CHAPTER 6

GENERAL INFORMATION CONCERNING THE COMPANY

6.1. GENERAL INFORMATION CONCERNING THE COMPANY (BUSINESS OF AÉROPORTS DE PARIS)

Aéroports de Paris is the second-largest airport group in Europe based on airport revenue, and its airport system ranks sixth worldwide based on the number of passengers in 2005.² The Group's airports are the principal gateway to France, the world's number one tourist destination, as well as a major international connection point. With its unique geographic location, first-class infrastructure and strong competitive position, Aéroports de Paris is ideally placed to take full advantage of the expected growth in global air traffic. As part of its growth strategy, Aéroports de Paris plans to add new terminal capacity, enhance the quality of its services and, in the longer term, develop its real estate potential.

The Group's revenues were 1,914.6 million euros in 2005, including approximately 1,600.6 million euros from airport services, 162.1 million euros from real estate, 167.9 million euros from ground handling and related services and 199.8 million euros from other activities (in each case before inter-segment eliminations). The Group recorded operating income of 354.7 million euros and net income of 179.9 million euros in 2005.

Almost 1,000 businesses are located at the Group's airports, employing more than 100,000 workers, including the 10,688 employees of the Group. Beyond the air transportation sector, the Group is also a major factor in the national and regional economy, as more than 300,000 jobs in the Ile de France region depend on the Group's airports.

6.1.1. The Group's Business

Aéroports de Paris owns and operates the three major airports of the Paris region: Paris - Charles de Gaulle, Paris - Orly and Paris - Le Bourget. It provides facilities to accommodate passengers, airlines and cargo and postal services, and offers a range of services adapted to their needs. The Group's airports handled 78.7 million passengers in 2005, including more than 77% from or to foreign countries, and 2.1 million tons of cargo and mail. In 2005, its airports recorded more than 736,500 aircraft movements operated by most of the major international airlines, including those belonging to the three principal alliances of SkyTeam, Star Alliance and OneWorld. The Group's airports link Paris to approximately 550 cities in 134 countries.

The Group's activities are divided into four main segments: airport services, real estate, ground handling and related services, and other activities.

Airport services (1,600.6 million euros of revenues before inter-segment eliminations, and operating margin³ of 25.2% in 2005). The heart of the Group's activity and its main source of

² Unless otherwise indicated, market data and market-related data appearing in this document is derived from estimates made by Aéroports de Paris based on information as to revenues and other data published by other airport groups, airlines and analysts.

³ The operating margin of a segment is equal to the ratio of its operating income (before allocation of corporate expenses) to its revenues before inter-segment eliminations.

revenue is the operation of the three main airports of the Paris region, which have complementary features:

- *Paris - Charles de Gaulle* (1,151.9 million euros of revenues in 2005 before inter-segment eliminations). Paris – Charles de Gaulle, opened in 1974 and located north of Paris, is the preferred destination for long-haul routes. It hosts most of the world's major international airlines, including the three principal alliances of SkyTeam, Star Alliance and OneWorld. Two-thirds of its passenger traffic is point-to-point traffic and one-third is connecting traffic (including 4% connecting by train). It currently is the world hub of Air France and the main European hub of the SkyTeam alliance. With 17,900 connections of under two hours each week, Paris - Charles de Gaulle is Europe's premier connection point. The four parallel runways of Paris - Charles de Gaulle currently have a programming capacity of 108 movements per hour, which could be increased to 120 movements per hour. Its airport facilities include three terminals with a capacity of 47.1 million passengers, with a wide range of passenger services, including 27,300 m² of space for shops, bars and restaurants (in 2004) and 28,000 parking spaces. Located on a parcel of 3,257 hectares, it has ample space for future expansion.
- *Paris - Orly* (420.9 million euros of revenues in 2005 before inter-segment eliminations). Paris – Orly, located close to Paris to the south of the city, is specialized in point-to-point traffic, serving destinations within France (including the Air France shuttle, or Navette), Southern Europe, French overseas departments and territories and North Africa. Paris - Orly is also home to low-cost airlines that serve mainly Europe, as well as airlines specialized in medium- and long- haul leisure traffic. It offers airlines fluidity, with two passenger terminals (Orly Sud and Orly Ouest) with a total capacity of 30 million passengers, and three operational runways (of which two are used under normal circumstances) with programming capacity of 76 movements per hour. The greatest advantage of Paris - Orly for passengers is that it is near Paris (20 kilometers from the center), and served by high-quality motorways and public transportation. Paris - Orly also offers a full range of passenger services, with approximately 9,900 m² of space for shops, bars and restaurants (in 2004) and 20,000 parking spaces. With 1,540 hectares located in a major economic area in Ile de France, Paris - Orly also offers significant real estate development opportunities.
- *Paris - Le Bourget* (27.9 million euros of revenues in 2005 before inter-segment eliminations). Paris - Le Bourget is the largest business airport in Europe, offering specialized services for business air customers. It has been chosen as the French and European base for the corporate aircraft fleets of many companies, as well as by specialized aviation companies offering subscription plans and time-sharing. Its know-how and industrial tradition have made Paris - Le Bourget the preferred location for many aircraft maintenance companies. Paris – Le Bourget and its three runways are set on 553 hectares north of Paris.

Ideally located in the center of Europe, Aéroports de Paris has significant cargo activity in addition to its passenger activity, with the most cargo and postal traffic in Europe. Paris - Charles de Gaulle is the location of the hubs of the cargo business of the Air France-KLM group, FedEx (the second-largest world hub after Memphis - USA) and the French postal service La Poste (through its subsidiary Europe Airpost). Its facilities host a full range of cargo activities,

including loaders, airlines, cargo agents and handling agents. Its processing capacity of 3.5 million tons of cargo per year provides expansion opportunities for cargo companies.

At all its airports, the Group serves two categories of customers with complete service offerings:

- For professional customers, such as airlines, ground handling companies, the French State and transit service companies, Aéroports de Paris manages airport traffic flows: aircraft flows in areas that must be continually available and safe, passenger flows in terminals and through security checkpoints, and flows of luggage, cargo and meals between public areas and aircraft. Aéroports de Paris operates complex infrastructure for its professional customers, and provides them with equipment, information networks and systems. It also provides services such as telecommunications, power, water and waste treatment, as well as renting space for operations and terminal spaces, such as offices and lounges.
- For the public, including air passengers, visitors and people working at the airports, Aéroports de Paris directly or indirectly offers services including shops, bars and restaurants, banks and currency exchange offices (in each case both before and after security checkpoints); car parks; car rental agencies; entertainment; telecommunication services; hotels; employee cafeterias; and customized or personal reception services. It also offers online services accessible via the Group's web site. The large amount of traffic flow also enables Aéroports de Paris to benefit from its advertising spaces, with a wide range of French and foreign advertisers.

In the airport service segment, the Group earns four main types of revenues:

- Airport fees paid by airlines and ground-handling companies, calculated primarily as a function of the number of aircraft movements (departures and arrivals) in different weight categories, and the number of departing passengers, with special fees for the use of certain types of infrastructure such as aircraft parking areas, baggage handling systems, lighting, check-in counters and terminal premises;
- revenues from commercial activities, either paid directly by the public (car parks), or as rent paid by companies that operate the relevant commercial services (such as shop operators and car rental agencies);
- revenues from provision of specialized services for professional customers, such as the sale of power and water, or rents for terminal space; and
- an airport tax collected by the Republic of France and paid to Aéroports de Paris to cover the cost of security and other public services.

Airport fees are calculated in accordance with a new legal and regulatory framework established by a French law adopted on April 20, 2005. For the next five years, the maximum rate of increase in airport fees is determined in accordance with a contract between Aéroports de Paris and the Republic of France, known as the *Contrat de Régulation Economique*, or CRE. For the 2006-2010 period, the CRE provides that airport fees may increase by a maximum of 3.25% above the annual inflation rate, with the maximum increase for 2006 set at 5%.

Real Estate (162.1 million euros of revenues before inter-segment eliminations, and operating margin of 20.8% in 2005). The Group carries out real estate activity on the land around the areas dedicated to airport activities. Of approximately 6,686 hectares owned by Aéroports de Paris, approximately 1,247 hectares are not dedicated to airport activities, of which 878 hectares have already been developed. Aéroports de Paris has built approximately 1.1 million m² of net surface area, 73% of which is rented to parties outside the Group. The real estate activity includes airport support facilities (such as hangars and cargo facilities), business real estate (offices and industrial facilities) and general public premises (hotels, shops, day-care centers, local services). The Group has approximately 369 hectares of real estate currently available for development without significant regulatory or zoning constraints.

Ground handling and related services (167.9 million euros of revenues before inter-segment eliminations, and operating margin of -7.2% in 2005). Aéroports de Paris and its subsidiaries within the Alyzia group provide ground-handling and related services to major airlines, including American Airlines, Continental Airlines, Corsair and Iberia. Ground-handling services have been open to competition since 1998 pursuant to European regulations (Directive 96/67/EC of October 15, 1996). They include services such as passenger check-in, baggage handling, aircraft ground assistance (cabin cleaning, arrival/departure guidance, towing and pushback, and aircraft loading and unloading), cargo transfer within the airport and certain security services.

Other activities (199.8 million euros of revenues before inter-segment eliminations and operating margin of 8.1% in 2005). The Group sells and exports the airport development and management know-how that it has developed over many years through two subsidiaries that carry out large projects in France and abroad: ADPM (management of airports abroad and technical assistance) and ADPi (project management, architecture and engineering for facilities abroad such as airports, stadiums, operas and skyscrapers). More recently, the Group created a subsidiary, Hub télécom, specialized in telecommunication services on complex sites, such as airports, convention centers and other similar facilities. Aéroports de Paris also sells training services. Finally, in 2003, Aéroports de Paris and the Hachette Distribution Services group created a joint venture, known as Société de Distribution Aéroportuaire, to manage alcohol, tobacco, perfume and specialized food shops in the terminals of the Paris - Charles de Gaulle airport. Société de Distribution Aéroportuaire has been the operator of all shops of this kind at CDG 2 since 2003 (for a 10-year term) and it has operated all alcohol, tobacco and perfume shops and some specialized food shops at CDG 1 since January 2006 (for a six-year term).

6.1.2. The Group's Advantages

The Group has significant advantages that provide it with strong development opportunities in an air traffic market that is currently growing.

- Because of its size and geographic location, the Group benefits from a strategic position in Europe for airlines and passengers, generating significant point-to-point and connecting traffic as a result of :
 - o the natural attractiveness of Paris and France, which is the number one tourist destination worldwide with more than 75 million foreign tourists in 2005, according to the World Tourism Organization, and the city with the most

conventions and international trade shows worldwide, according to a January 2006 report of the French National Assembly's Commission on Economic Affairs, the Environment and the Territory;

- o the dense population of the region, with 9.9 million inhabitants (making Paris the premier European urban capital according to INSEE), and with all large Western European cities less than a two hour flight from its airports; and
 - o the absence of large competing airports within 300 kilometers.
- With three complementary airports in Paris that enable it to serve all categories of traffic (long and medium haul, domestic and low cost, leisure/charter and business), Aéroports de Paris is the principal gateway to France.
- Aéroports de Paris has first-class existing airport infrastructure: two independent runway pairs at Paris - Charles de Gaulle, three operational runways at Paris - Orly (of which two are used under normal circumstances), and infrastructure that is capable of accommodating the new jumbo jets (Airbus A340-600, Boeing B777-300 ER, and, for Paris - Charles de Gaulle, Airbus A380). Furthermore, the modular design of the infrastructure of the Paris - Charles de Gaulle airport and the large amount of available land enable the Group to program its new infrastructure investments to follow the rhythm of air traffic growth, without structural constraints or major restructuring.
- Aéroports de Paris is at the center of a network of road and railway connections that makes it a major crossroads: a TGV (high-speed train) station, links by motorway (A1, A3, A104) and rail (suburban RER train and TGV stations at Paris - Charles de Gaulle, RER and the dedicated metro line Orlyval at Paris - Orly), which facilitate access for passengers and cargo transporters. In addition, the expansion of the A104 motorway (the "*Francilienne*") planned for 2011 should facilitate access to Paris - Charles de Gaulle from the north-east, as well as new development in this area. Finally, the CDG Express project, for which the Republic of France has recently taken responsibility, would by 2012 provide 20-minute train service (with 15-minute frequency) between Paris - Charles de Gaulle and Paris.
- The Group has a favorable market position: the diversity of its customers and the balanced division of its traffic among large geographical areas enable it to benefit from diversified economic risk and growth. Moreover, the strength of the Paris - Charles de Gaulle hub enables it to have powerful strategic partners, as it hosts the largest international airlines and the three principal international alliances, SkyTeam, Star Alliance and OneWorld. Paris - Charles de Gaulle is also the main base for the largest European airline group, the Air France-KLM group.
- The Group's has significant land reserves, giving it the ability for the long-term to accommodate expected growth of air traffic, as well as opportunities to develop in the real estate market.
- The Group's activities are conducted within a stabilized regulatory framework:

- o Aéroports de Paris has full ownership of its land and its airport facilities.
- o Aéroports de Paris is designated by law as the operator of the Paris - Charles de Gaulle, Paris - Orly and Paris - Le Bourget airports, with no duration limit.
- o The legal and regulatory texts governing its activities were modernized in 2005 and meet the needs of a major airport operator: its obligations as an airport authority have been clearly defined in a technical document known as the *cahier des charges*, and its airport fees, a significant source of revenue, are determined in accordance with a modernized system of regulation.
- o The CRE, the contract relating to the 2006-2010 period signed on February 6, 2006 between Aéroports de Paris and the Republic of France, sets the maximum rate of increase in airport fees at 3.25% above the annual inflation rate, in exchange for clear commitments of Aéroports de Paris regarding investments and quality of service.

6.1.3. Strategy

Aéroports de Paris' ambition is to be the premier European airport group, fully developing its potential to provide outstanding performance in terms of efficiency, quality of service, environmental management and economic results. Its strategy to achieve this ambition includes the following:

- ***Taking advantage of the expected growth in traffic by developing airport capacities.***
Aéroports de Paris will leverage its capacity to accommodate large numbers of aircraft by pursuing an investment program of approximately 2.7 billion euros over the 2006-2010 period (including approximately 2.5 billion euros accounted for in the CRE) to allow it to receive more passengers in its terminals, with improved efficiency and comfort. The program's objective is to increase the capacity of the Paris - Charles de Gaulle airport by 19,4 million passengers by 2010 and to improve the performance of the connection airports.

The 2006-2010 investment program includes the following:

- ***At Paris - Charles de Gaulle:*** the installation of an automated transportation system, known as CDGVal, linking the two main terminals of Paris - Charles de Gaulle (CDG 1 and CDG 2) and the two RER and TGV stations (end of 2006); the completion of the first major phase of the hub of CDG 2, with the installation of the first phase of the automated baggage-handling system (known by its French abbreviation as TBE) by the end of 2006, and the complete opening of satellite S3 of CDG 2 in the autumn of 2007 (this satellite will accommodate jumbo jets, such as the A380, and will increase to 11 the number of gates with jetway connections for the Airbus A380); the complete renovation of the CDG 1 terminal in four phases (the first of which is already completed) by the end of 2008; the reconstruction of the boarding area of the CDG 2E terminal (2008); and the construction of a regional terminal, called terminal CDG 2G, for regional aircraft (2008). In addition, the construction of a new satellite S4 east of terminal CDG 2 will begin, with a target completion date of 2012;

- *At Paris – Orly*: the renovation of Hall 2 of the Orly Ouest terminal, started in March 2005 and completed in early April 2006; the development of international areas of the Orly Sud terminal by 2008 (including the creation of an open space for international boarding, a large commercial area, and the extension of the baggage claim area), and the renovation of the north runway in April and May 2006 to accommodate the latest-generation long-haul aircraft, such as the Boeing B777-300ER.
- ***Enriching the content, value and quality of the services offered by Aéroports de Paris.*** The thousands of employees who work at the airports of Aéroports de Paris, as well as the millions of people who go to airports, are natural consumers of the services provided by Aéroports de Paris. Aéroports de Paris is positioning itself as a service company for its professional customers, passengers and the public, with the following initiatives:
 - o *Placing quality at the center of the organization*: by reorganizing itself by airport and in operational units, the Group has set up customer interfaces with clearly identified, strengthened responsibilities, and has added quantitative quality criteria to its senior management performance evaluations;
 - o *Converting quality of service into a motor of economic performance*: the increase in quality of services provided by Aéroports de Paris is geared towards offering passengers and the public the best conditions of fluidity, information and comfort, to save them time, to ease airport formalities and to place them in a favorable environment that encourages them to use the commercial services offered by Aéroports de Paris, such as the shops. The Group has made strong commitments regarding quality of service, including a commitment to the French Republic, under the CRE, with financial incentives based on 10 quality indicators; and to its customers, through the “*Destination Clients*” program for the public and through service level agreements for airlines or alliances. The Group has created a new slogan, “The World is our Guest,” to entrench its quality initiatives.
 - o *Developing commercial services offerings to optimize the commercial potential of airports*: The Group believes that commercial activities offer growth and profitability potential. 83% of passengers spend more than an hour and a half in the major airports of Aéroports de Paris, and 65% of passengers spend more than two hours. The Group plans to take advantage of this potential by implementing a series of actions:
 - expansion of space for shops, bars and restaurants by more than 30% by 2010, including an increase of more than 50% for shops in the international area after security checkpoints;
 - improvement of the space, visibility, configuration and atmosphere of commercial areas at Paris - Charles de Gaulle and Paris - Orly;
 - increase in product offerings to respond to the targeted needs of all air passengers and to increase the attractiveness of the commercial offerings;
 - improvement of time management and passenger flows with improved fluidity and improved directional signs, giving passengers better

information regarding the commercial offerings and a better idea of the amount of their free time before boarding; and

- improvement of the perception of the level of prices of the commercial offerings and development of customer loyalty.
- o *Increasing the number of parking spaces, improving their security and increasing revenues:* Aéroports de Paris is the second-largest car park manager in the Paris region. The Group plans to increase the amount of parking at Paris - Charles de Gaulle significantly by building approximately 5,100 new spaces in its car parks between 2006 and 2010. The Group also has a continuous renovation program, which is focused on the 3,500 parking spaces of Orly Ouest's P0 lot, and the P1 lot located on the roof of terminal CDG 1 at Paris - Charles de Gaulle, to increase occupancy levels, in particular at Paris - Orly, and to improve the perception of value-for-money for this service.
- o *Continually offering more added value services:* in addition to existing services, Aéroports de Paris plans to create a full range of services targeted to specific customer groups, in areas such as telecommunications, particularly mobile services, and travel assistance with new fee services such as personal assistance.
- ***Strengthening efficiency and economic performance.*** The CRE brings visibility to airport fee rates until 2010, as well as to the Company's investment program, and it sets objectives for the improvement of the quality of services offered by Aéroports de Paris to its customers. Under this agreement, Aéroports de Paris will endeavor to improve its operating margins by managing costs and increasing productivity. In the past, Aéroports de Paris has demonstrated its capacity for increasing productivity: between 2001 and 2005, its productivity rose by 12% in terms of number of passengers per employee. The Company's goal is to improve productivity further over the next five years. Aéroports de Paris has also initiated actions to eliminate losses in its ground handling activity in a very demanding competitive environment.
- ***Creating the basis for the Group's real estate potential to become a source of additional medium-term growth.*** The Group plans to exploit its non-airport real estate potential at all of its airports, consistent with the needs of surrounding areas, while staying within its financial capacity and retaining control over its assets. It believes that the intrinsic attractiveness of Paris, the quality of its ground transportation connections, the role of airports as drivers of development and the availability of its land reserves provide it with significant real estate development opportunities. Aéroports de Paris anticipates investing approximately 164 million euros of its own resources by 2010 (of which 40% will be dedicated to real estate diversification, which generally means non-airport development). It intends to open 60 hectares for real estate development by 2010, permitting the construction by Aéroports de Paris alone or in partnership with third parties of approximately 315,000 m² of various types of buildings: cargo warehouses, offices, shops and services, and buildings for other activities. Leading projects under study include the creation of a business zone around the Paris – Orly airport, the acceleration of real estate development (cargo services, shops) at the Paris - Charles de Gaulle airport to go along with the development of air transportation, and the development of available land around the airport. At Paris - Le Bourget, the Group is

considering premises for industrial activities and structures to accommodate the development of business aviation.

- ***Prudently leveraging know-how outside the Paris airports.*** Aéroports de Paris plans to continue utilizing its know-how in highly specialized related technical activities such as telecommunications, project management, engineering, architecture, airport management and training of executives and staff in the airport context or similar contexts involving the management of significant flows of people. These activities enable the Group to maintain its skills at the highest level and to increase its technical reputation abroad, as well as to build up industrial partnerships in areas experiencing strong growth, such as China or Mexico. Carefully managed and typically using relatively little capital, these activities constitute additional value and represent a source of additional development for the Group.
- ***Growing the Group's business with a sustainable development perspective.*** Aéroports de Paris has for many years conducted a voluntary policy of sustainable development with respect to its growth. The objective of this strategy is to make the development of airport activities acceptable to surrounding territories, local municipalities and their inhabitants, in a responsible and concerted way. This policy relies upon three initiatives:
 - o managing pollution and the environmental impact of the activities of Aéroports de Paris;
 - o exercising economic responsibility of Aéroports de Paris through cooperation programs; and
 - o paying attention to the corporate and social responsibility of Aéroports de Paris.

In 2005, these activities were rated AA+ by BMJ Ratings, a subsidiary of Fitch, in the environmental area, and A+ in the corporate responsibility area. Finally, at its three main sites, Aéroports de Paris is certified ISO 14001.

6.2. PRESENTATION OF THE MARKET

6.2.1. Airport Operations

Several parties are involved in operating an airport. In addition to the airport operator (such as Aéroports de Paris), the main are the air traffic control services airlines, ground-handling services providers, cargo companies and government agencies. They operate in different zones through which passengers and merchandise are channeled, including the “city” (the public area where vehicles arrive and depart), the “runway” (the restricted area where aircraft takeoff and land), and between the two, a mixed zone serving as a border between the public and restricted areas, where boarding and arrival procedures are carried out. Altogether, several thousand companies play a role in airport operations and in providing passenger services – including shops, restaurants, ground transportation companies (taxi, buses, etc.), hotel chains and fuel providers.

6.2.1.1. The airport operator

Active in all aspects of the circulation of passengers and merchandise, the airport operator is responsible for optimizing flows and ensuring the interface between parties, to which it provides services and facilities in order to ensure the smooth functioning of the airport. Aéroports de Paris facilitates communications and the exchange of information between the various airport service providers.

An airport operator such as Aéroports de Paris is responsible for a wide variety of tasks, which fall into five main categories:

- It designs, develops and oversees the construction of airport and access infrastructure.
- It provides airlines and other professional service providers (ground-handlers, governmental agencies, etc.) with the necessary infrastructure and facilities (check-in counters, boarding areas, baggage carousels, aircraft parking areas, etc.), which are allocated to different users throughout the day depending on their needs. It also leases space and provides related services.
- It decides on the location and leasing of commercial areas, providing the necessary space for meeting passenger needs, mostly shops, bars and restaurants.
- It welcomes, informs and facilitates the circulation of passengers and ensures that services are available to enhance their comfort (car parks, hotels, telecom services, personalized reception, services for people needing special assistance, etc.).
- With government supervision, it also implements air transport security measures (passenger and baggage inspections and screening, secured access to restricted areas, etc.).

Aéroports de Paris' general operating conditions are specified in a technical document known as the *cahier des charges* attached as an appendix to Decree 2005-828 of July 20, 2005 (see 6.6.2.7 “Legislative and Regulatory Environment – Regulation of Group Airport Activity – Technical Aspects of Airport Management: the *cahier des charges*”).

One of the key missions of the airport operator is to help optimize the performance of other airport service providers by coordinating their activities, since its operating and commercial performance depends, to a greater or lesser extent depending on their particular business, on the performance of other parties. Revenues depend on air traffic, which has a direct impact on airport fees (calculated mainly on the number of aircraft movements in different weight categories and the number of passengers) and an indirect effect on other revenues (sales in shops and restaurants, car park revenues, etc.).

While the attribution and allocation of take off and landing slots fall under the authority of an independent organization (see 6.6.2.5 “Legislative and Regulatory Environment – Regulation of Group Airport Activity – Attribution of Take off and Landing Slots”), Aéroports de Paris is responsible for assigning airlines to different terminals within airports and, within limits, to

different airfields (see 6.6.2.7 “Legislative and Regulatory Environment – Regulation of Group Airport Activity – Technical Aspects of Airport Management: the *cahier des charges*”).

6.2.1.2. Airlines and ground-handling services

The airport operator’s responsibility toward passengers ends when the transport agreement between the airline and the passenger takes effect, *i.e.* when the passenger is placed under the airline’s control (in practice, when the passenger reaches the boarding area). Airlines are also responsible for all aircraft loading and unloading procedures.

For some or all of these services, the airlines generally rely upon third-party ground-handling service companies, which include Aéroports de Paris and certain of its subsidiaries (see 6.3.4 “Activities of Aéroports de Paris’ – Ground Handling”).

In the current market, airlines fall into several categories, and the airport operator must address the specific needs of each category. The table below shows the main airline categories operating out of Aéroports de Paris’ commercial airports (Paris - Charles de Gaulle and Paris-Orly) and outlines their main requirements.

<u>Segment</u>	<u>Description</u>	<u>Main requirements</u>
Alliances (SkyTeam, Star Alliance, OneWorld) *	Groups of regular airline companies operating interconnected networks with joint sales and marketing, to provide worldwide service. They mainly operate via hubs.	<ul style="list-style-type: none"> Members grouped together within the same terminal to maximize economies of scaleShort connecting times (notably for connecting baggage services) High quality ground services
Low cost <i>Examples: easyJet, Vueling, Sky Europe, Thomsonfly</i>	Regular airlines offering mainly point-to-point services within Europe. Average revenues per passenger are lower than for conventional airlines, but they also offer limited onboard service.	<ul style="list-style-type: none"> Minimize aircraft layover periodsLow airport costsJoint promotions with Aéroports de Paris
Regular independent airlines <i>Examples: Emirates, Corsair (also offers charter flights), Egyptair, China Eastern, El Al</i>	Airlines that choose not to join alliances, operating a differentiation strategy based on the quality of service or a geographic positioning centered on their own hub.	<ul style="list-style-type: none"> Personalized treatment and services
Charter companies <i>Examples: Onur Air, Blue Line, Air Méditerranée, Karthago Airlines</i>	Non-regular airlines, partially or fully chartered, providing seasonal or on-demand flights, most often to medium- and long-haul vacation destinations.	<ul style="list-style-type: none"> Low airport costs Rapid passenger processing procedures

* *Members of the SkyTeam alliance: Aéroflot, AeroMexico, Air France-KLM, Alitalia, Continental Airlines, CSA Czech Airlines, Delta Air Lines, Korean Air and Northwest Airlines. Members of the Star Alliance: Air Canada, Air New Zealand, ANA, Asiana Airlines, Austrian, bmi, LOT Polish Airlines, Lufthansa, Scandinavian Airlines System (SAS), Singapore Airlines, Spanair, TAP Portugal, Thai Airways, United, US Airways and Varig. Members of OneWorld: Aer Lingus, American Airlines, British Airways, Cathay Pacific, Finnair, Iberia, LAN and Qantas.*

6.2.1.3. Cargo and mail carriers

Cargo and mail carriers are responsible for handling merchandise and packages, including delivery to and reception by cargos hangars, customs procedures and clearance, aircraft loading and unloading, sorting and transport to the final destination.

There are several types of cargo and mail service providers:

- Cargo forwarding agents, who organize the pick-up, transport and delivery of merchandise and are responsible for organizing the entire transport chain, including the selection of road and air transport services, document management and the completion of customs formalities.
- The airlines, which transport cargo either in the cargo hold of passenger flights (mixed flights) or in all-cargo flights. They handle only the loading and transport of packages aboard their aircraft, while other services, such as ground handling, customs clearance and ground transport, are provided by terminal and runway assistance services, as is done for

passenger operations. The main cargo airline is Air France Cargo, based at Paris - Charles de Gaulle airport.

- Express cargo services, which are also called integrators because they cover the entire logistics chain for air cargo, from point of origin to final destination, in order to guarantee rapid delivery times. The European hub of FedEx, the American integrator, is located at Paris - Charles de Gaulle airport.

Traditional mail service providers, historically at the origin of air transportation, who carry not only mail but also newspapers and magazines and high-priority small packages. La Poste has concentrated all of its airmail services at Paris - Charles de Gaulle airport.

6.2.1.4. Government services and agencies

In addition to its role as industry regulator, the French government is also responsible for a number of essential services for the operation of airport systems in France, notably:

- *Air traffic control:* Controllers are responsible for the arrival and departure of aircraft to and from the aircraft parking areas. The physical configuration of the airport and the rules for allocating take off and landing slots determine the maximum scheduling capacity. Within this framework, air traffic control determines the actual capacity of each airport in terms of the number of aircraft movements, based on operating conditions and visibility. In France, air traffic control is provided by the air navigation services department within the French Civil Aviation Authority (known by its French acronym as DGAC).
- *Security operations:* The government is directly responsible for certain aspects of air transport security, such as background checks on persons authorized to enter restricted areas and the supervision and control of security operations carried out by airfield operators and other service providers. Within this framework, it has assigned other aspects of security control to Aéroports de Paris (security screening of passengers, baggage, personnel and merchandise) (see “Activities of Aéroports de Paris’ – Security”).
- *Public safety services:* At Paris - Charles de Gaulle, Paris-Orly and Paris-Le Bourget, public safety missions are the responsibility of the French border police (DPAF) and air transport marshals (GTA), in accordance with Decree 96-828 of September 19, 1996 on the division of functions and the organization of cooperation between the national police force and the gendarmerie, and the law of January 7, 2000 on the assignment of security and peace-keeping functions between the national police and the gendarmerie with regard to civilian airfields. These public safety missions are carried out under the authority of the relevant *Préfet*, who takes the necessary measures to guarantee public order at the airport (Articles L. 213-2 and R. 213-3 of the civil aviation code). Public safety services should be distinguished from security operations, which are designed to prevent illicit acts that risk endangering the security of the aircraft and passengers.
- *Border controls:* The French border police (DPAF) are responsible for the control of persons, mainly as part of immigration controls, while the French customs service is responsible for the control of goods. Border health controls, implemented to prevent the

spread of transmissible diseases by air and other means, are provided by the social and sanitary affairs division of the local French *département* in accordance with article R. 3115-2 of the public health code. Aéroports de Paris may be asked to assist in these services in application of article 33 of the *cahier des charges*.

6.2.2. Air Passenger Traffic Worldwide and in France

6.2.2.1. Growth of world air passenger traffic

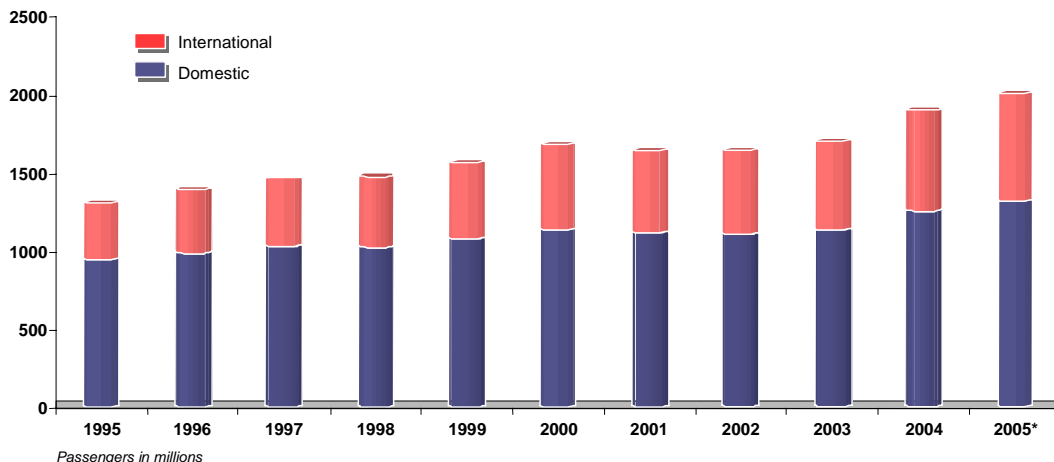
The worldwide airport market benefits from long-term growth in air traffic, despite occasional slowdowns. The number of air passengers has increased from 21.1 million in 1947 to nearly 2 billion in 2005, a cumulative average growth rate (CAGR) of 8.2%.

This continuous growth is the results of technological advances in the air transport industry, particularly with the widespread use of jet aircraft in the early 1960s, followed by the emergence of newer generations of aircraft offering improved capabilities (operating range, for example) and greater economy (notably in terms of size, fuel consumption and maintenance costs). The latest example is the Airbus A380, which will enter service in 2007. More recently, the growth in air transport has been greatly stimulated by the deregulation of traffic rights between countries, and by the total opening of the market to competition in certain regions of the world (including Europe for traffic within the European Union). Technological advances and the liberalization of air traffic have triggered a sharp drop in airline ticket prices and have considerably democratized this means of transport. Lastly, since the beginning of commercial aviation, the growth of air transport has been closely linked to the development of world trade, as it is the preferred means for moving people (mass tourism, business trips) as well as goods (particularly value-added products and perishable goods).

The global air traffic industry faced the most severe crisis in its history between 2001 and 2003, following a series of dramatic international events: the terrorist attacks in the United States on September 11, 2001; the war in Afghanistan; the SARS epidemic in Asia; and the war in Iraq. Coinciding with a slowdown in world economic growth during the same period, the crisis triggered a major decline in air traffic that cost the sector several years of growth.

In 2001 and 2002, air traffic was below the 2000 level of 1.67 billion passengers (1.64 billion in 2001 and 1.63 billion in 2002). In 2003, the situation continued to deteriorate in the first quarter before world passenger traffic began to recover in the second and third quarters, ending the year with a total of 1.69 billion passengers. The recovery continued in 2004 as air traffic began growing rapidly again, returning to the growth rates seen in the second half of the 1990s. Passenger traffic reached 1.89 billion in 2004, up 12.1% from 2003 and about 13% higher than the 2000 level. Growth continued in 2005 at a rate of about 5.5% over the previous year, with world air traffic in 2005 totaling roughly 2 billion passengers.

The graph below shows the growth of world air passenger traffic over the past ten years (source: International Civil Aviation Organization - ICAO).

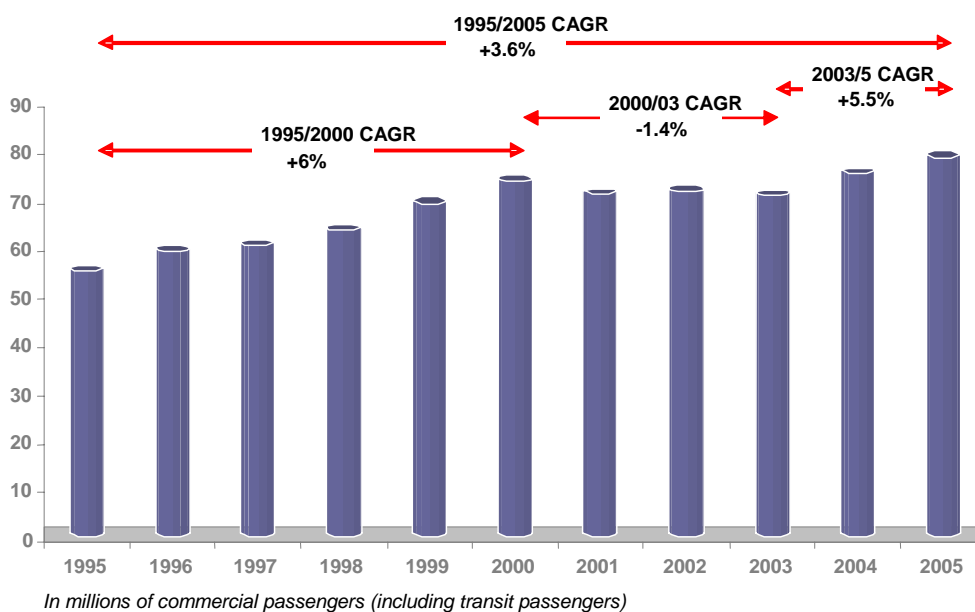


Growth in Air Passenger Traffic at Aéroports de Paris Airports

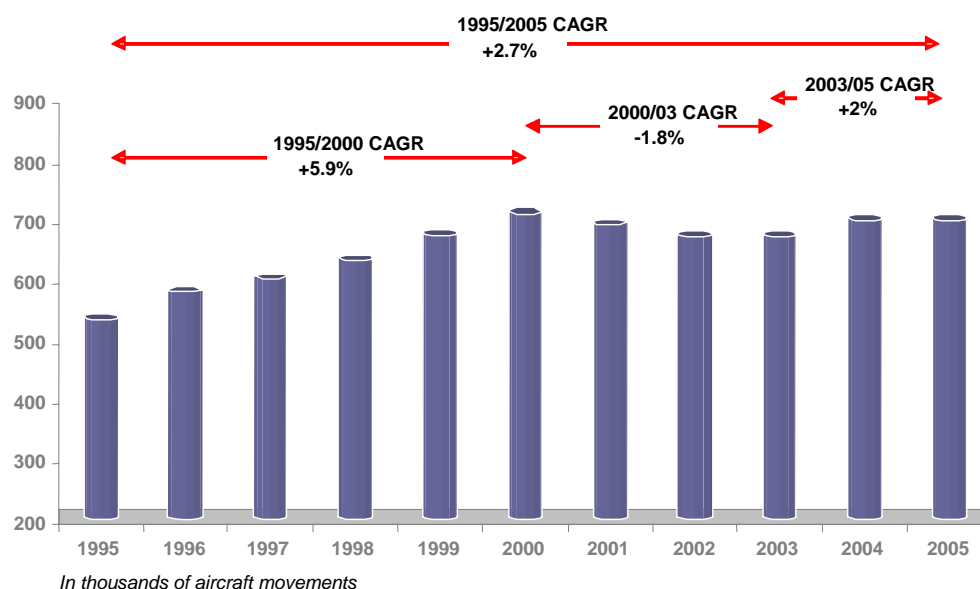
On the whole, the growth of air passenger traffic at Aéroports de Paris airports between 1995 and 2005 followed the same trends as world air traffic. During this period, Aéroports de Paris's non-cargo air traffic grew at an average annual rate of 3.6% for passengers (including connecting passengers) and 2.7% for aircraft movements (excluding all-cargo aircraft). With a marked increase in the passenger load (meaning the number of passengers per aircraft) – from 104 passengers in 2000 and 105 passengers in 2003, to 113 passengers in 2005 – there was a stronger rise in the number of passengers than in the number of aircraft movements.

The two graphs below present air traffic trends at the Group's airports between 1995 and 2005, in number of passengers and aircraft movements.

Growth in number of passengers



Growth in commercial aircraft movements (excluding all-cargo planes)



Air traffic growth between 1995 and 2005 was driven mainly by international traffic. In contrast, traffic on domestic flights declined slightly over the same period (average annual decline of 0.3%). As a result, the share of international and European traffic rose from 68% of total traffic in 1995 to about 78% of total traffic in 2005.

Traffic at Aéroports de Paris airports in 2005

In 2005, Aéroports de Paris handled 78.7 million passengers at its two main airports. Air traffic at the Paris - Charles de Gaulle and Paris-Orly airports in 2005 is set forth in the table below:

	Number of passengers	Number of commercial aircraft movements, excluding cargo and mail	Number of cargo and mail aircraft movements	Total number of commercial aircraft movements
Paris - Charles de Gaulle	53.8 million	475,982	37,692	513,674
Paris-Orly	24.9 million	222,866	12	222,878
Total	78.7 million	698,848	37,704	736,552
% change from 2004	4.4%	0.1%	2.5%	0.2%

Air traffic in 2005 by geographical routes

In 2005, international traffic continued to grow, both in number of passengers and as a percentage of Group traffic. Growth was particularly strong outside of Europe, especially on routes to and from North and South America and Africa. In the table below, the Group's air traffic in 2005 is broken down by geographic region.

Passenger Traffic in 2005

Route	(in millions)	% of total	% change from 2004
Domestic (France)	17.5	22.2%	0.3%
French overseas territories	3.1	4.0%	(4.4)%
Europe	31.2	39.7%	4.2%
Schengen zone	19.7	25.1%	4.3%
International (excluding Europe and French overseas territories)	26.8	34.1%	8.8%
Africa	8.2	10.4%	9.6%
North America	8.0	10.2%	8.9%
South America	2.5	3.2%	11.1%
Asia-Pacific	5.1	6.4%	5.1%
Middle East	3.0	3.9%	11.1%
Total	78.7	100.0%	4.4%

2005 figures in millions of passengers (including transit passengers); Traffic at Paris - Orly et Paris - Charles de Gaulle

Airlines

At the Group's two main airports, the ten largest airlines accounted for about 72% of total traffic in 2005. These companies are listed in the table below, along with their share of traffic at the Paris - Charles de Gaulle and Paris-Orly airports.

Airline	Passengers	% of total
Air France-KLM	44,407.2	56.5%
easyJet	2,842.7	3.6%
Corsair	1,858.6	2.4%
Iberia	1,464.2	1.9%
Lufthansa	1,258.4	1.6%
British Airways	1,258.0	1.6%
Alitalia	1,067.4	1.4%
Delta Airlines	827.6	1.1%
Royal Air Maroc	785.8	1.0%
Air Algérie	714.6	0.9%

2005 figures in thousands of passengers

The Air France-KLM group accounts for over half of commercial passenger traffic. The three alliances – Star Alliance, OneWorld and SkyTeam – account for over 72% of passenger traffic at the two Paris commercial airports.

The airlines operating out of Paris - Charles de Gaulle and Paris-Orly have different profiles that correspond to air traffic trends at the two airports. See sections “Activities of Aéroports de

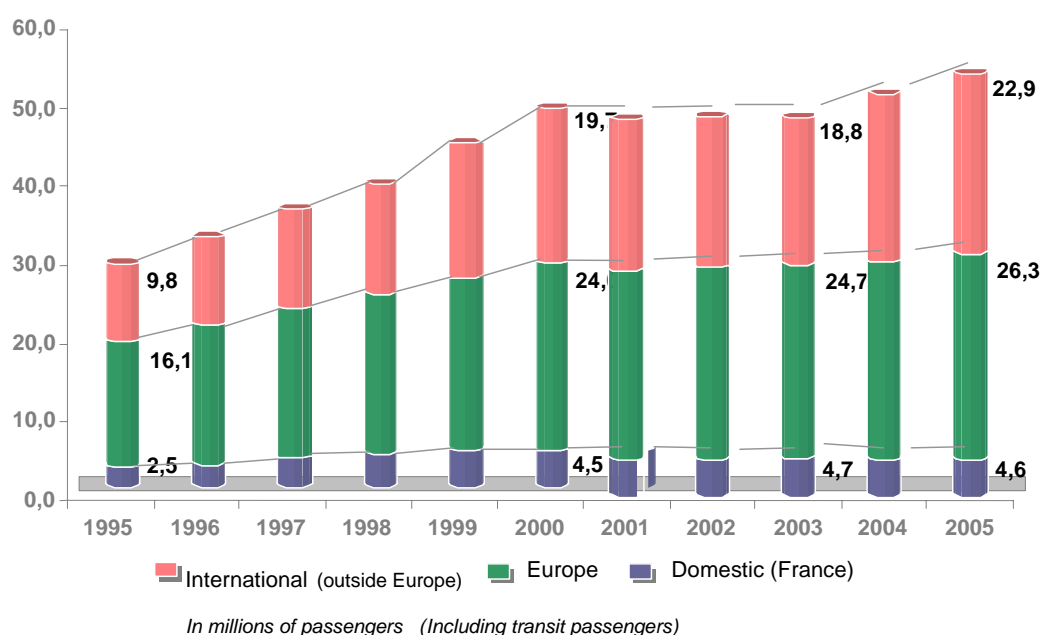
Paris' Main Lines of Business – Airport Services – Paris - Charles de Gaulle” and “ – Paris - Orly” for descriptions of the main airlines operating at each of these airports.

Detailed analysis of traffic trends at the Group's two main airports

Over the past ten years, air traffic at the Group's two main airports has followed different trends, with Paris - Charles de Gaulle recording more favorable traffic growth than Paris-Orly.

Growth in Passenger traffic: Paris - Charles de Gaulle. The growth of traffic at Paris - Charles de Gaulle reflects the dynamic momentum of both the airlines and the three big alliances – notably the growing importance of the Air France hub and, more generally, the SkyTeam alliance. As a result, Paris - Charles de Gaulle has reported a CAGR of 6.6% over the past decade, surpassing the average 4.4% annual growth rate of the world market from 1995-2005, as measured by the ICAO.

The graph below traces the growth of passenger traffic at Paris - Charles de Gaulle between 1995 and 2005.⁴

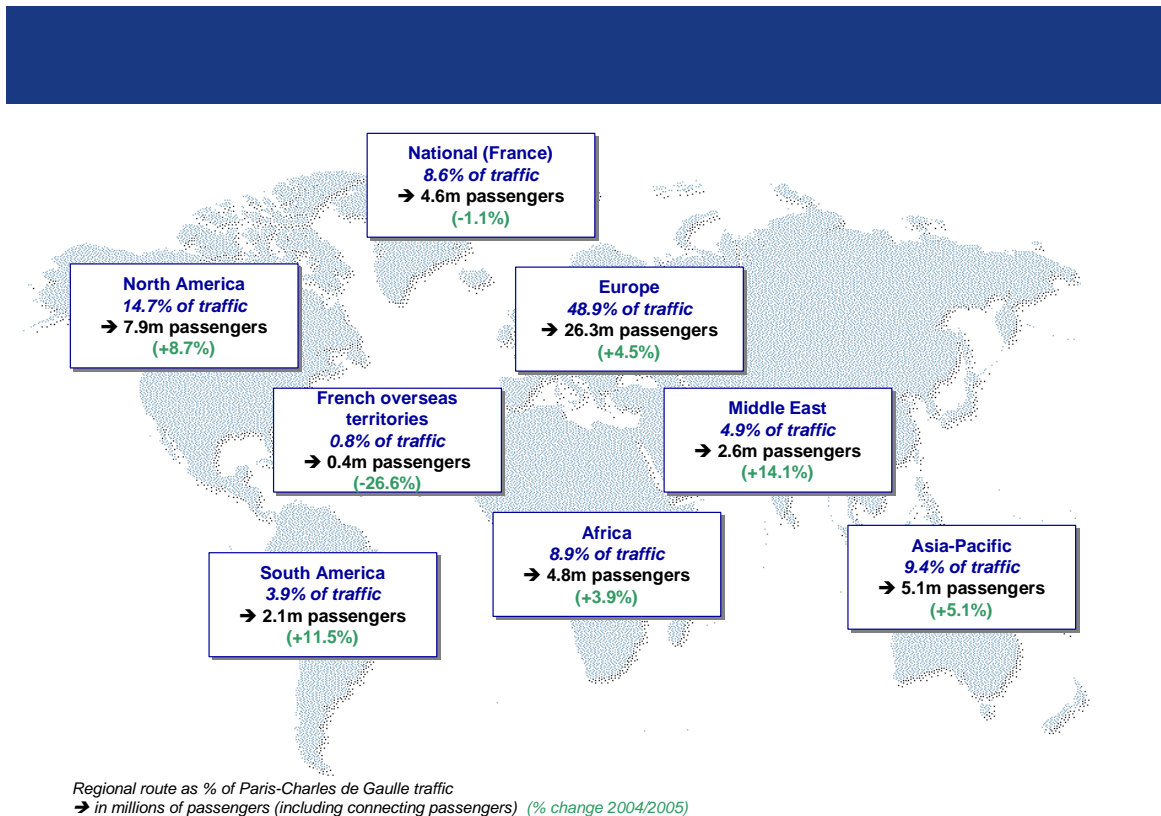


In 2005, the recovery in air traffic was confirmed at Paris - Charles de Gaulle as traffic reached 53.8 million (including transit passengers), up 5% from the previous year. As in 2004, international traffic fuelled growth, with 49.2 million international passengers in 2005, up 5.6% from the 2004 level (with European traffic up 4.5%, and traffic to the rest of the world up 6.8%). There was also an acceleration of growth in traffic to the Middle East, as well as a significant

⁴ This table need to be reformatted to replace the commas with periods.

recovery in the American segment, with traffic up 8.7% to North America and up 11.5% to South America.

The map below shows the structure of air traffic at Paris - Charles de Gaulle by geographic region in 2005. It highlights the preponderant weight of international traffic, which accounts for over 90% of total traffic. Traffic to European destinations accounted for just under 50% of traffic, while other international destinations accounted for just over 40% of traffic.



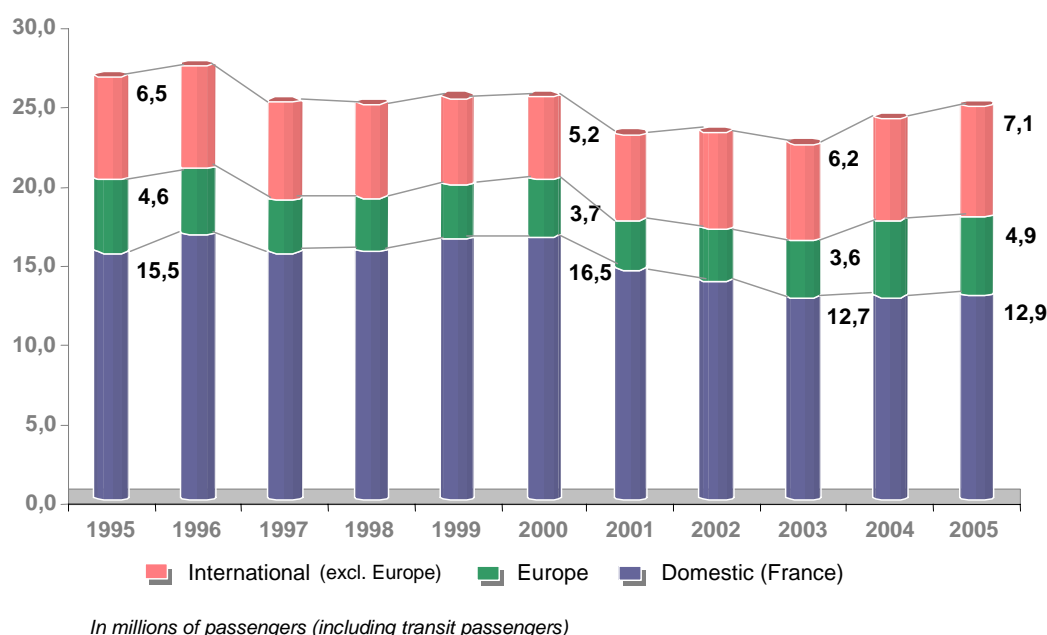
Passenger traffic growth: Paris-Orly

Compared to Paris - Charles de Gaulle, air traffic trends were not as favorable at Paris-Orly, due to three negative factors:

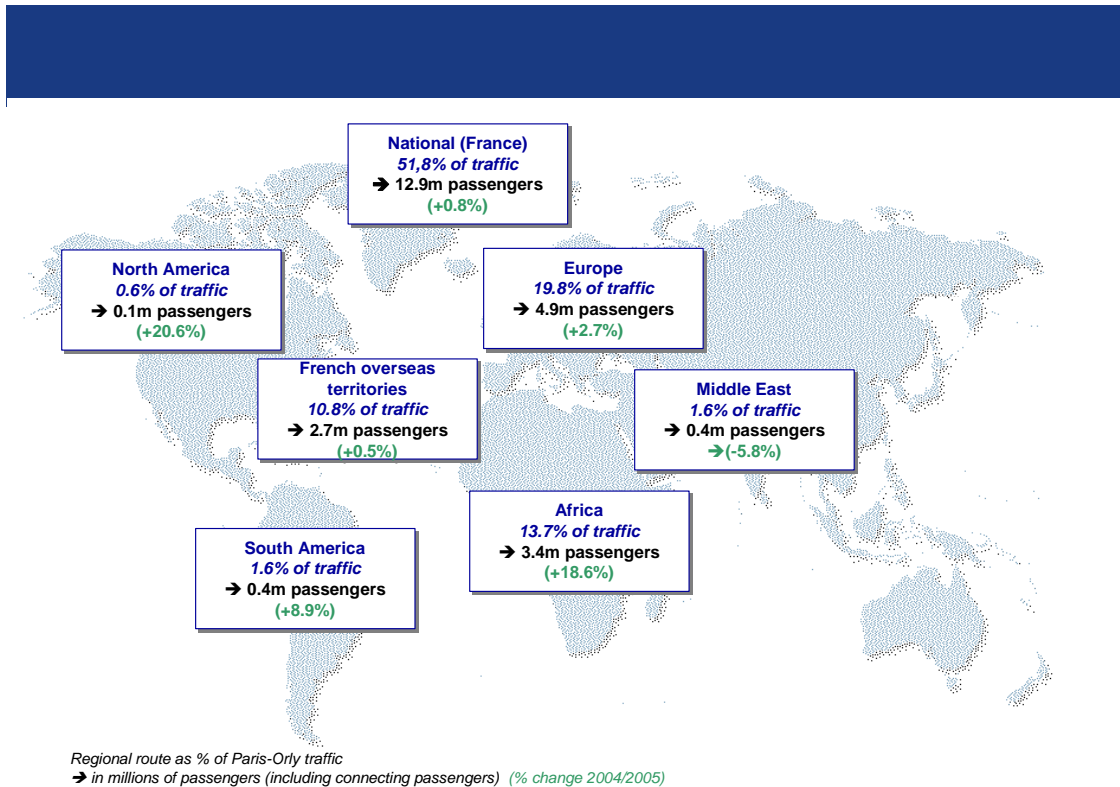
- The development of a connecting hub at Paris - Charles de Gaulle led Air France to transfer a number of its flights previously operated out of Paris-Orly to Paris - Charles de Gaulle. Several international airlines that wanted to continue benefiting from the connecting flight options offered by the Air France network also transferred their operations to Paris - Charles de Gaulle, including American Airlines, Continental Airlines and El Al.
- The French air industry (notably Air Liberté) had difficulties during 2000-2003.
- The domestic market was exposed to fierce competition from high-speed TGV trains (particularly the Southeast TGV line).

After stagnating for several years, traffic at the Paris-Orly airport strengthened in 2004, increasing by 7.1%. The recovery continued in 2005 with traffic up 3.4% to 24.9 million passengers, just 500,000 passengers short of the 2000 level. Since 2000, the international segment has been the main engine of air traffic growth at the airport, largely due to the increased traffic towards African destinations and flights to the Caribbean and Mexico. The share of European traffic also increased with the arrival of low-cost carriers at Paris-Orly, notably easyJet. Due to these improvements in the traffic mix, the average passenger load increased steadily for all traffic at Paris-Orly, rising from an average of 106 passengers per flight in 2000 to 112 passengers in 2005.

The graph below traces the growth of air traffic at the Paris-Orly airport between 1995 and 2005.



The map below shows the structure of passenger traffic at Paris-Orly by geographic region in 2005. At 51.8%, domestic flights still account for slightly more than half of air traffic in 2005, mostly due to *La Navette*, a high-frequency shuttle service operated by Air France between Paris and Nice, Toulouse, Marseille and Bordeaux.



6.2.3. Future trends in air passenger traffic

6.2.3.1. Future trends in air passenger traffic worldwide

Although future growth trends are by nature unpredictable, most in the air transport industry believe that world air passenger traffic is likely to continue growing at a regular pace over the next 15 years.

According to Airports Council International, the number of passengers in the world market could grow by more than 4% a year through 2020. Eurocontrol, the European organization for air navigation safety, expects the number of aircraft movements in European air space to double by 2025 from the 2003 level, which is the equivalent of a CAGR of about 3.2% in the number of passengers.

Most studies publish data in passenger kilometers transported (PKT), meaning the number of passengers multiplied by the number of kilometers traveled. PKT calculations are different from those used by airport operators, which are based on the number of passengers. Over the long term, the growth in the number of passengers at the Paris airports is typically about 1% to 1.5% less than the PKT figures expressed by the airlines and civil aviation organization. This can be attributed to stronger growth in the long-haul flight sector.

In its Passenger Forecast 2005-09, the International Air Transport Association (IATA) notes that it expects air traffic growth in PKT to be particularly driven by greater international traffic,

which is estimated to grow at an average annual rate of 5.6% per year from 2005-2009. According to IATA, traffic to destinations outside of Europe is expected to grow significantly, with particularly rapid growth in traffic to the Middle East (+6.6% per year), the Asia-Pacific region (+5.9% per year) and Africa (+5.7% per year). North American traffic is also expected to increase, albeit at a slightly slower pace of 5.3% a year, according to IATA. For international traffic within Europe, IATA foresees an annual growth rate of 5.1%. Intra-European traffic will benefit in particular from the strong growth in air traffic in central and Eastern Europe.

In its *Global Market Forecast 2004-2023*, Airbus estimates that passenger traffic will grow at an average annual rate of 5.3% in PKT during the review period. The aircraft manufacturer expects traffic between Europe and the Middle East to increase 7.6% a year and traffic with Asia to increase 5.9% (buoyed notably by traffic to and from China, up 6.9%). Airbus expects traffic to and from South America to increase by 5.8% a year.

In its *Current Market Outlook 2005*, Boeing forecasts that average annual passenger traffic will increase by 4.8% in PKT between 2005 and 2024. Of the fast-growing markets, Boeing expects traffic between Europe and North Asia (Japan, Korea) to increase by 5.8% a year, at the same pace as traffic growth to and from South America. According to Boeing, traffic to and from Southeast Asia and the Middle East is expected to increase by 5.6% and 5.1%, respectively.

6.2.3.2. *Future trends in air passenger traffic in France*

As with world passenger traffic, participants in the French aviation market expect domestic passenger traffic to grow regularly in France, barring any unpredictable events, such as a geopolitical crisis. However, there is no consensus over the growth rates that are most likely to be seen.

During the preparatory consultations preceding the signature of the CRE, Aéroports de Paris developed two scenarios based on traffic growth rates of 3% and 3.5%, respectively. The airlines, however, presented more optimistic scenarios during the hearings organized by the regulatory authorities. They expect growth to average 4.5%, based in particular on their expectations for the specific market segments in which they operate (which might involve geographic segments, such as international traffic, or customer categories that are more dynamic than those generally handled by Aéroports de Paris), their flight schedules, and firm aircraft orders and options (which generally apply to a shorter time frame than those preferred by airport operators, for whom long-term trends are more important).

Although international traffic is expected to remain robust in the medium term, certain factors tend to suggest a slowdown in overall traffic growth. These factors mainly concern the maturity of the domestic and Northern European markets, which together accounted for nearly 40% of the total traffic for Aéroports de Paris in 2005. Similarly, the ongoing development of high-speed train networks – including the planned acceleration in the development of international high-speed lines between Paris and Amsterdam, Frankfurt, London and Geneva – will likely strain the annual growth potential of air traffic at Aéroports de Paris airports, as train travel comes back into vogue.

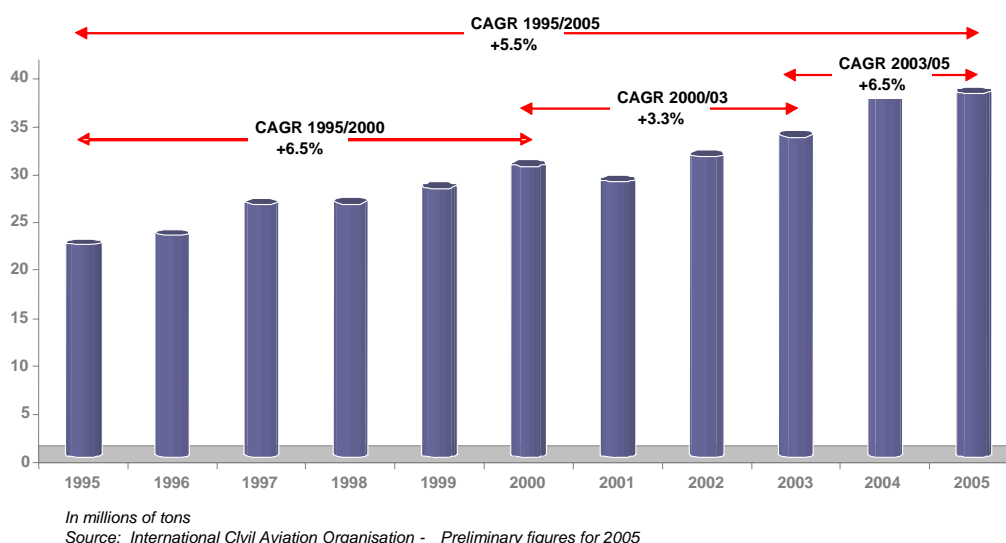
The French regulator, represented by the Ministry of Economy, Finance and Industry and the Ministry of Transport, based its central scenario for the CRE on an average annual growth rate of 3.75% (in number of passengers) for the next five years. Given the uncertainty of traffic forecasts, the CRE provides for fee levels to be adjusted according to the actual growth rates of passenger traffic. See 6.3.2 “Activities of Aéroports de Paris’ – Airport Services - Revenues from the Operation of Airports.”

6.2.4. Growth in cargo traffic

There is no standard international definition for air cargo. The International Civil Aviation Organization (ICAO) defines air cargo as merchandise transported for a fee, with the exception of mail, while IATA defines cargo as all goods including mail, with the exception of baggage.

Between 1960 and 2001, the ICAO calculates that air cargo traffic (including both international and domestic shipments) increased 58 fold, rising from 2 billion ton-kilometers transported (TKT) to 117 billion TKT. Using the IATA definition, air cargo traffic rose from 2.5 billion TKT to 140 billion TKT between 1960 and 2001 – a 56-fold increase (source: DGAC).

The following chart illustrates the world growth of air cargo traffic over the past ten years.



In 2005, Aéroports de Paris ranked number one in Europe and [seventh] worldwide in air cargo (including mail), handling 2.1 million tons of cargo and mail, or about 5% of total world tonnage. In 2004, Aéroports de Paris airports handled 87% of the cargo transported via French airports (source: DGAC).

Most studies expect world air cargo traffic (in TKT) to grow at a CAGR of between 5.5% and 6.3% through 2025. Cargo growth is thus expected to exceed passenger traffic growth. According to ICAO, air cargo traffic could continue growing until 2020 at an estimated growth rate of about 5.4% a year.

In *Freight Forecast 2005-2009*, IATA estimates that cargo traffic will grow at an average annual rate of 6.3% from 2005-2009, mainly due to increased trade with Asia, particularly India and

China. IATA foresees strong growth in international cargo traffic to all destinations from Europe, with annual traffic up 5.7% to the Asia-Pacific region, 5.1% to the Middle East and 4.5% to Africa. IATA also forecasts a 4.1% increase in international cargo traffic within Europe.

In its *Global Market Forecast 2004-2023*, Airbus notes that it expects cargo traffic to grow at an average annual rate of 5.9% from 2004-2023. The aircraft manufacturer expects cargo traffic between Europe and Asia to increase 6.3% per year during this period, strongly boosted by a 7.1% increase in traffic to and from China. Airbus estimates that cargo traffic between Europe and the Middle East will grow at the rate of 5.5% per year, between Europe and Africa at the rate of 5.7% per year, and between Europe and South America at the rate of 5.3% per year.

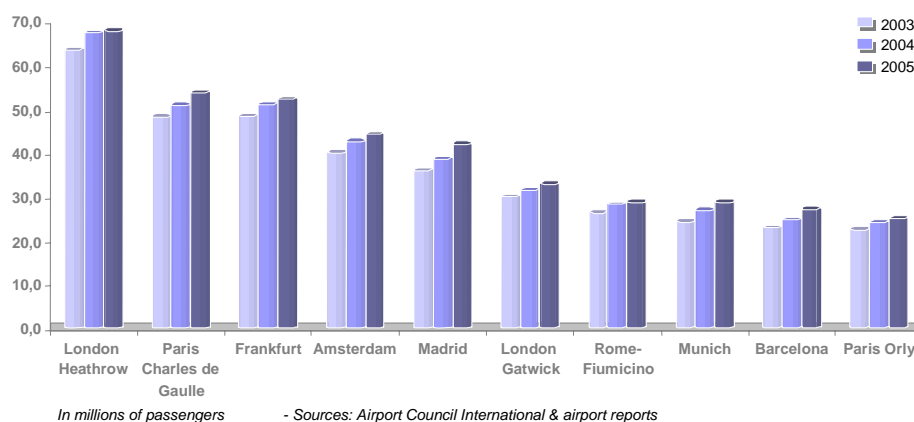
In its *Current Market Outlook 2005*, Boeing forecasts an average annual increase in air cargo traffic of 6.2% between 2005 and 2024.

In France, an October 2005 study by DGAC estimates that French air cargo traffic will grow by over 4%, mainly due to the boom in express transport services, which will soon account for the majority of air cargo traffic.

6.2.5. Aéroports de Paris' Position in the Airport Market

With its two airports of Paris - Charles de Gaulle and Paris-Orly, Aéroports de Paris is among the leaders in the commercial air transport market for passengers in Europe and the world.

The chart below lists the ten European airports that handled the largest number of passengers in 2005 and illustrates the growth in the number of passengers between 2003 and 2005 (source: Airports Council International). The Paris - Charles de Gaulle and Paris-Orly airports rank second and tenth, respectively, in Europe.



With two major airports, Aéroports de Paris's airport system ranks second in Europe, handling a total of 78.7 million passengers in 2005, behind London with 122.7 million passengers, but ahead of Frankfurt (52.2 million passengers), Amsterdam (44.2 million passengers), Madrid (41.9 million passengers), Rome (32.8 million passengers) and Munich (28.6 million passengers).

The Paris airport system also ranks sixth worldwide, behind London (122.7 million passengers), New York (100 million passengers), Chicago (94.4 million passengers), Tokyo (94.8 million passengers) and Atlanta (85.9 million passengers) (Source: ACI and airport reports).

6.2.5.1. Competition

The Group faces different types of competition due to the various types of airport services it offers and changes in its regulatory environment.

Competition with Other Hubs

To counter stronger international competition in the air industry, numerous airlines have formed alliances, combining their various destinations into networks so as to maximize the services offered to customers. The airport plays an essential role in this network-building process, since it is the link between connecting flights. The more possibilities an airport offers for connecting flights, which determines its quality of service, the more strategic it is. Aéroports de Paris thus provides Air France-KLM with the key infrastructure it needs for operating a hub, which the airline group has located at the Paris - Charles de Gaulle airport.

With the consolidation of the airline industry around a few major alliances and the main airline members, Aéroports de Paris is primarily in competition with the London airport system, which hosts British Airways and the members of the OneWorld alliance; the Frankfurt airport, hub for Lufthansa and the members of the Star Alliance; and the Amsterdam-Schiphol airport, the second operational hub of the Air France-KLM group.

To a lesser extent, the Paris airport system is also in competition with developing hubs, including Madrid Barajas, headquarters of Iberia, and the Munich-Franz Josef Strauss airport, Lufthansa's second hub. For certain types of traffic, such as traffic to southern Europe, eastern Europe or Scandinavia, Aéroports de Paris competes with airports specializing in these destinations – for example, the Copenhagen, Stockholm-Arlanda and Vienna airports. Lastly, Aéroports de Paris also competes with more distant airports – such as the Dubai airport, home of Emirates airline – that are striving to become major international hubs between Europe, the Americas and Asia.

Given this competition, Aéroports de Paris has numerous competitive advantages, which explain the size of its market share:

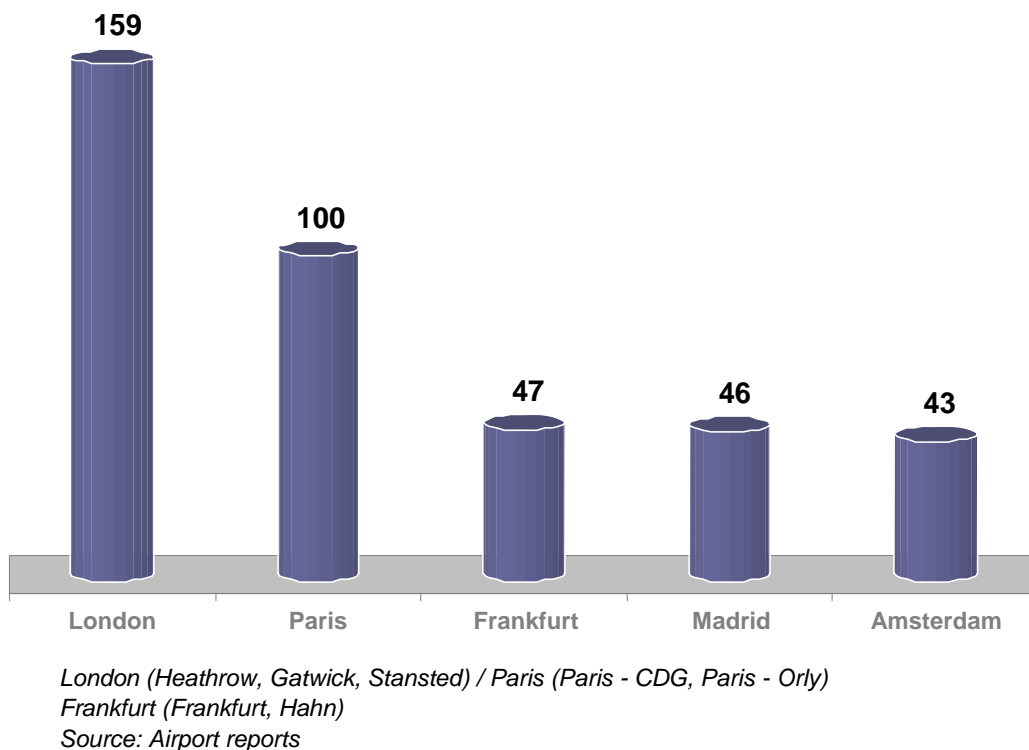
- It has an ideal geographic location at the North-South crossroads of Western Europe, making Paris an excellent point of departure for international destinations outside of Europe. Moreover, there are no major competing airports within 300 kilometers, affording Aéroports de Paris a unique situation in continental Europe.
- France is attractive to both tourists and international business. It is the world's number-one tourist destination, with over 75 million visitors in 2005 (source: World Tourism Organization). It ranks second as the preferred location for new expansions in Europe, accounting for 17% of the total in 2004 (source: Cushman & Wakefield Healey & Baker 2004).

- The Ile de France region is an economic powerhouse of national importance, France's main center of production (30% of French GDP and 32% of French exports⁵), decision-making, education and research.
- Paris is an extremely attractive city: the world's number-one destination for tourism and business trips; the world's top location for international trade shows, with 229 events scheduled in 2005; and the city with the largest hotel base in Europe, with 80,000 rooms (source: French congressional commission on the economy, environment and development, January 2006).
- The greater Paris region generates considerable demand for air transportation. It is Europe's largest urban capital region in terms of population, with 9.9 million inhabitants in 2005, ahead of London (9.3 million), Madrid (4.9 million), Brussels (4.5 million) and Berlin (3.8 million) (source: INSEE, 2005, population of urban areas).
- Lastly, there are 25 million people living within 200 kilometers of the two main airports of the Aéroports de Paris system.

The natural attraction of Paris generates a high level of origin-destination traffic, which explains the high proportion of point-to-point traffic at Aéroports de Paris. Point-to-point traffic accounted for three quarters of total traffic in 2005 (75.4% of the total traffic at the Paris - Charles de Gaulle and Paris-Orly airports), while connecting traffic accounted for only one quarter of the total. There were 59 million point-to-point passengers in 2005 and 19.3 million connecting passengers.

The graph below compares point-to-point traffic at Aéroports de Paris and the other European airports (index: Paris-Charles de Gaulle = 100).

⁵ Paris-Ile de France: Economic capital, <http://www.europinvest-paris.info>.



Aéroports de Paris also benefits from an especially dense network of destinations served directly from Paris. Though ranked second behind London in terms of the number of cities served, Paris is far ahead of Frankfurt and Amsterdam, especially for destinations that are served by only one major European airport.

One consequence of these two advantages is the high level of connectivity at the CDG 2 hub. With an average of 17,900 connections of less than two hours every week being served in less than two hours, the Paris - Charles de Gaulle hub surpasses its three main European competitors: the Lufthansa hub at the Frankfurt airport, with an average of 11,993 connecting flights; the British Airways hub at the London-Heathrow airport, with an average of 6,619 connecting flights; and the KLM hub at the Amsterdam-Schiphol airport, with an average of 6,572 connecting flights (source: Air France-KLM).

Lastly, Paris - Charles de Gaulle has considerable growth potential, because its aviation facilities are unequalled in Europe. With its two pairs of independent parallel runways, the airport is able to offer airlines the capacity and the flight frequencies they will need to carry out their commercial strategies and develop their networks well into the future.

Competition with France's regional airports

Paris - Charles de Gaulle and Paris-Orly are the two largest airports in France, ahead of Nice-Côte d'Azur (9.5 million passengers in 2005), Lyon-Saint Exupéry (6.6 million passengers) and Marseille-Provence (5.9 million passengers).

Traffic at French regional airport was 51.7 million passengers in 2005 (source: Urcega). In 2004, 51% of this traffic was domestic and 49% international (source: DGAC, December 2005). Competition with France's main regional airports is mainly limited to international traffic, since most of the domestic traffic at these airports is with Paris.

For international traffic, regional airports have benefited from the development of point-to-point traffic in recent years arising from the emergence of low-cost carriers. This direct traffic bypasses Aéroports de Paris since it does not involve connecting flights through the Paris - Charles de Gaulle hub. A recent DGAC study shows that international point-to-point routes from these regional airports are almost exclusively short and medium-haul flights to destinations in Europe. The only exception is the Nice-Côte d'Azur airport, which offers regularly scheduled service to New York, Atlanta and Dubai.

For long-haul destinations, the same study points out that nearly 80% of travel originating in one of France's main regional airports includes at least one connection thorough a major hub. Altogether, 35% of these flights involve connections at Paris - Charles de Gaulle. Frankfurt is the only airport that attracts more than 10% of connecting traffic originating at France's regional airports (12%). The other airports (Amsterdam, Munich, Lyon, Milan and Madrid) each account for between 5% and 8% of this connecting traffic. Paris - Charles de Gaulle thus appears to be well positioned as the hub for medium and long-haul traffic originating in France – not only for the Ile de France region, its “natural” commercial area, but for the entire country as well.

Competition with specialized airports

Low-cost carriers account for nearly 11.9% of the passenger traffic handled at Paris-Orly, and their presence will serve as a major source of growth for this airport in the coming years. The leaders in this segment are easyJet and the carriers of the TUI group (including Corsair).

In the low-cost segment, the Paris-Orly airport faces competition from the Beauvais-Tillé airport located in the Tillé district north of Beauvais in the Oise département, about 80 kilometers from Paris. Managed by the Oise Chamber of Commerce and Industry, this airport has three runways and hosts several low-cost carriers (such as Ryanair, Sterling, Wizzair and Blue Air) that are not based at Paris-Orly. In 2005, the Beauvais-Tillé airport handled 1.85 million passengers.

The Paris-Orly airport can be differentiated from its rival by its more upmarket profile, characterized by its proximity to Paris, its quality infrastructure (ground-handling equipment, passenger jetways), and the diversity and quality of retail areas and services available for passengers in the terminals.

Competition with other means of transportation

In Europe, air transport faces competition from trains and, to a lesser extent, automobiles. The relative market share of train and air transport is affected by the main selection criteria used by passengers, who compare the total travel time by train to that by air. Although high-speed trains are generally preferred for trips of less than three hours, air travel is preferred when a trip takes more than four hours. Consequently, the real competition is for destinations that require between three and four hours of travel time. Both Paris airports – Paris-Orly and, to a lesser degree, Paris - Charles de Gaulle – face competition from trains, which is likely to intensify with the increasing density of the French TGV high-speed train network.

Nonetheless, the Aéroports de Paris Group believes that the TGV network also offers it advantages, since it delivers passengers to long-haul flights departing from Paris – made possible by the TGV station located in the Paris - Charles de Gaulle airport, which handles nearly 3 million passengers annually. Moreover, Aéroports de Paris plans to maintain its high-level quality of its service, which should enable the Paris-Orly airport to limit the loss of market share to train travel in the years ahead.

Competition in the cargo market

The Paris - Charles de Gaulle and Paris-Orly airports handled a combined total of 2.117 million tons of cargo and mail in 2005. This places Paris in the leading position in Europe, ahead of Frankfurt, London and Amsterdam. The Paris - Charles de Gaulle airport also ranked seventh worldwide in 2005, behind the Memphis, Hong Kong, Tokyo, Anchorage, Seoul and Los Angeles International airports. At the national level, Paris ranks first ahead of the Toulouse, Marseille, Basel-Mulhouse and Lyon airports (source: Union des Aéroports Français, 2004 figures).

The main air cargo competitors in Europe are Frankfurt (1.999 million tons) and Amsterdam (1.496 million tons), which have made this segment a major part of their development strategy. The London airports (Heathrow, Gatwick, Stansted) (1.496 million tons) generate a large amount of cargo traffic, but they mainly serve the greater London region and the UK market; they are not direct competitors in the continental European market since they do not benefit from the same ease of access by road. To a lesser extent, Cargolux operates a large number of all-cargo flights out of Luxembourg. Emirates is also seeking to develop cargo services out of its Dubai hub.

To counter this competition, the Paris airports, and Paris - Charles de Gaulle in particular, offer several major advantages. First, Paris and the Ile de France region are a crossroads for economic trade, due to the presence of numerous multinational companies and a dense concentration of small and medium-sized companies and industries, making it one of the largest employment bases in Europe. Served by France's North-South and East-West road networks, the region also offers exceptional ground transportation and an excellent geographical location within Europe.

Moreover, the Paris - Charles de Gaulle airport houses three cargo operations at the same location: those of Air France-KLM, FedEx and La Poste. This close proximity allows the three networks to interconnect, resulting in a greater number of connecting flight options. Paris - Charles de Gaulle is thus the only European passenger hub airport to have a cargo hub as well

(whereas the UPS, TNT and DHL cargo hubs are located at the Liege, Cologne and Brussels airports).

FedEx is the largest air cargo transport company in the world, with 14.5 billion TKT in 2004 (source: IATA). With 10.1 billion TKT, the Air France-KLM group is the world's second largest transporter behind FedEx, and the world's leading general cargo company (excluding express services). The power of the Air France-KLM group is reinforced by the SkyTeam alliance's leading position in air cargo, ahead of the Star Alliance, mainly due to major players like Korean Air and Northwest.

Lastly, Aéroports de Paris believes it has sufficient space at its disposal to keep pace with the future growth of companies already located at its airports, so it will be able to provide more aircraft parking areas or land for the building or extension of cargo terminals.

6.3. ACTIVITIES OF AÉROPORTS DE PARIS

6.3.1. Presentation of the group

Aéroports de Paris is responsible for building, operating and developing the Paris - Charles de Gaulle, Paris-Orly and Paris-Le Bourget airports, the Issy-les-Moulineaux heliport, and ten general aviation airfields open to public air traffic in the Ile de France region. By managing airport operations and development, the Group provides a public service (for a description of this public service mission, see 6.6.2.7 “Legislative and Regulatory Environment – Regulation of Group Airport Activities – Technical Aspects of Airport Management (*le cahier des charges*)”).

Aéroports de Paris is also involved either directly or through subsidiaries in real estate activities, ground-handling services and other businesses that make use of its expertise, such as the development of international airport management services and airport engineering, specialized telecommunications services and retail activities at Group airports.

The Group's activities are divided into four main segments:

- ***Airport services***, which include all of the activities conducted by Aéroports de Paris as an airport operator: design, construction and operation of terminals, runways and other infrastructure; allocation of airport resources; development and leasing of commercial space for services provided within terminal buildings to passengers and the public; and related services (parking, baggage handling, security, and aircraft parking).
- The development and operation of ***real estate activities*** on the land surrounding its airport infrastructure.
- ***Ground handling and related services***, including passenger check-in, baggage handling, aircraft ground assistance (cabin cleaning, arrival/departure guidance, towing and pushback, etc.) and cargo transfer. These activities have been open to competition pursuant to European Directive 96/67/EC of October 15, 1996.

- **Other activities:** international airport management services, airport engineering, specialized telecom services and retail operations.

The table below shows the Group's revenues and operating income (determined under IFRS) by segment for the years ended December 31, 2004 and 2005.

<i>(in millions of euros)</i>	2004		2005	
	Revenue	Operating income	Revenue	Operating income
Airport services	1,498.3	308.3	1,600.6	403.4
Real estate	158.3	38.2	162.1	33.8
Ground handling and related services	168.4	(4.7)	167.9	(12.2)
Other activities	170.7	15.1	199.8	16.1
Unallocated items*	--	(82.0)	—	(86.0)
Intersegment eliminations	(-184.0)	(-0.1)	(-215.8)	(-0.5)
Total	1,811.7	274.8	1,914.6	354.7

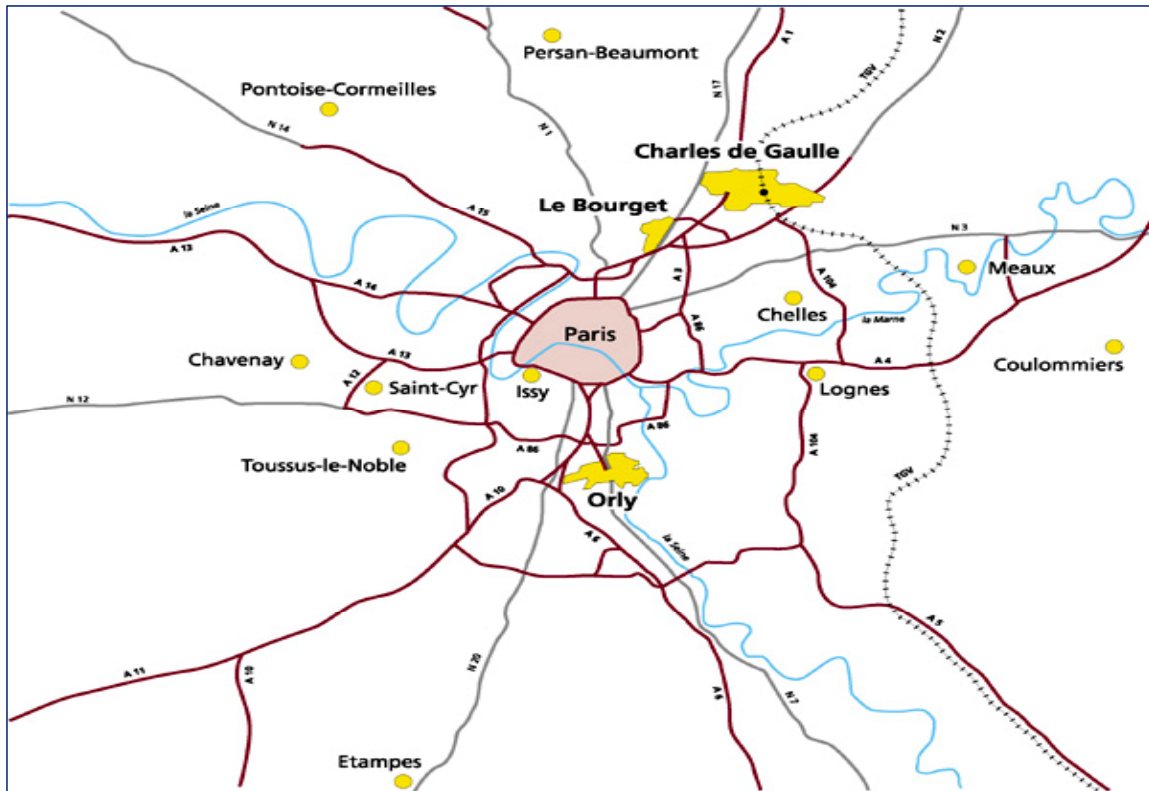
* *Mainly head office expenses*

6.3.2. Airport Services

Aéroports de Paris is Europe's second largest airport group in terms of airport revenues. The Group's airport system is also ranked sixth worldwide based on the number of passengers in 2005, and seventh worldwide for air cargo (including mail). Its three main airports are highly complementary, enabling it to benefit from different sources of traffic:

- The Paris - Charles de Gaulle airport specializes in long-haul routes, including both point-to-point and connecting flights. It is the global hub of the Air France-KLM Group, the European hub of both the SkyTeam alliance and FedEx, and Europe's largest connecting airport based on the number of connections available in less than two hours.
- The Paris-Orly airport, with its close proximity to Paris, specializes in point-to-point traffic serving destinations within France (notably via La Navette, the Air France shuttle), southern Europe, the French overseas territories and North Africa (mainly Morocco, Algeria and Tunisia). It also hosts several low-cost airlines that mainly serve Europe, as well as charter airlines specializing in medium- and long-haul flights to vacation destinations.
- Paris-Le Bourget is the largest business airport in Europe.

The map below shows the location of the airports and airfields owned and managed by Aéroports de Paris.



The key figures for 2005 illustrate the Group's dynamism and unique positioning in the airport market:

- 78.7 million passengers, of which 77.8% are international passengers (including Europe) and 24.6% are connecting passengers.
- Over 736,600 aircraft movements, serving some 550 cities in 134 countries.
- On peak days, 141,000 passengers use the Paris - Charles de Gaulle terminals and 64,000 passengers use the Paris-Orly terminals.
- 2.117 million tons of cargo (including mail).
- Nearly 34,000 m2 of commercial space, bars and restaurants, which generated overall revenues of 256.3 million euros in 2005.
- 10,688 Group employees at December 31, 2005, and over 100,000 employees working for roughly one thousand companies directly involved with the airports. Altogether, over 300,000 jobs in the Ile de France region are directly or indirectly related to Aéroports de Paris activities.

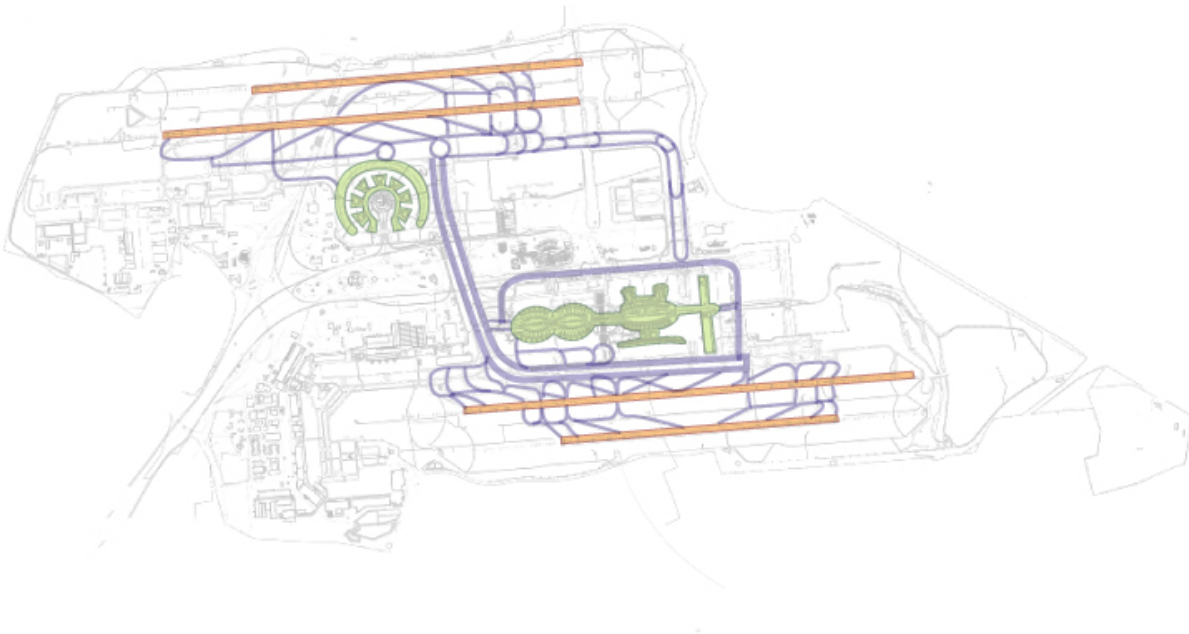
6.3.2.1. Paris - Charles de Gaulle

General description of the Paris - Charles de Gaulle airport

The Paris - Charles de Gaulle airport, located north of Paris on 3,257 hectares of land, has four runways organized in two parallel, independent pairs. The airport has a maximum scheduling capacity of 120 aircraft movements per hour (currently limited by regulation to 108 movements per hour). It has three passenger terminals: CDG 1 (international and Schengen traffic, including most traffic of airlines in the Star Alliance), CDG 2 (international and Schengen traffic, including most traffic of Air France and its partners in the SkyTeam alliance and of members of the OneWorld alliance) and CDG 3 (charter flights and low-cost airlines), as well as six cargo terminals (for a description of cargo activity at Paris - Charles de Gaulle, see 6.3.2.5 “Air Cargo Business”). The three terminals at Paris - Charles de Gaulle have a capacity of 47.1 million passengers.

The Paris - Charles de Gaulle airport also accommodates train/air connections due to the presence of a TGV high-speed train station that serves Brussels via the Thalys line, as well as French regions linked to the TGV network.

The diagram below shows the layout of the Paris - Charles de Gaulle airport.



The Paris - Charles de Gaulle airport handles the full range of commercial long-haul and intercontinental routes available through the Paris airport system managed by Aéroports de Paris, with the exception of those to the French overseas territories and the Caribbean, which are operated out of Paris-Orly (see “– Paris-Orly airport”). This has a considerable impact on the business and identity of the Paris - Charles de Gaulle airport, which is the world’s gateway to France.

Destinations

Altogether, the Paris - Charles de Gaulle airport handled flights to over 516 cities around the world in 2005. Nearly 58% of these cities were served by scheduled flights at least once a week (298 cities); over 39% were served more than five times a week (203 cities); and over 20%, including 67 European cities and 32 international destinations, were served more than 20 times a week (112 cities).

The table below shows the number of cities served in 2005 from the Paris - Charles de Gaulle airport, by weekly frequency and geographical region:

Scheduled service	At least once a week	Over 5 times a week	Over 10 times a week	Over 20 times a week
Domestic (France)	17	14	14	13
Europe	146	95	81	67
Africa	51	31	19	7
North America	19	17	16	13
French overseas territories	5	2	1	0
South America	14	10	8	2
Middle East	22	15	13	3
Asia Pacific	24	19	15	7
TOTAL	298	203	167	112

Type of traffic

Point-to-point traffic accounts for over two-thirds of passenger traffic at Paris - Charles de Gaulle. In addition to this large amount of origin-destination traffic, the airport is ideally located to attract connecting traffic. The French capital's position at the heart of Western Europe's North-South axis places Paris within a two-hour flight of all major western European cities. The airport's geographic location is ideal for attracting feeder traffic from Western Europe's other major population and high-traffic areas to connect with long-haul flights departing from Paris.

Recognizing the enormous potential offered by the airport's exceptional location, Air France decided to transform Paris - Charles de Gaulle – where it has based its operations since the mid 1970s – into a hub for connecting flights. This strategic decision was made in 1995 and was immediately implemented in the Summer of 1996, mainly due to Aéroports de Paris's efforts to adapt the airport's infrastructure and provide the necessary facilities for increasing capacity.

In just a few years' time, Paris - Charles de Gaulle became Air France's global hub and the main European hub for the SkyTeam alliance. Flights operated by Air France and its SkyTeam partners were given priority access to the CDG 2 terminal. CDG 2 is now the highest-performing European hub, in terms of the number of connecting flight options available between medium- and long-haul flights (source: Air France-KLM). On average, the CDG 2 hub handles approximately 800 flights a day, and each week offers 17,900 connections of under two hours. It handles a daily average of 115,000 arriving and departing passengers, including over 23,000 connecting passengers and 35,000 pieces of connecting baggage.

Airlines

The breakdown of traffic by airline shows the growing weight of the three alliances. In 2005, for example, companies affiliated with one of the three major alliances located at the Paris - Charles de Gaulle airport (SkyTeam, Star Alliance and OneWorld) handled 76.9% of all passenger traffic, or nearly 41.4 million passengers. SkyTeam members (AeroMexico, Air France-KLM, Alitalia, CSA Czech Airlines, Delta Airlines, Continental Airlines, Northwest Airlines and Korean Air) alone accounted for 62.5% of total airport traffic, as illustrated in the table below.

	2005 traffic	% of total traffic*
Sky team	33.6	62.5%
Star Alliance	4.7	8.7%
OneWorld	3.1	5.7%
Other airlines	12.4	23.1%

**2005 data, in millions of passengers – Sources: Aéroports de Paris
Traffic at Paris – Charles de Gaulle*

To accommodate these alliances, Aéroports de Paris allocates resources adapted to their respective commercial strategies, giving each group priority access to designated terminals: Star Alliance members (United Airlines, Lufthansa, etc.) are located in the CDG 1 terminal; OneWorld members (British Airways, American Airlines, Cathay Pacific, Qantas, etc.) are in CDG 2A and 2B; and SkyTeam members are grouped in CDG 2C, 2D, 2E and 2F.

The table below shows the ten airlines that handled the greatest number of passengers at the Paris - Charles de Gaulle airport:

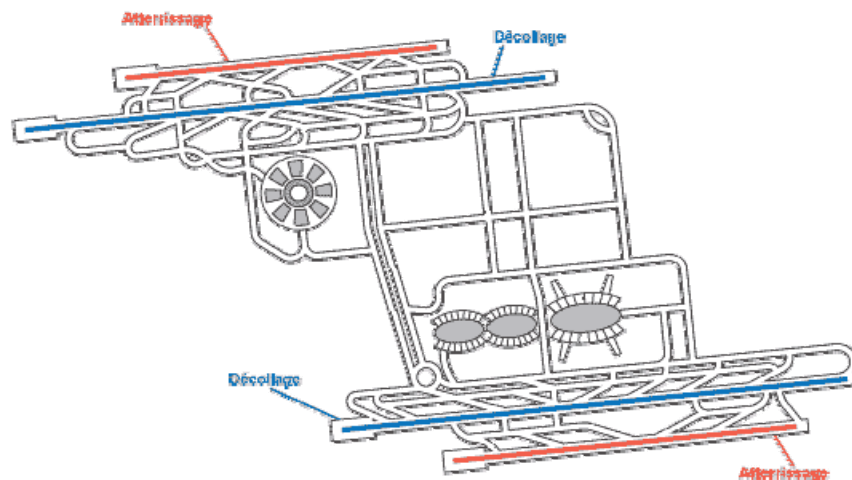
Airline	Passengers	% of total
Air France-KLM	30,557.2	56.8%
Lufthansa	1,258.3	2.3%
British Airways	1,257.9	2.3%
Alitalia	1,067.4	2.0%
easyJet	953.5	1.8%
Delta Airlines	827.6	1.5%
American Airlines	713.2	1.3%
Star Europe	679.3	1.3%
SAS Scandinavian Air	613.8	1.1%
Air Horizons	540.0	1.0%

2005 data, in thousands of passengers

Runways

The Paris - Charles de Gaulle airport has an extremely efficient runway system consisting of two pairs of parallel runways, comparable to those at the Atlanta and Dallas-Fort Worth airports in the United States. The two original runways located to the south and north of the airport were each doubled with parallel runways (in 1998 and 2000).

The physical layout of these parallel runway pairs enables them to be used independently (two airplanes can be on final approach simultaneously). Moreover, for each pair, one runway is specially designated for takeoffs and the other for landings, which reduces the noise pollution caused by air traffic. The functioning of the two pairs of dual runways is illustrated in the diagram below (source: DGAC).



Thanks to this system, the airport can currently schedule 108 aircraft movements (arrivals/departures) per hour, which could be increased to 120 movements by 2010. To absorb traffic, the airport has about 80 parking slots in contact with the terminals and just over 100 open-air parking slots.

Access to the Paris - Charles de Gaulle airport

The Paris - Charles de Gaulle airport is served by a road and railway network that provides easy access for passengers, cargo transporters and airport personnel. Among airport systems, it is a leader in terms of transport intermodality. The main access routes are described below:

- The A1 motorway (the North motorway), which links Paris and Brussels. For passengers coming from Paris, the A1 starts from the Paris ring road and is joined by the A3 (eastern Paris), A86 and A104 (the Francilienne). Currently, the A1 and A3 motorways are the main access routes to the airport.
- The A104 motorway, accessible from the east of the airport via highway RN2, provides secondary access to the airport. It will become the main direct access from the east once the eastern section of the Francilienne is completed in 2011.
- The TGV high-speed train station, located inside the CDG 2 terminal. In 2005, 2.3 million passengers used this station, which links the airport to the world's densest high-speed train network, with over 60 daily connections to Brussels and the French provinces (Lyon, Lille, Marseille and Rennes).
- Two RER commuter line stations, located in CDG 1 and CDG 2, place the airport within 30 minutes of central Paris.

- A major bus station, located at the RER station in CDG 1, provides public transportation to the airport's neighboring areas. Additionally, each terminal has an area that has been specifically designed so that passengers can rapidly board motor coaches and shuttle buses serving a wide range of destinations.
- The entire airport facility is served by 220 kilometers of roads operated by Aéroports de Paris.

The Paris - Charles de Gaulle airport has about 28,000 parking spaces. Of this total, nearly 19,400 parking spaces are available for passengers and the public: 15,400 spaces are in parking lots connected directly to the terminals, while 4,000 reduced-rate parking spaces are located in remote lots served by shuttle buses. About 6,000 parking spaces are reserved for airport employees. The remainder is used by professionals operating airport services (car rental agencies, taxis, charter and shuttle buses).

In 2005, 26.1% of passengers departing from the Ile de France region arrived at Paris - Charles de Gaulle by car (including rental cars), 33.5% by taxi and 40.4% by public transportation (train, bus). 46% of all passengers said they were traveling to or from the center of Paris.

To facilitate travel between central Paris and the Paris - Charles de Gaulle airport, Aéroports de Paris joined with the French national railroad companies SNCF and "Réseau Ferré de France" to create a project called CDG Express, forming a consortium – the CDG Express GIE – to oversee its development. The project entails building a 32-km rapid rail line to link the Paris-Est train station with the CDG 2 TGV station in 20 minutes. The year-round service would have extended hours, with a train running every 15 minutes, and offer a high level of operating reliability and passenger comfort. The final route of the future airport link was decided following a public hearing in 2004, under the auspices of the national public hearing commission, at which the "Virgule" solution was adopted, which makes maximum use of existing rail lines and minimizes the need to dig tunnels. On October 14, 2005, the interministerial committee on territorial development and competition named the CDG Express project a top priority, stipulating that it should be built in accordance with a public service contract awarded by the French government. Article 22 of the Law 2006-10 of January 5, 2006, relating to transport safety and development, established the necessary legal framework to carry out this project under the supervision of the French State. Consequently, the CDG Express GIE is currently being dissolved and the studies conducted to date will be transferred to the future concession holder. CDG Express is scheduled to begin service in 2012.

Strategy of the Paris - Charles de Gaulle Airport

The Group plans to reinforce the Paris - Charles de Gaulle airport's currently strong position in international long-haul traffic and to take advantage of the sustained growth in this segment in the years ahead. Relying on the natural attractiveness of the Ile de France region and the quality of its airport infrastructure, Aéroports de Paris plans to strengthen Paris - Charles de Gaulle's role as an intermodal (air, rail, road) transport airport and consolidate its position as a connecting hub. The Group has set the following strategic goals:

- Increase the airport's passenger handling capacity through the construction of new infrastructure (satellites S3 and then S4, and the CDG 2G regional terminal), the renovation of existing terminals, and the optimization of infrastructure use;
- Introduce more efficient operational guidance through the use of tools such as aviation certification, the development of cooperative operational guidance between Aéroports de Paris, the air navigation services provider and the airlines, and the strengthening of passenger and cargo flow monitoring;
- Develop transport intermodality by taking better advantage of the complementary nature of the TGV high-speed train network and by improving connections between the CDG 1 and CDG 2 terminals;
- Improve the quality of customer service at the Paris - Charles de Gaulle airport, notably through the introduction of quality commitments, additional new services, technological innovation, greater attention to the needs of connecting passengers, better amenities for passengers requiring assistance, and a significant increase in the number of aircraft slots in contact with the terminal with jetways; and
- Implement a competitive commercial policy, notably through more dynamic retail areas within the airport, more efficient car park use, a fee policy more in keeping with the needs of professional customers, and a cost-savings program (security, energy consumption, etc.).

Investment Program for the Paris - Charles de Gaulle Airport

Because of the quality of its aviation infrastructure, Aéroports de Paris believes it does not need to make major investments in terms of aircraft technical areas and runways. To keep pace with the future growth of air traffic, however, Aéroports de Paris will launch an ambitious investment program at Paris - Charles de Gaulle to increase the passenger handling capacity of terminals and the quality of its amenities. Currently, the passenger traffic infrastructure at the Paris - Charles de Gaulle hub is saturated, mainly due to the temporary closure of the boarding area in the CDG 2E terminal and to renovation work in CDG 1, which is scheduled to continue into 2008. As a result, Aéroports de Paris has had to transfer airlines operating out of the closed sections to other terminals, and to introduce a number of temporary adjustments (internationalization of the CDG 2B terminal to handle medium-haul flights originally planned for CDG 2E; creation of additional boarding gates at CDG 2D to accommodate Schengen traffic, part of which was previously handled at CDG 2B; etc.).

Several investment programs will contribute directly to the completion of the CDG 2 hub, including:

- Completion of the S3 satellite located to the east of the CDG 2E and 2F terminals, which will improve the performance of the CDG 2 hub by adding additional capacity (8.5 million passengers) and increasing the number of aircraft slots in contact with the terminal (more than 20 slots). The S3 satellite will be able to simultaneously accommodate several Airbus A380 super-jumbo jets. With the project's completion scheduled for between June and October 2007, Aéroports de Paris has planned to invest about 198 million euros in 2006

(before taking into account any cost overruns that might be incurred from construction delays on the roof structure). The 2006-2010 investment budget for this project is about 333.9 million euros, and covers the LISA transport system, an automated subway that will link CDG 2E to the future S3 satellite.

- The completion of the first phase of the TBE baggage handling system, a fully automated system that integrates screening for 100% of checked baggage, is planned for the second half of 2006. Aéroports de Paris will invest 25 million euros in TBE in 2006 and a total of 131.8 million euros over the period 2006-2010. This integrated baggage-handling system will automatically handle all baggage at the CDG 2E and 2F terminals and the S3 satellite.
- Preliminary studies for the S4 satellite, a complement to the S3 satellite for the Paris - Charles de Gaulle hub that will be linked to CDG 2E by an extension of the LISA automated metro line. Once it opens in 2012, the S4 satellite should accommodate about 7.2 million passengers a year.

Aéroports de Paris will also make other significant investments in the Paris - Charles de Gaulle airport in 2006, including:

- Completion of the first line of CDGVal (started in 2002), the future automated metro link between CDG 1 and CDG 2. This project, scheduled for completion by the end of 2006, will enhance the development and accessibility of business areas within the Paris - Charles de Gaulle airport and reinforce their interconnections with SNCF train stations. Investment in the CDGVal for the 2006-2007 period is budgeted at 42.4 million euros.
- Reconstruction of the CDG 2E boarding area following the collapse of a roof section on May 23, 2004. Work should be completed by the first quarter of 2008, for a total investment in 2006-2010 of about 124.5 million euros, including 27.3 million euros in 2006. Once this boarding area is reopened, Aéroports de Paris will be able to resume service at 14 gates with aircraft in contact with the terminal and accommodate an additional 7.5 million passengers per year. To address the shortage of parking slots for jumbo jets in the meantime, three slots will be created at an area situated near the future S4 satellite.
- Commencement of construction of the CDG T2G regional terminal, which is designed to serve passengers traveling on 50 to 100 seat aircraft within the Schengen region. Scheduled for completion in the first half of 2008, this terminal will have a nominal capacity of 3 million passengers a year. Total investment in the terminal and related infrastructure is estimated at 80.1 million euros, including 6.7 million euros in 2006.
- Ongoing renovation work at CDG 1, which began in 2004, for a total investment estimated at 175.3 million euros in 2006-2010. Renovation work will be divided into four phases, during which terminal capacity will be reduced by a quarter (2.5 million passengers). The first newly renovated quarter of the terminal reopened in December 2005. Aéroports de Paris plans to invest 41.5 million euros in this renovation project in 2006, which is scheduled to be completely finished by fourth-quarter 2008.

- Investments to accommodate the Airbus A380. With the S3 satellite and special gates at the CDG 1 (2 gates) and CDG 2A, 2C and 2E terminals, the Paris - Charles de Gaulle airport will have 11 A380-compatible terminal-side gates by 2008, a capacity which is comparable to that of its main competitors.
- Construction of 6,000 new parking spaces for automobiles between 2008 and 2010.

Upon completion of all these projects, the capacity of the Paris – Charles de Gaulle airport will have increased from 47.1 million passengers to 66.5 million passengers in 2010.

The table below summarizes the investment projects at the Paris - Charles de Gaulle airport for the period 2006-2010, based on the table in the appendix of the CRE.

(2006 euros, in millions)	2006	2007	2008	2009	2010	2006 - 2010
Capacity investment, including:	343.8	308.1	137.4	139.4	178.1	1,106.8
CDG Val	30.9	11.5	--	--	--	42.4
1st phase of CDG 2E terminal (building, parking, aircraft parking areas)	7.1	4.3	0.7	--	--	12.1
Reconstruction of the CDG 2E boarding area	27.3	78.0	19.2	--	--	124.5
TBE baggage-handling system	25.0	13.8	--	--	--	38.8
S3 satellite project (including LISA; excluding baggage-handling system)	197.7	112.5	23.3	0.2	--	333.7
Extension of TBE baggage-handling system to S3 satellite	--	--	28.0	28.0	35.0	93.0
S4 satellite	4.0	4.3	3.3	59.0	71.0	141.6
CDG 2G terminal (building, aircraft parking areas)	6.7	49.7	23.7	--	--	80.1
Eastern access to the Paris - Charles de Gaulle airport	7.5	0.8	--	2.9	12.9	24.1
Construction of a PX parking deck	--	--	6.0	29.4	40.7	76.1
Access 26 – E4 taxiway	8.0	13.7	7.6	--	--	29.3
AGEN aircraft parking areas	--	--	5.0	11.0	5.0	21.0
Renovation investment, including:	41.5	40.5	36.0	36.0	21.3	175.3
Renovation of CDG 1 (excluding major renovation work on satellites)	41.5	40.5	36.0	17.6	2.9	138.5
Renovation of CDG 1 satellites	--	--	--	18.4	18.4	36.8
Current investments	77.4	70.0	78.1	69.5	54.1	349.1
TOTAL	462.6	418.6	251.6	244.9	253.5	1,631.2

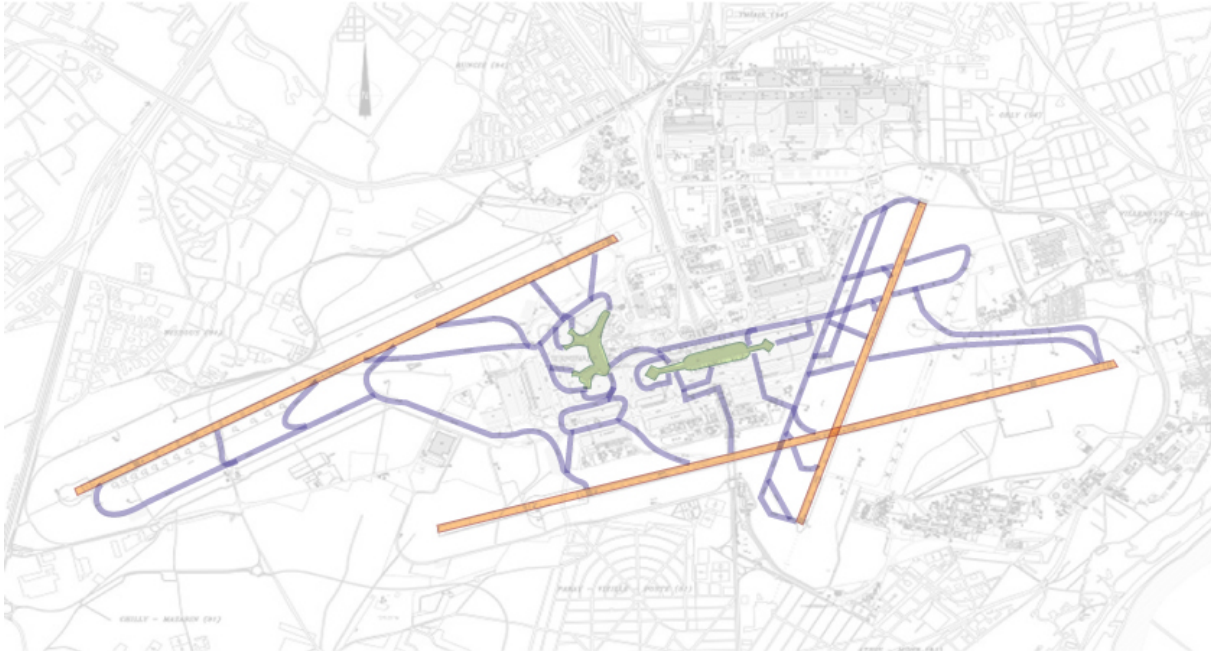
6.3.2.2. Paris-Orly

General Description of the Paris-Orly Airport

Located south of Paris, 16 kilometers from the center of the city, the Paris-Orly airport serves destinations in Europe, North Africa (mainly Morocco, Tunisia and Algeria) and the French overseas territories, and offers connecting flights to domestic destinations. The airport is highly valued by most passengers for its close proximity to Paris, easy access and simplicity. With 24.9

million passengers and about 223,000 aircraft movements in 2005, it is France's second largest airport and the tenth largest in Europe (source: Airports Council International).

The diagram below shows the layout of the Paris-Orly airport.



The Paris-Orly airport, which generates 26,000 direct jobs, plays an essential role in one of the Ile de France region's major economic zones, comprising the Rungis wholesale food market, the SOGARIS road transport station, the Silic business parks (Silic, a listed company that leases office space in the Ile de France region, is a major player in business parks), and the Belle-Epine shopping mall.

The Paris-Orly airport has a maximum possible capacity of 30 million passengers a year, with the Orly Ouest and Orly Sud terminals able to accommodate up to 18 and 12 million passengers a year, respectively. The airport has 102 aircraft parking areas, including 49 slots in contact with the terminal served by about 60 jetways.

For the airlines and air cargo transporters, the main advantages of the Paris-Orly airport are moderate usage costs (due mainly to the particularly short taxi distances for an airport of this size) and fluid runway traffic, which ensures high operational consistency. Taxi time between the terminal and the runways generally averages six minutes – one of the lowest taxi times in the world for an airport of this size.

At December 31, 2005, the Paris-Orly airport authority had 1,550 employees.

Destinations

In total, the Paris-Orly airport handled flights to over 309 cities in 2005, up from 294 in 2004. Nearly 46% of these destinations, or 143 cities around the world, were served by scheduled flights at least once a week. Over 30%, or 95 cities, were served more than five times a week.

In the international segment, Africa, mainly North Africa, accounts for the greatest number of destinations served at least once a week.

Type of traffic

Nearly all of the traffic at the Paris-Orly airport is point-to-point. The Orly Ouest terminal is host to *La Navette*, Air France's domestic air shuttle service, as well as most domestic flights and certain European airlines (Iberia, TAP Air Portugal). At the Orly Sud terminal, low-cost carriers operate flights mainly to Europe, while other airlines serve numerous destinations – notably North Africa, the French overseas territories and the Caribbean.

Airlines

The table below shows the ten airlines that handled the greatest number of passengers at the Paris-Orly airport:

Airline	Passengers	% of total
Air France and partners	13,850.0	55.7%
easyJet	1,868.2	7.5%
Corsair	1,837.9	7.4%
Iberia	1,307.3	5.3%
Royal Air Maroc	749.2	3.0%
Tap Air Portugal	669.2	2.7%
Aigle Azur	596.1	2.4%
Air Algérie	575.1	2.3%
Tunis Air	533.4	2.1%
Air Europa/Air Espana	521.7	2.1%

2005 data, in thousands of passengers

The top ten airlines were responsible for about 90% of the 24.9 million passengers at the Paris-Orly airport in 2005. Air France and its partners accounted for over 55.7% of airport traffic in 2005, with a total of 13.8 million passengers. Brit Air and CCM operate their French flights under Air France flight numbers or code sharing.

Over the same period, low-cost carriers accounted for about 2.9 million passengers, or nearly 11.9% of total airport traffic (with easyJet alone handling 1.87 million passengers).

Corsair – a regular, predominantly tourist-oriented airline owned by the German TUI group – has made the Paris-Orly airport its primary base. It operates regular medium- and long-haul routes to the French overseas territories and to international destinations, mainly employing a fleet of Boeing B747-400 and Airbus A330-200 jumbo jets. Corsair also operates charter flights.

Runways

The Paris-Orly airport occupies 1,540 hectares and has three runways. The two main runways are oriented East-West and are equipped for landings in all weather; depending on wind direction, they are dedicated either to take-offs or landings. Their dimensions are, respectively, 3,300 x 45 meters for the southern runway (runway 3), and 3,600 x 45 meters for the northern runway (runway 4). The third runway (runway 2) is 2,400 meters long and is oriented North-South. It is used during strong crosswinds or when one of the main runways is unavailable. The maximum runway capacity at the Paris-Orly airport is 76 movements (take-offs or landings) per hour.

Regulatory constraints

Traffic at the Paris-Orly airport is subject to two regulatory constraints. An October 6, 1994 order of the Ministry of Infrastructure, Transport and Tourism limits the Paris-Orly airport to 250,000 aircraft movements (take-off/landing) per year. Moreover, since 1968 the airport has had to observe a daily curfew between 11:30 pm and 6 am.

In 1996, after two years of robust growth, the Paris-Orly airport reached the 1994 ceiling placed on aircraft movements. Thereafter, annual traffic leveled off at about 240,000 aircraft movements a year until 2000. The number of time slots actually used subsequently declined, with the lowest level in 2003 at 203,000 movements when certain airlines based at Paris-Orly encountered major difficulties. In 2004 and 2005, the number of aircraft movements recovered to 219,000 and 223,000, respectively.

Access to the Paris-Orly airport

The Paris-Orly airport is located at the junction of the A6 and A10 motorways, just 10 minutes from the Paris ring road. The airport is also served by an RER rapid transit line that links with Orlyval, a dedicated automated rail line.

The Paris-Orly airport has just under 20,000 parking spaces. Of these, approximately 15,000 are open to passengers and the public, including 10,000 parking spaces with direct connection to the terminals and 5,000 reduced-rate parking spaces served by the airport shuttle bus.

Approximately 3,800 parking spaces are reserved for airport personnel, while almost 1,200 parking spaces are reserved for car rental agencies.

In 2005, airport car parks generated revenues of 49,0 million euros, including 4.3 million euros from long-term subscriptions, up 6.8% from the previous year. Aéroports de Paris attributes the strong business of its car parks to the dynamic management of passenger parking offers (weekend and long-term flat-rate fees) and a moderate increase in parking fees, up about 3% in 2005.

Each terminal also has its own bus station, providing regular bus service to Paris (Air France buses or the Orlybus service of the RATP rapid transit authority) and neighboring urban areas.

Strategy of the Paris-Orly airport

The strategy of the Paris-Orly airport is to take advantage of its strengths – foremost being its close proximity to Paris, its ease-of-use for passengers, and its operating efficiency and low costs for airlines – in such a way as to maximize revenues within the regulatory restriction of 250,000 aircraft movements authorized annually. In applying this strategy, Aéroports de Paris has the following two goals:

- Maintain growth in the number of passengers to allow the Paris-Orly airport to benefit from strong financial leverage, since operating costs are mostly independent of traffic. Given the limitation on the number of aircraft movements at the airport, this goal can be reached by increasing the average passenger carrying capacity per flight; and
- Significantly develop commercial revenues generated by the Orly Sud and Orly Ouest terminals, in particular by renovating their retail areas.

Several programs have been launched to implement the Group's strategy for the Paris-Orly airport:

- To continuously adapt the facilities at the Paris-Orly airport so as to maintain its appeal as an easy-to-use airport for both passengers and airlines, economical and well adapted for point-to-point flights – and to reinforce this image in the public's eye;
- To enrich its line of passenger services, notably in terms of parking and retail services, by pursuing major renovation projects and expanding retail areas;
- To lend a relatively upmarket profile to the airport's accommodation of low-cost airlines, in keeping with the quality of its airport facilities (runway equipment, boarding bridges) and its intrinsic strengths (close proximity to Paris, broad range of services); and
- To develop a proactive approach to airlines whose commercial positioning is best adapted to these targets.

Investment Program for the Paris-Orly Airport

The Aéroports de Paris group plans to reinforce the attractiveness of the Paris-Orly airport by modernizing its facilities. Having invested over 39,6 million euros in this modernization in 2005, Aéroports de Paris plans to invest another 210 million euros between 2006 and 2010 (including 70,6 million euros in 2006) to adapt its current infrastructure to meet the needs of the expected increase in air traffic.

Within this framework, one major modernization program has already been completed: renovation of Hall 2 of the Orly Ouest terminal. This project, which ran from March 2005 to April 2006 at a cost of nearly 18.3 million euros, will improve the quality of service and operating conditions for *La Navette*, Air France's shuttle service serving four destinations (about 6 million passengers a year). It will also boost rental revenues while reducing security costs. Another project still underway is the modernization of car parks – which has already seen the renovation of 1,500 parking spaces at the Orly Sud P1 lot between 2003 and 2005, for a total

investment of 7.1 million euros. This program will continue with the gradual renovation of 3,540 of the 5,400 parking spaces at the Orly Ouest P0 lot between 2006 and 2009.

Two other large-scale modernization projects are also planned for the Paris-Orly airport. The first concerns the reinforcement of runway 4 and its taxiways in April and May 2006 to accommodate the new Boeing B777-300 ER jumbo jet, for an estimated cost of 30 million euros. These aircraft, which will begin serving routes to the French overseas territories starting in June 2006, tend to have a more aggressive impact on runway surfaces. Nonetheless, the switchover to these modern aircraft to replace the aging Boeing B747 will help reduce air and noise pollution in the airport vicinity.

The second renovation project launched in late 2005 involves the renovation of international traffic flows (departures and arrivals) at Orly Sud, with the gradual opening of new facilities scheduled between mid 2007 and April 2008. This project, estimated at 25,5 million euros for the period 2006-2008, will completely separate arriving international traffic from departing international traffic, to create a single, undivided international boarding area. A major retail area will be developed in this zone, which should reach 2,000 m², up from 830 m² today. The project also includes the extension of the baggage claim area, with the installation of two baggage carousels designed to handle jumbo jet passenger loads. This project aims to improve the quality of service for 6 million passengers while increasing commercial revenues, combining a gain in passenger handling capacity of about 10% with a reduction in security costs.

The table below summarizes the investment projects at the Paris-Orly airport for the period 2006-2010, based on the table in the appendix of the CRE.

<i>(2006 euros, in millions)</i>	2006	2007	2008	2009	2010	2006 - 2010
Capacity investment, including:	30.0	--	8.0	7.0	--	45.0
Adjustments for the B777 and new aircrafts	30.0	--	8.0	7.0	--	45.0
Renovation investment, including:	12.4	14.3	5.5	--	--	32.2
Hall 2 in the Orly Ouest terminal	6.7	--	--	--	--	6.7
International traffic flows at Orly Sud	5.7	14.3	5.5	--	--	25.5
Current investments, including:	28.2	29.1	27.1	24.7	23.7	132.8
Renovation of the Orly P0 parking lot	5.0	5.4	5.3	1.4	--	17.1
TOTAL	70.6	43.4	40.6	31.7	23.7	210.0

6.3.2.3. Paris - Le Bourget

General description

Located 7 kilometers north of Paris and occupying 553 hectares, the Paris-Le Bourget airport is devoted mainly to business aviation. The airport has three runways – a primary 3,000 meter runway oriented northeast/southwest; a secondary 2,665-meter runway oriented north/south; and a third 1,845-meter runway oriented east/west, parallel to the Paris - Charles de Gaulle runways – and aircraft parking areas that enable it to handle almost any type of aircraft. The Paris-Le Bourget airport is also a major center for the aeronautics industry: over 100 aircraft maintenance, equipment and development companies and airport service providers are housed in roughly 30 buildings, including seven hangars. At December 31, 2005, the Paris-Le Bourget airport authority had 159 employees.

The graph below shows the layout of the Paris – Le Bourget airport.



Business aviation is a professional tool used by companies as well as individuals in three complementary forms:

- Commercial business aviation: independent transport companies provide on-demand “air-taxi” service, supplying aircraft and crew for the duration of the flight. The cost of the flight depends on the type of aircraft and the amount of flight time;
- Time-share aviation: a company buys a share in an executive jet, corresponding to a certain amount of annual flight time; and

- Corporate aviation: the company owns its own fleet of aircraft and employs its own crew, to serve its own exclusive needs.

With over 59,000 aircraft and helicopter movements in 2005, the Paris-Le Bourget airport is the leader in business aviation in Europe (source: Roland Berger).

The Paris-Le Bourget airport's reputation is reinforced by its proximity to the Paris-Le Bourget Exhibition Center, the third largest in the Ile de France region. With 37 hectares of outdoor facilities and five exhibition halls offering a surface area of 80,000 m², Le Bourget is designed to host big trade shows, such as the biennial International Air and Space Show (SIAE). In preparation for the 46th SIAE Air Show in June 2005, Aéroports de Paris launched some major projects: runways were modified to accommodate a demonstration of the new Airbus A380, and hangars were renovated. As host to the first public presentation of the A380, the 2005 edition of the Paris-Le Bourget Air Show enjoyed record levels of attendance.

Moreover, the airport site offers numerous expansion possibilities for aviation companies, thanks to ample land reserves: 41 hectares are immediately available for industrial and air transport activities. The Paris-Le Bourget airport is a major site for the Group's real estate activity: in 2005, Le Bourget's real-estate revenues surpassed revenues from other activities (15.8 million euros in 2005 out of total revenues of 19.4 million euros). A major share of the real estate revenues of the Paris-Le Bourget airport is closely linked to business aviation.

For business travelers, the Paris-Le Bourget airport offers several advantages:

- Rapidity, thanks to the optimization of transfer procedures between aircraft and ground transportation;
- Proximity to Paris and the decision-making centers of La Defense, Cergy-Pontoise and the Paris - Charles de Gaulle airport;
- Discretion and confidentiality for travel;
- The possibility of landing at the airport at any hour (within certain limits as described below) and of reaching destinations not served by conventional commercial airlines (over 700 destinations logged in 2004);
- The quality of ground services and the possibility of holding meetings at the airport itself.

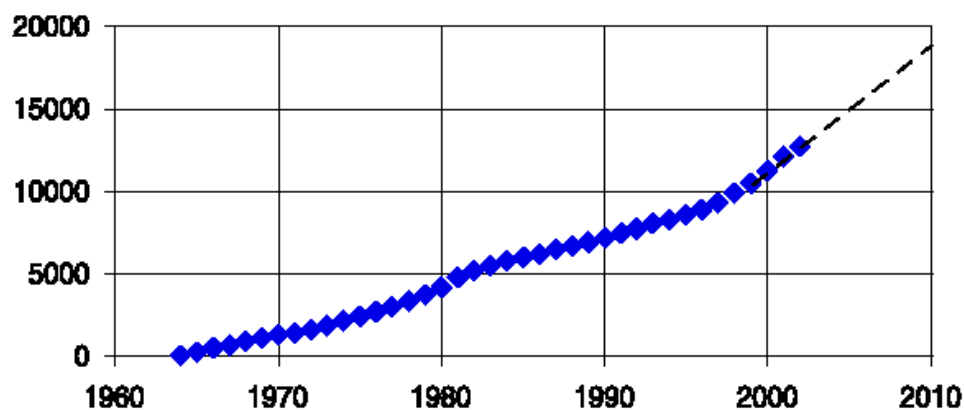
The Paris-Le Bourget airport is increasingly subject to environmental restrictions, particularly in terms of noise pollution. Anti-noise measures have already been introduced and especially affect night operations, with the following conditions in force between 10:15 pm and 6 am: jet aircraft may not take-off, reverse thrust is not allowed, and the secondary runway cannot be used by aircraft exceeding 5.7 tons (without special permission).

The Business Aviation Market

Business aviation emerged in the United States before the First World War and has enjoyed a boom since the 1960s, as major corporations have become more sensitive to the advantages offered by this means of transportation.

There are over 23,000 business planes in the world, including roughly 13,000 jets and 10,000 turboprop aircraft. According to the engine manufacturer Rolls-Royce, the number of business planes delivered should reach 15,400 units within 20 years. The number of deliveries should grow 32 % between 2005 and 2014 and 9% between 2015 and 2024. Nevertheless, with about 2,400 aircraft, Europe accounts for only about 10% of this market, far behind the United States' 70% market share. According to the Paris Chamber of Commerce and Industry, Europe's share is expected to grow in the future, mainly due to the expansion of the European Union to 25 members and increased restrictions on regular air transportation, especially in terms of security.

The table below shows the growth in business aviation since the 1960s and Gulfstream's forecast of traffic growth until the 2010s.



In France, despite the confidentiality surrounding users of this means of transportation, numerous companies are occasional or regular customers of business aviation. With 424 registered executive jets, France now ranks second in Europe behind Germany (433 aircraft), but ahead of the UK (296 aircraft) (source: Dassault Aviation, 2003).

Traffic at the Paris - Le Bourget Airport

Since the decision was made to specialize in business aviation in 1981, passenger traffic at Paris-Le Bourget has declined by an average of 6% a year, due to the cessation of regular commercial traffic. Since 1998, the airport has enjoyed slow but steady growth in the number of passengers and in the number of aircraft movements (source: Paris Chamber of Commerce and Industry). In 2005, the airport handled 120,000 passengers. The number of aircraft movements (take-off and landings) increased to 59,152 in 2005, up 1.4% from the previous year (source: flight plans filed with the Civil Aviation Department).

Flights originating from the Paris-Le Bourget airport serve a very large number of cities: flights have departed the Paris – Le Bourget airport for 181 destinations in continental France, 234 European cities and 272 cities outside of Europe.

Competition

With 59,152 aircraft and helicopter movements in 2005, the Paris-Le Bourget airport is the leader in business aviation in Europe. Its main peers are the Farnborough and Luton airports near London (with approximately 18,000 and 15,000 aircraft movements per year, respectively), the Geneva airport (with approximately 12,000 business aircraft movements per year) and the Cannes-Mandelieu airport (with approximately 9,000 aircraft movements per year) (source: Roland Berger). Paris-Le Bourget's reputation has attracted the leading names in business aviation, including Signature, Flying Group, Netjets, Universal and Dassault Falcon Services, and prompted the big manufacturers – Dassault Falcon, Cessna Aircrafts, Embraer and Eurocopter – to establish operations in the airport's business zone. The presence of these leading industry players and the airport's close proximity to Paris are strong competitive advantages that Aéroports de Paris believes will sustain its competitive lead in the future.

Strategy and Investment Program of the Paris - Le Bourget Airport

At the Paris-Le Bourget airport, the Group's strategy is to develop prestigious services geared toward decision makers and corporate travelers, which should enable it to absorb the strong growth in business traffic and stimulate local economic activity. The business aviation market offers major growth opportunities through the emergence of new products and services (such as time-sharing options, subscriptions, micro-jets), the economic development of eastern European countries (which are poorly served by commercial airlines), and the increasing performance capabilities of executive jets.

The Group has invested nearly 3.8 million euros in building the airport's first business terminal, to be inaugurated in May 2006. This strategic development will also be made possible by the creation of premium office property on the site of old buildings, and by the development of a business park complete with food services, hotels, retail stores and a business center.

The table below summarizes the investment projects at the Paris-Le Bourget airport for the period 2006-2010, based on the table in the appendix of the CRE.

<i>(2006 euros, in millions)</i>	2006	2007	2008	2009	2010	2006 - 2010
Capacity investment	3.5	3.0	3.0	3.0	3.0	15.5
Renovation investment	--	--	--	--	--	--
Current investment	5.3	5.6	4.9	4.9	4.9	25.6
Total	8.7	8.6	8.0	8.0	8.0	41.2

6.3.2.4. General Aviation Airfields and Heliports

Aéroports de Paris manages ten civil airfields for general aviation purposes located in the Ile de France region, on behalf of neighboring companies. The airfields are briefly described below:

- Meaux-Esbly, located in Seine-et-Marne (French *département* number 77), has four runways and six Aéroports de Paris hangars on 103 hectares of land.
- Pontoise-Cormeilles-en-Vexin, located in Val d'Oise (95), has two runways and four Aéroports de Paris hangars on 237 hectares of land.
- Toussus-le-Noble, located in Yvelines (78), has two runways and 12 Aéroports de Paris hangars on 167 hectares of land.
- Chavenay-Villepreux, located in Yvelines (78), has two runways and two Aéroports de Paris hangars on 48 hectares of land.
- Chelles-le-Pin, located in Seine-et-Marne (77), has two runways and two Aéroports de Paris hangars on 31 hectares of land.
- Coulommiers-Voisins, located in Seine-et-Marne (77), has four runways and four Aéroports de Paris hangars on 300 hectares of land.
- Etampes-Mondésir, located in Essonne (91), has two runways and three Aéroports de Paris hangars on 113 hectares of land.
- Lognes-Emerainville, located in Seine-et-Marne (77), has two runways and two Aéroports de Paris hangars on 87 hectares of land.
- Persan-Beaumont, located in Val d'Oise (95), has four runways and two Aéroports de Paris hangars on 139 hectares of land.
- Saint-Cyr-l'Ecole, located in Yvelines (78), has two runways on 75 hectares.

Aéroports de Paris also manages the Issy-les-Moulineaux heliport. Located on 7 hectares with four Aéroports de Paris hangars, this heliport serves 17 companies and handles about 11,300 helicopter movements a year.

In 2005, the eleven light aviation airfields described above reported traffic of 669,860 light aircraft (643,370 in 2004 and 640,630 in 2003). For the most part, this traffic consisted of general aviation, flight schools and training programs (no regular commercial flights leave from these airfields).

The airfields in Meaux-Esbly, Pontoise-Cormeilles en Vexin, Toussus-Le-Noble, and Lognes-Emerainville are also open to business aviation (though solely on demand at the Meaux-Esbly and Lognes-Emerainville airfields).

6.3.2.5. *Air Cargo Businesses*

The cargo business involves the transport of goods by airplane or by truck. According to a DGAC study published in October 2005, air cargo represents only 0.16% by volume of French international trade, putting it far behind road, rail and water-borne cargo. However, air cargo represents a high value business, with goods worth nearly 100 billion euros transported per year,

14% by value of French trade, compared to 3% for rail, 26% for water-borne and 47% for road. By way of illustration, the average value of a kilogram of goods transported by air is around 114 euros for imports and 122 euros for exports, whereas the national average for a kilogram of transported goods, taken across all goods, is 1.15 euros for imports and 1.9 euros for exports.

Air cargo is a significant business line for Aéroports de Paris, which was the European leader in the sector in 2005. Aéroports de Paris estimates that its revenues relating to this business were almost 80 million euros in 2005, with about half from the lease of buildings, land and parking spaces for planes belonging to cargo companies, and the other half from landing fees from cargo-only flights and the estimated share of landing fees relating to cargo carried in the hold of passenger flights (mixed flights). In addition, cargo is a highly complementary business to passenger transport. For Aéroports de Paris, it allows for the better use of airport infrastructure throughout the day, as cargo companies do not have the same scheduling constraints as passenger companies. For airlines, cargo represents an additional source of income, and carrying cargo can be a significant factor in the profitability of their passenger lines. For mixed cargo-passenger airlines, cargo can account for between 10% and 15% of revenues.

Cargo is transported both on all-cargo flights and on mixed flights, where cargo is carried in the hold of passenger aircraft. All-cargo flights are limited to a few high-traffic routes, where the capacity available on passenger flights is insufficient (*e.g.* Paris-New York and Paris-Chicago), or to destinations where passenger traffic rights are limited by quotas (as in Asia). For other routes, where the volumes of cargo are insufficient to justify all-cargo flights, or which for practical reasons need to have cargo transported frequently, cargo is carried in the holds of passenger flights. An estimated half of air cargo is carried on passenger flights.

Because of this use of both all-cargo and mixed flights, airlines use the same airports for both cargo and passenger lines. It is essential that cargo in transit be moved quickly from the hold of a mixed flight to that of an all-cargo flight and vice versa. In addition, critical mass is a very important factor in this business, as all-cargo flights, which play a very important role in intercontinental cargo delivery, are possible only when consignments can be grouped together.

These features of the market have been contributory factors to Aéroports de Paris' leading position in this market, as Paris offers air cargo companies both the frequency of flights and the number of destinations that are essential to the swift and reliable routing of goods. According to the DGAC report cited above, Aéroports de Paris, mostly through the Paris - Charles de Gaulle airport, handles 87% of air cargo passing through French airports.

The cargo business has seen rapid growth in recent years. Air cargo volumes processed at the two principal Aéroports de Paris airports reached 2.1 million tons in 2005, including mail, a 6.3% increase from 2004. Air cargo other than mail accounts for 80% of total volumes handled, or approximately 1.86 million tons in 2005.

Cargo other than mail has seen strong growth since 2003, with an average annual increase of 8.2% (6.9% from 2004 to 2005). The geographical breakdown of the distribution of goods (excluding mail) in 2005 showed the Asia-Pacific region with a 28.1% share, North America with 26.2% and Europe with 8.5%. Domestic cargo accounted for 4.5% of the total.

On average, mail has grown annually by 3.4% since 2003, with a total of 0.26 tons carried in 2005 (1.7% growth from 2004 to 2005). Of this, 60% was domestic mail, 6% mail to other European countries and the remainder to destinations outside Europe.

The Group's cargo business (including mail), and thus the growth in this business, is concentrated at the Paris - Charles de Gaulle airport, which handled 2 million tons of cargo in 2005, or 94.9% of the total. The cargo operations at Paris - Charles de Gaulle (including parking spaces for aircraft used solely for cargo) occupy a total of about 300 hectares, split into two main zones:

- The southwestern zone houses cargo activities for Air France-KLM, the world's second largest international cargo carrier, which has located its main cargo terminal there (G1XL, with a capacity of more than 1 million tons per year). Aéroports de Paris operates three general cargo terminals in this area.
- The zone also houses one of Europe's most efficient postal hubs, the Chronopost and La Poste operations center, which occupies a 17-hectare site. With approximately twenty plane-docking points, this facility can handle an annual volume of 130,000 tons. It is also the site of the 6-hectare international mail-sorting facility operated by La Poste.
- Lastly, there is a 13.5 hectare site housing some 70 cargo agents, customs agents and cargo handlers, which is managed on their behalf by Sogafro, as well as the Roissy-Sogaris air cargo logistics center, which houses 50 companies specializing in transfers between road transport and air cargo in 65,000 m² of warehouses and offices. Aéroports de Paris owns a 40% stake in Roissy-Sogaris.
- The northeastern zone is the European hub for FedEx, the world's leading express courier service company, which opened its facility in September 1999. The hub, FedEx's largest center outside the United States, can handle up to fifteen large planes simultaneously and can process 750 tons of mail each day.

In total, at the Paris - Charles de Gaulle airports, buildings involved in air cargo and adjoining plane taxiways offer floor space of approximately 500,000 m², with approximately 65 airplane parking slots. The total annual capacity is around 3.5 million tons.

Aéroports de Paris' strategy for its cargo business is to continue to provide the highest level of service to parties in the cargo market to support the expansion of their businesses. In particular, the Group plans to make available the land and airplane parking slots required to support the rapid expansion of this business and to support the development of high-performance tools that provide an optimized, simplified goods handling process, particularly in areas such as information transfer and customs clearance. Thus, over the next few years Aéroports de Paris plans to increase the airplane parking slots available to FedEx. It also plans to satisfy the strong demand that exists for modern and functional general cargo facilities that offer significant productivity improvements to operators. A new cargo terminal is also planned for each of Paris - Charles de Gaulle and Paris - Orly.

6.3.2.6. Revenues from the operation of airports

Airport services provided by Aéroports de Paris generate revenues primarily in the form of airport fees for services rendered. These fees are based mainly on the number of departing commercial passengers and the tonnage and number of plane movements (both takeoffs and landings).

Fees for services (divided into “principal airport fees” and “special airport fees”) at all airports and airfields operated by Aéroports de Paris were 711.8 million euros in 2005, representing 32.5% of total Group revenues and 44.7% of revenues in the Airport Services segment (excluding revenues from airport taxes, which are entirely allocated to security activities, see 6.3.2.7. “– Security”).

In accordance with Articles L. 224-2 and R. 224-4 of the Civil Aviation Code, the maximum level of changes in airport fees is determined in multi-year contracts with the French State lasting up to five years or, in the absence of such a contract, on a yearly basis.

On February 6, 2006, Aéroports de Paris and the Republic of France signed a "*Contrat de Régulation Economique*" covering the period from 2006 to 2010 (the “**CRE**”). The CRE sets a maximum limit on the average increase in airport fees, and details the investment program.⁶

Under this contract, increases in total fee revenues from one fiscal year to the next are capped at 3.25% above inflation (the maximum increase for 2006, including inflation, has been set at 5%). Beginning in 2007, the amount of fee increases may be adjusted by factors based on actual traffic growth and service quality as compared to the main assumptions in the CRE.

Types of Airport Fees

Decree n° 2005-827 of July 20, 2005, relating to fees for services provided at airports, modified the provisions of the Civil Aviation Code governing airport fees. Article R. 224-2 of the Civil Aviation Code draws a distinction between principal fees and ancillary fees.

There are four types of principal fees: landing fees for airplanes weighing more than 6 tons (charged for both landing and takeoff), parking fees for airplanes weighing more than 6 tons, fees per passenger and fees for the use of aviation fueling facilities.

Ancillary fees are paid for additional services not covered by principal fees. These can include the provision of technical facilities, specialized facilities, and take-off, landing and parking of airplanes weighing less than 6 tons. The CRE caps increases for the following ancillary fees: lighting fees, fees for provision of check-in counters and boarding facilities, fees for provision of baggage handling facilities where the price is not covered by a specific contract between Aéroports de Paris and the user, fees for supplying 400 Hz electric current to airplanes, and fees for provision of airplane de-icing facilities, which are classified as centralized infrastructure under Article R. 216-6 of the Civil Aviation Code. Increases in other ancillary fees are not

⁶ The CRE is available on the Company’s website (www.aeroportsdeparis.fr).

capped, but must be proportional to the cost of the services provided, in accordance with the general principle governing fees.

Principal fees

Principal fee levels are set on the basis of the following factors:

- landing fees are charged for the use of the airport infrastructure and equipment required for the landing, take-off and movement on the ground at the three airports (Paris - Charles de Gaulle, Paris - Orly and Paris - Le Bourget) by airplanes weighing more than 6 tons (which includes nearly all commercial aircraft). They are calculated as a function of the certified maximum take-off weight of the aircraft and adjusted as a function of the aircraft's noise-rating classification. A multiplier of the basic fee is calculated for each noise-rating group and as a function of the airport used and the time of day (day or night flight). All-cargo and postal flights qualify for a reduction (20% in 2005) in the landing fee. Under the CRE, this reduction will be removed in 2010;
- parking fees for aircraft weighing more than 6 tons are calculated as a function of the length of time parked, the characteristics of the airplane and those of the parking slot (slot in contact with the terminal, open-air slot or in general parking areas);
- fees per passenger are based on the number of passengers boarded. They are paid for all departing passengers other than those in direct transit (leaving on the same airplane), crew members working on the flight and children under two years of age. Flights where the airplane has had to land for technical reasons or has made a forced return after take-off and test and training flights are also exempt from additional passenger fees. Fees vary according to the destination of the flight, divided into five categories: domestic, Schengen area, other European destinations, French overseas territories and international flights. A 25% reduction in the passenger fee is applied to connecting passengers (those for whom, regardless of carrier, a maximum of 12 hours separates their scheduled arrival and departure times at Paris - Charles de Gaulle or Paris - Orly and who do not make a round-trip flight within that period). The connecting passenger reduction will be increased to 30% in 2006.
- fees for the use of aviation fueling facilities are paid by the fuel distribution companies operating at the airports. They are based on the volume of fuel supplied to airplanes by each company. Since February 1, 2005, these fees have been set at 0.41 euros per hectoliter of fuel distributed.

In accordance with the CRE, Aéroports de Paris plans changes in the fee structure over the period from 2006 to 2010 to make them more proportionate to costs and to bring fees in line with comparable fee structures at other major European airports. These changes are subject to approval by the Economic Consultative Commission.

As part of these changes, Aéroports de Paris plans to increase the weight given to passenger fees relative to other fees and to continue to offer a reduction for connecting passengers, and, in order to bring itself into line with competing European airports, to gradually rebalance the landing fees between short-haul and long-haul aircraft, in favor of the latter.

Ancillary fees

Ancillary fees are determined in the following manner:

- landing fees for aircraft weighing less than 6 tons are fixed fees determined by the maximum take-off weight of the airplane (under 2 tons or between 2 and 6 tons). The parking fee for airplanes weighing less than 6 tons is a fixed hourly rate, again determined by maximum take-off weight (less than 2 tons, 2 to 4 tons, 4 to 6 tons);
- lighting fees cover the use of runway lighting systems. They are payable each time an airplane takes off or lands at night, or during the day under conditions necessitating the use of runway lights;
- fees for providing check-in counters and boarding facilities vary according to the type of facilities provided; the fees charged to companies and ground handling service providers are generally calculated per counter per year;
- fees for provision of baggage handling facilities that are not set under a specific contract (such as for the baggage handling system at CDG 1) are based on the number of checked bags, except for connecting baggage, where the fee is based on the total number of passengers boarding outbound flights and depends on the flight destination (whether within or outside the European Union).
- fees for provision of airplane de-icing facilities are paid for services provided by Aéroports de Paris to airlines operating out of Paris - Charles de Gaulle during the winter period from October 1 to May 31 (at Paris - Orly, airlines buy de-icing services from private operators). Airlines with scheduled flights at Paris - Charles de Gaulle during the winter season that have used the de-icing service at least once during the three previous winter seasons are covered under the general pricing regime under which they pay (a subscription and a payment per de-icing service). Other airlines make single payments for each de-icing operation required. The size of the single payment in either case varies according to the size of the aircraft; and
- fees for the provision of infrastructure to supply electricity to airplanes are determined on the basis of the maximum take-off weight of the airplane and whether or not the flight is to a European Union destination.

Ancillary fees for which the CRE imposes no cap on increases include those relating to the use of the CREWS computers system (airport management software) and those relating to the “shared resources” required for airport operations, such as provision of space in terminals, airfield buildings and storage areas.

Principles governing the determination of airport fees

In accordance with the definition of fees for services rendered established in the applicable law, airport fees are paid in return for services provided by Aéroports de Paris to its users. The amount received for each service, when evaluated individually, may not be manifestly disproportionate to the costs borne by Aéroports de Paris in providing the service.

The fourth paragraph of Article L. 224-2-I of the Civil Aviation Code states that the total revenues from fees charged may not exceed the cost of services provided at the airport. This article also provides that the level of airport fees must take into account the return on capital invested to provide these services. In application of this principle, Article R. 224-3-1 of the Civil Aviation Code states that fees shall be set so that, given (i) the forecasted passenger and cargo traffic through airports, (ii) targeted growth in revenues, and (iii) costs and the investment programs relating to a predefined scope of activities and services, the airport operator receives a fair return on capital invested, taking into account the weighted average cost of capital of the company.

This scope of activities and services to which these fee regulations are applicable, called the “regulated perimeter,” includes public airport services listed in Article R. 224-1 of the Civil Aviation Code and all or part of the airport operator’s profits generated from businesses other than public airport services. For Aéroports de Paris, this regulated perimeter, established by Article 1 of the Order of September 16, 2005 on fees for services rendered at airports, includes all the company’s businesses relating to the presence of air transport clients, including non-aviation businesses such as the leasing of commercial spaces or the operation of car parks. Thus, under this Order, all businesses operated by Aéroports de Paris at its airports in the Ile-de-France region are included in the regulated perimeter, except:

- businesses operated by Aéroports de Paris that are not part of the management of the airports in the Ile de France region, which include its main subsidiaries Hub télécom, ADP Ingénierie, ADP Management, Alyzia and Société de Distribution Aéroportuaire;
- activities financed by airport taxes: security, protection against bird threat and plane security and fire services;
- management by Aéroports de Paris of noise reduction projects;
- ground handling services;
- land and real estate businesses not directly linked to aviation, called “real estate diversification” businesses (such as the construction or rental of office space outside the airport sites).

An exception in the Order of September 16, 2005, provides that all real estate business of Aéroports de Paris (including real estate diversification) may be included in the first CRE. This is the case for the CRE signed for 2006-2010. In the second period of regulation (beginning in 2011), real estate diversification will no longer be included in the regulated perimeter.

The Order of September 16, 2005 also created the possibility of excluding some non-aviation activities from the regulated perimeter for any multi-year contracts signed for a period beginning in or after 2011.

The Order of September 16, 2005 defines the criteria that the regulator should use when drawing up the CRE agreement, in assessing a fair return on capital invested by the operator in businesses

falling within the regulated perimeter, with regard to its weighted average cost of capital, and in accordance with Article R. 224-3-1 of the Civil Aviation Code:

- forecasts, over the period covered by the CRE, of the rate of return on capital invested within the regulated perimeter, calculated as the ratio of (1) the operator's operating income from activities within the regulated perimeter over the year in question (after company tax) to (2) the total amount of fixed assets financed by the operator and of its working capital requirements allocated to the regulated perimeter, determined at the end of the fiscal year in question, where:
 - operating income is defined as the difference between (1) revenues, income from internal transfers between the regulated perimeter and the rest of the business, capitalized production, reversals of operating provisions, other operating income from ordinary activities, the share of equipment subsidies allocated to the year, capital gains on the disposal of assets and prepaid costs, and (2) all operating expenses of the company from ordinary activities, internal costs between the regulated perimeter and the rest of the company, depreciation of tangible fixed assets and operating provisions, losses on the disposal of assets and employee profit sharing; and
 - the amount of fixed assets financed by the operator is calculated as the sum of the net book values of the assets of Aéroports de Paris allocated to the regulated perimeter, less, where appropriate, provisions for impairment and equipment subsidies to be allocated to future years.
- the estimated weighted average cost of capital of the operator, calculated as a function of the level of return an investor would expect from the company and the average cost of its borrowings, is determined on the basis of methods customarily used in valuing company assets.

Changes in fee levels

The CRE covers five fee periods, the first from May 1, 2006 to March 31, 2007 (the "2006" fee period) with the four others running from April 1 to March 31 of each of the following years.

Under the terms of the contract, changes in fees from one fee period to the next are capped by a "basic increase level." This capped rate for changes in principal fees and ancillary fees governed by the contract is equal to $i(n) + 3.25\%$, where $i(n)$ is the percentage increase in the consumer price index, excluding tobacco, published by INSEE, calculated over a period running from October 1 in year $n-2$ to September 30 in year $n-1$. For 2006, the cap has been set at 5%.

For principal fees, this cap may be adjusted by the following factors:

- A factor related to traffic levels if the annual change in traffic is outside a pre-defined range. This corrective factor would adjust for 70% of the revenue surplus or shortfall and would be applied to adjust principal fees in the following fee period. To determine this adjustment, actual traffic over a given period is compared with the baseline traffic growth level set out in the CRE for the next five years. The traffic data projection used in the CRE was generated

by a composite index of the CRE's estimation of passenger numbers, weighted at 60%, and its estimation of airplane movements, weighted at 40%. The central assumption for growth in passenger traffic is 3.75% per year, with the predefined range within which no adjustment would be made set at 3.5% to 4.0%. For airplane movements the central growth assumption is 2.31% with a range from 2.16% to 2.46%.

- Beginning in the 2008 fee period, a factor based on Aéroports de Paris' performance in service quality will be applied. This adjustment factor will take the form of a bonus or penalty, based on various service quality indicators and related financial incentives. There are ten indicators: availability of airplane parking slots, availability of jetways, availability of electromechanical equipment, availability of baggage carousels, availability of public information systems within terminals, passenger satisfaction on terminal cleanliness, passenger satisfaction on directional signs and flight information, passenger satisfaction on availability of luggage trolleys, speed of response to claims, and the provision of the planned number of airplane slots in contact with terminal buildings. This last indicator is weighted ten times more than the other nine, represents up to 0.05% of the total of the four principal fees revenue.
- The CRE also provides that if cumulative investment spending, other than that relating to capacity, renovation and real estate diversification projects, from January 1, 2006 to December 31, 2008, does not reach 95% of the initially budgeted amount (*i.e.*, 628 million euros), 70% of the difference between the resulting costs within the regulated perimeter and over the duration of the contract will be subtracted from the cap on principal fee increases in the 2010 fee period (the last period covered by the current CRE). The adjustment factor applied will be 26.6% of the difference between actual investment in 2006-08 and 95% of the investment budgeted in the CRE over this period.

Determination of the Fee Rates Applicable Under the Terms of the CRE

To implement capping and adjustment process, Aéroports de Paris determines fee rates for all its services. A separate set of rates is prepared for the principal fees and for the ancillary fees, in accordance with the formulae set out in the CRE.

Annual Determination of Fee Rates by Aéroports de Paris under the CRE

Under paragraph I of Article R. 224-3 of the Civil Aviation Code and as provided for in the CRE, Aéroports de Paris will set the fees for airport services for each annual fee period at levels that are subject to limits allowed by a rate table that is adjusted in accordance with the CRE. The procedure to be followed is set out in Article R. 224-3 and in paragraph III of Article R. 224-4 of the Civil Aviation Code. It includes the following stages:

- convening by Aéroports de Paris of the Economic Consultative Committee of the airport in question at least three months prior to the beginning of each fee period;
- notification of the Minister for Civil Aviation and the Minister for the Economy by Aéroports de Paris of fee rates subject to the CRE and, where appropriate, changes in these rates, at least two months before the beginning of each fee period; and

- application of the fee rates for the fee period in question one month after their publication, unless the Ministers for civil aviation and for the economy have jointly opposed them, if the fees do not meet the general rules applicable to fee rates or the terms of the contract, within a period of one month following receipt of their notification.

If the Ministers responsible for civil aviation and the economy oppose the proposed fee rate levels, Aéroports de Paris can submit a new proposal by following same procedure. If this occurs, the CRE provides that the fee rates for the preceding fee period would remain in force until the approval of the new fee rates, and the opening of the new fee period would be postponed accordingly, but its end date would not change. The new proposal from Aéroports de Paris could then increase fee rates for the new shortened fee period so that forecast revenues are equivalent to those that would have resulted from the application of fee rates in line with the CRE over the initially expected fee period. Thus the Group can offset the effect of a temporary freeze on an increase in fee rates. If this were to occur, the maximum levels of fee rates in the following fee period would not be affected.

Adjustments During the Contract Period to Take Account of New Fees or Additional Costs

The CRE includes certain mechanisms that allow for changes during the contract period, such as the creation of new fees, transfers between fee categories, the creation of new services or the inclusion of new costs that were not foreseen at the time the contract was signed.

Revisions to or Early Termination of the Contract

The CRE provides that the Republic of France and Aéroports de Paris should discuss whether to revise the contract if growth in traffic falls outside a predefined range of 1.25% to 6.25% for passenger numbers and 0.77% to 3.85% for plane movements in two consecutive years.

Similarly, the CRE provides that the Republic of France and Aéroports de Paris should seek an amicable agreement over changes to or early termination of the contract in the event of exceptional and unforeseen circumstances that create a fundamental shift in the economics of the contract.

Preparation of the New CRE

As part of the CRE, Aéroports de Paris and the Republic of France have agreed to prepare a contract regulating fees for a period of several years after 2010. After having convened the Economic Consultative Commission to determine the investment forecasts and service quality improvements planned for the period covered by the second contract, Aéroports de Paris will publish, by May 1, 2010 at the latest, a public consultation document relating to this second regulatory contract.

Under paragraph III of Article 1 of the Order of September 16, 2005, non-aviation businesses may be included on a limited basis in the regulated perimeter for multi-year contracts drawn up beginning in 2011.

If no regulatory contract is agreed, Articles L. 224-2 and R. 224-4-1 of the Civil Aviation Code provide that fees shall be determined on an annual basis. In this case, Aéroports de Paris would

be required, at least four months before the beginning of each yearly period, to notify fee rate levels, and where appropriate any changes to them, to the Ministers responsible for Civil Aviation and for the Economy for approval (this procedure would be accompanied by consultation with users and the opinion of the Economic Consultative Commission for the airport in question). These fees and any changes will be deemed approved and will be implemented unless the Ministers responsible for Civil Aviation and for the Economy jointly object to them within one month of having been notified. If the ministers jointly object, Aéroports de Paris may renew the procedure without consulting users again. In the event of a second rejection by ministers, the fees from the prior year would remain in place. If fees remained unchanged in this way for two consecutive years, the Ministers could, by joint order and at least 45 days before the start of the annual fee period in question, set the average level of change in fees, and where necessary set details of the individual changes.

6.3.2.7. *Security*

Description of Security Activities

Under the terms of the Chicago Convention on International Civil Aviation of December 7, 1944, particularly Article 37 and Appendix 17 thereof, national governments are responsible for organizing airport security. Against this background, the European Union has implemented rules regarding the creation of common regulations in the area of civil aviation security. The main EU texts in this area are regulation n° 2320/2002 of December 16, 2002 and regulation n° 622/2003 of April 4, 2003, as modified by regulation n° 88/2004 of January 15, 2004 setting the measures for implementing shared rules in the area of civil aviation security.

In France, Articles L. 213-3 and L. 282-8 of the Civil Aviation Code govern the legal regime applicable to airport security operations. Article L. 213-3 provides that airfield operators and other parties are responsible for implementing air transport security measures, following procedures to be set by a decree of the *Conseil d'Etat*, which has not yet been made, unless the law specifically provides that the French State is instead responsible. Article L. 282-8 of the Civil Aviation Code authorizes judicial police officers, agents of judicial police offices, assistants to agents of judicial police officers, customs agents, as well as private agents designated by the airport operator and specifically certified by the chief of police and the state prosecutor, to conduct security visits.

Within this framework, under authorization from the relevant Préfet (police chief) and under the supervision of the relevant government agencies, Aéroports de Paris is required to provide:

- a screening system for all passengers and cabin baggages (including a metal detector plus security searches as required). All cabin baggage must be examined by an X-ray machine, and where necessary searched by a member of the security team. Aéroports de Paris has a total of 163 passenger and baggage screening stations;
- a screening system for checked baggages that assures inspection of 100% of checked baggage following procedures defined by the French Government, which primarily consists of explosives-detecting equipment integrated into the baggage handling facilities of the airports;

- a screening system for staff and vehicles at each access point to the restricted security areas of the airports that must include biometric techniques (Aéroports de Paris has 22 staff screening points and 11 secure road access points);
- security procedures for the use of facilities made available to the Group's partners (primarily airlines and ground handling companies), such as check-in counters, boarding areas, passenger access routes to planes, checked baggage processing areas and protection for checked baggage awaiting loading; and
- structuring of terminals and other airport areas (physical separation of inbound and outbound passengers, video monitoring of inspection procedures and staff access, security fences, secure emergency exits, one-way doors, etc.).

Article 37 of the inter-ministerial Order of November 12, 2003 relating to air transport security measures requires that all of these measures must be described in a security program. Aéroports de Paris has drafted a security program, which has been submitted to government authorities and is updated regularly.

The security program, which sets out the tasks, locations, resources and procedures to be used, is backed by a quality assurance program, which describes the supervisory structures employed by Aéroports de Paris in monitoring companies providing security services. This program includes the following procedures: a reporting and analysis system for security-related events, to which all involved in security contribute via a dedicated computer system; a continuous improvement loop; traceability of all actions carried out under this program; and the supervision of service providers.

Aéroports de Paris employs substantial resources to meet its regulatory obligations in this area. The Company employs almost 400 full-time staff for security posts. In addition, nearly 4,000 people are employed by a small number of specialist service providers that Aéroports de Paris hires to provide screening services.

Over the past five years, Aéroports de Paris has invested 244.2 million euros to meet these requirements. The investment program in the security area has particularly focused on ensuring 100% screening of checked baggage (purchasing and integration of detection machinery in baggage sorting facilities), the opening of road checkpoints for access to the restricted security area, the installation of video-surveillance equipment, the installation of biometric equipment, the increase in the number of screening stations, the physical separation of passenger flows and the purchasing of explosive trace detectors.

Security measures were tightened (with the number of staff involved in implementing them doubled) following the September 11, 2001 attacks in the United States, and this produced a particularly rapid increase in costs, which rose from 173.7 million euros in 2002 to 283.8 million euros in 2004, an increase of 63.4%. The figure for 2005 was 313.5 million euros. Staff costs account for the bulk of these costs (including 181.1 million euros in sub-contracting costs in 2005), followed by charges for the depreciation of fixed assets.

Financing of Security Activities

Security activities at Aéroports de Paris are financed by the airport tax provided for in Article 1609 *quater* of the General Tax Code. This tax is charged on each departing passenger. A tax is also payable on each ton of cargo or mail loaded.

The Budget Minister and the Civil Aviation Minister set the level of the tax within a range set by the General Tax Code for the Paris airport system (from 4.30 to 8.50 euros per passenger and from 0.30 to 0.60 euros per ton of cargo or mail). The level is set as a function of the financing needs of each airport, as calculated based on the cost of services provided to meet regulatory standards and the predicted trends in these costs. Aéroports de Paris is thus closely involved in the preparation of the ministerial decision setting the tax levels for the airports it operates. Aéroports de Paris supplies the Budget Minister and the Civil Aviation Minister with information on the costs for the current year, previous year and subsequent year, and any other items necessary for the setting of the tax rate. The government then informs Aéroports de Paris of the figures used in setting the tax level.

The airport tax is designed to finance all costs borne by Aéroports de Paris in carrying out the security tasks allotted to it, including the cost of the fixed assets needed for these tasks. Therefore, security and safety activities can make neither a profit or a loss, and any profit or loss recorded on the activities funded by the airport tax is taken into account when setting the tax level for subsequent years.

In 2005, the tax was set at 7.95 euros per outbound passenger and 0.30 euros per ton of cargo or mail across the Paris airport system (Paris - Charles de Gaulle, Paris - Orly and Paris - Le Bourget). Since January 1, 2006, the airport tax has been set at 8.50 euros per outbound passenger and 0.30 euros per ton of cargo or mail, and is thus at the highest level for passengers authorized by law for the airports operated by Aéroports de Paris.

6.3.2.8. Commercial and service activities at Aéroports de Paris

Aéroports de Paris' commercial activities include the provision of goods and services to the general public (passengers and the people accompanying them to or from the airport, staff working in the airports). These include shops, bars and restaurants, banks and foreign exchange counters, car rental, advertising and, more generally, all other paid services (internet access, service stations, etc.).

General description of commercial activities

Commercial activities are at the heart of the Group's expansion, and thus contribute to the financial performance and image of its airports. Commercial activities play a leading role in the provision of services to passengers using airports. Aéroports de Paris acts as the creator, developer and manager of commercial zones and businesses.

Some commercial activities within airports take place in the public access zone, while the rest are located in the restricted access zone. The public zone refers to all parts of the airport that are freely accessible to the general public: areas outside of the security screening points in terminals and public areas of transport infrastructure (TGV/RER stations, Orlyval, road network).

Anyone, whether or not a passenger, can make a purchase in the stores in this public zone, but the stores may not offer duty free goods. Conversely, the restricted zone (also known as the “customs controlled zone” even if strictly speaking it includes areas (particularly for the Schengen zone)⁷ which no longer require customs clearance) corresponds to that part of the airport located beyond the various control points (customs, border police, security screening points), within which passengers on flights to destinations other than the European Union or the French overseas territories can buy duty free goods.

Stores, bars, restaurants and other paid merchant services are operated by third parties, which are currently holders of authorizations for the temporary occupation of publicly owned spaces. These are due to be replaced by civil leases granted by Aéroports de Paris (see below), following the change in status of assets owned by Aéroports de Paris brought about by the Law of April 20, 2005 regarding airports. The operators of these stores pay Aéroports de Paris rent that is based in part on their sales. For Aéroports de Paris, revenue from commercial activities is therefore closely linked to the gross receipts of the operators of the 288 commercial spaces (shops, bars and restaurants) within its airports.

The commercial goods offered in Aéroports de Paris’ airports fall into four categories: *the core goods*, including alcohol, tobacco, perfumes and specialty food (Hachette group, Société de Distribution Aéroportuaire and Dufry); *luxury goods*, with the biggest French brands in the sector (Cartier, Hermès); *services*, including newsagents (Relay) and audiovisual (Virgin) and *other*, such as jewellery, spectacles, accessories, gifts, children’s items and museum souvenirs.

Aéroports de Paris also receives revenues from advertising space within its airports. Since September 2001, JCDecaux Airport France has had exclusive rights over the sale of advertising space provided by Aéroports de Paris at the Paris - Orly and Paris - Charles de Gaulle airports. The agreement between JCDecaux and Aéroports de Paris is designed to utilize advertising media, space and equipment that can display advertising, and to create promotional campaigns and events without direct selling. Its scope covers the interior of terminals in both public and restricted access zones and the sides of the main road routes to the airports. This activity has been extended to cover ‘shared-time’ information screens, through the “AEO” channel. The agreement expires on June 30, 2011.

⁷ The zone handling flights to and from European Union countries that have signed the Schengen agreements of June 14, 1985 and June 14, 1990.

The table below shows the breakdown of revenues received by Aéroports de Paris from commercial activities in 2005, by product and service type, before inter-segment eliminations and before the consolidation of the Société de Distribution Aéroportuaire subsidiary.

Product or service type	2005 revenues	
	(millions of euros)	% of total
Customs-controlled zone stores	118.9	61%
Public zone stores	8.4	4%
Restaurants and bars	21.0	11%
Advertising	15.7	8%
Car rental	12.2	6%
Other	20.1	10%

Strategy in Commercial Activities

To achieve its targets for commercial revenues, Aéroports de Paris plans to implement a wide range of measures:

- *An ambitious program to increase commercial floorspace:* Analysis of the comparative performances of European airports in the commercial segment shows that revenue per departing passenger is related to the commercial floor space operated in the airport in question. The size of commercial areas is a fundamental determinant of the ability to deploy innovative and attractive concepts and to diversify the goods offered to passengers.

This analysis has led Aéroports de Paris to develop plans to increase commercial floorspace by more than 30% by 2010, with retail floorspace in the international restricted zone to be increased by more than 40%.

(m ²)	2004*	2010	Change 2010/2004
Shops in the Public Zone	3,976	4,700	18.2%
Shops in the Schengen Zone	2,518	5,000	98.5%
Shops in the International Zone	10,581	15,200	43.6%
Bars and restaurants	20,096	23,400	16.4%
Total	37,172	48,300	29.9%

* Figures for 2005 (total of 33,890 m²) are not relevant due to the renovation of the CDG 1 terminal and the temporary closure of the boarding area at CDG 2E, which reduced commercial floorspace.

The bulk of the increase in retail floorspace will come in 2007 and 2008, as new facilities come into operation and on-going renovations are completed. The expansion program envisages a complete overhaul of commercial zones in the CDG 2A, CDG 2E, CDG 1 and CDG 3 terminals at Paris - Charles de Gaulle as well as the creation of substantial retail floorspace in Satellite S3. At Paris - Orly, there will be a far-reaching redesign of the commercial zone at the Orly Sud terminal, accompanied by a growing number of sales kiosks in all terminals (from the current 880 m2 to more than 2,000 m2 of retail floorspace.)

These expansions of retail floorspace will increase the ratio of square meters of shops per million passengers (expressed as nominal capacity for all international terminals) from 519 m²/Mpax (million passengers) in 2004 to 624 m²/Mpax in 2010 for the international zones, an increase of 20% for the customs-controlled zone.

The expansion of retail floorspace has been made easier by the provisions of Law n° 2006-10 of January 5, 2006 relating to transport security and development (modifying Article L. 720-5 of the Commercial Code), which exempt from prior approval by the Préfet (or “authorization of commercial operations”) any sales outlet accessible only to passengers holding tickets and located within airports, and thus streamline significantly the procedures for opening retail areas in the restricted zone.

- *Improvements in the location, visibility, layout and ambience in commercial zones.* The program of increasing floorspace described above will be complemented by systematic measures to improve the operational aspects of these zones. Their physical layout determines the optimal positioning of stores relative to passenger flows, the visibility of store banners and products, ease of access to shelves and, more generally, the atmosphere and ease of use for the public. These factors have a significant impact on the average proportion of departing passengers who spend time in the stores.

By way of illustration, the current renovation of terminal CDG 1 at Paris - Charles de Gaulle includes major changes to passenger flows in order to ensure that passengers move through the center of the commercial zone. Similarly, the renovation of the international boarding area will transform the commercial zone, currently spread along a corridor, into a ‘village square’ layout.

- *Expansion of the goods offered.* The plan to develop and remodel commercial spaces includes a clear product-positioning strategy that would put greater emphasis on high-margin products and satisfy the much more focused demand expressed by certain very specific client groups.

Product positioning will concentrate on perfumes and cosmetics, fashion and leather goods, accessories and food. These areas will be operated alongside alcohol and tobacco shops, which remain particularly popular among international passengers. The Group will also develop diversified retail areas to include new brands and categories. The increase in retail floorspace will make it possible to open attractive concept stores such as specialist cigar, whisky or wine shops.

The choice of brands will also be better differentiated between terminals to take account of the particular characteristics of passengers in each terminal: thus up-market and luxury goods will be offered primarily to non-European international passengers (particularly those from Japan, China and the United States), while a more diversified and competitively priced offering will be available in terminals where the clientele is predominantly French or European. Some brands will seek to offer an approach that differentiates by gender, age or socio-professional class to better meet the diverse range of passenger expectations and thus stimulate buying. One example of this is a store selling only men’s fragrances, which has just opened in CDG 2D. This will offer passengers a relaxing 15-minute facial and

personalized advice. Similar moves targeting young people and children are under consideration.

- *Improvement in the management of passenger time and passenger flows so as to increase the amount of time available for passengers to spend in the stores.* The profitability of commercial zones in air terminals is highly dependent on the makeup and effectiveness of the flow of passengers and those accompanying them who cross and use these zones. Aéroports de Paris' expertise in the management of complex pedestrian traffic flows will be applied to retail outlets in an airport setting: easing the journey of a passenger short of time, allocation of aviation resources, integration of customs requirements and management of scheduling issues.

To improve passenger flow, a coordinated range of measures has been implemented, spanning the passengers' entire journey through the airport from arrival (directing them to car parks, ensuring free flow of traffic in front of the terminals), to boarding (optimized allocation of boarding gates with regard to neighboring commercial outlets and as a function of flight destination). These measures also improve passenger information, reducing travel-related stress, by providing accurate and updated information on the distance they need to walk and the time it will take them, and by raising awareness of the goods offered in the commercial zones (maps of commercial zones, signage).

- *Perception of the commercial offering and building customer loyalty.* Price positioning of the stores and other outlets at Aéroports de Paris benefit from the Paris name, which provides a direct notion of luxury and French quality. This up-market image creates a natural level of expectations amongst international passengers and was clearly a factor in allowing Aéroports de Paris to withstand pressure to cut prices after the abolition of duty free allowances for intra-European flights on July 1, 1999. Prior to this date airports used the benefits of duty free pricing to make airport shopping more attractive. Aéroports de Paris managed to make up the loss of revenues resulting from the ending of duty free sales for intra-European flights due to growth in traffic, expansion of commercial floor space and improved diversification of the goods sold.

Aéroports de Paris plans to continue to boost its image of offering value for money, particularly for the European and medium-haul customers who tend to look for more accessible, mass-market products. For these passengers, Aéroports de Paris has diversified the goods sold by including brands such as Occitane, Swarovsky, and Gérard Darel and has conducted a significant promotional and marketing effort within retail outlets.

Aéroports de Paris also introduced, in the spring of 2004, a fidelity program for Aéroports de Paris stores mainly targeting frequent flyers. At December 31, 2005 the program had 30,000 members. It is designed to increase visit frequency and the average purchases of the target group. Membership is free, and each passenger joining the program receives points for purchases in stores that can be redeemed for vouchers. In addition, members receive special promotional offers and enjoy a number of permanent benefits.

Contractual Features of Commercial Activities

Until the application of Law n° 2005-357 of April 20, 2005 relating to airports, commercial merchants both in the public and restricted access zones were temporarily authorized to occupy publicly owned spaces that were awarded to operators of retail or service outlets. Until the new law was introduced, these temporary authorizations were granted for periods that varied according to the type of outlet or service: they generally ran for five years for shops, seven years for services such as car rental, ten years for bars and restaurants and up to seventy years for hotels, which must amortize the substantial investment required. The selection process for holders of these authorizations was based on a consultation process with parties considered to be competitive in the relevant market, and the fees received by Aéroports de Paris under the authorizations were based on a percentage of revenues generated by their holders, with a minimum guaranteed payment expressed as an amount per passenger. The agreement also put a certain number of obligations on the authorization holder, particularly regarding marketing, merchandising and human resources.

Law n° 2005-357 of April 20, 2005 relating to airports provided that assets owned by Aéroports de Paris were no longer considered to be public property. Thus, there is no longer any need for the use of these authorizations, although the law did expressly state that the authorizations granted prior to the transformation of Aéroports de Paris into a *société anonyme* would remain in force under their original legal regime until their original expiry date. To plan for these expirations and for any new commercial floorspace that becomes available, Aéroports de Paris has drawn up model lease documents, under the general legal regime, to replace the former temporary authorization system. Two types of model contracts have been produced:

- civil leases, for which one model has been drawn up specifically for shops and another for all other types of third-party use of space located in the airport zone (defined as the land and buildings used by Aéroports de Paris in the execution of its public service duties), primarily in airport terminals. Under these leases the period of occupation offered by the Company will initially be five years for shops and ten years for services such as restaurants. For continuity, these model leases require that the rent received by Aéroports de Paris will consist of a fixed element together with a variable element, with a guaranteed minimum payment; and
- commercial leases, which will be used solely for premises outside the airport zone. These would last for nine years and could be cancelled in accordance with the provisions of the Commercial Code. These leases also provide that rents will consist both of a guaranteed fixed minimum rent indexed on the construction cost index published by INSEE and a variable additional amount calculated as a percentage of sales.

6.3.2.9. Services Offered by Aéroports de Paris

To ensure passenger comfort and to increase passenger perceptions of high quality service, Aéroports de Paris offers a range of products and services in addition those available in the commercial zones, in passenger information, passenger care, comfort and mobility.

- In ***passenger information***, these services include:

- flight information provided on accurate screen displays of the new estimated departure time of delayed flights and by SMS text messages to the mobile phones of those clients who have subscribed to this service;
 - a website, www.aeroportsdeparis.fr, which has between 500,000 and 600,000 visits per month. Internet users can use this site for timetable information, access details and descriptions of commercial facilities at the terminals;
 - voice servers providing information on traffic and flight times;
 - real-time information boards on the road approaches to terminals giving estimated remaining journey time, allowing passengers to better manage their time;
 - users' guides made available to passengers in the terminal buildings;
 - a “consumer” magazine, *Aéroports de Paris Magazine*, providing information about Paris in general but also news and behind-the-scenes insight about Aéroports de Paris, together with promotional information relating to terminal retail outlets. The magazine is issued ten times per year and 300,000 copies are distributed to passengers in the boarding lounges of the Group's airports; and
 - a dedicated TV channel, *Aéo*, shown on 130 screens, which informs and entertains passengers with short, bilingual programs lasting 30 to 90 seconds.
- In terms of ***enhancing the customer experience and passenger comfort***, Aéroports de Paris has made many improvements to its facilities in order to make its airports more user-friendly and comfortable. These include the replacement of seats and increase in seat numbers in waiting and rest areas, the creation of children's play areas, the provision of work spaces with WiFi networks and electrical outlets, etc. Since 2003, the “gilets oranges” (orange vests) program has been used to improve the information given to passengers and ease their passage through the terminals, with young people recruited over the summer period to greet, inform, direct and assist passengers.
 - In ***transport*** within the airports, the Group offers services including terminal-to-terminal links, mostly by shuttle buses.
 - In ***telecommunications***, telephone and data transmission services, Hub télécom, a subsidiary of Aéroports de Paris, has installed a number of hot-spot posts enabling the general public to connect to the internet over a WiFi network throughout the Paris - Orly and Paris - Charles de Gaulle terminals.

6.3.2.10. *Energy Supply and Logistics Services*

Aéroports de Paris is responsible for providing all of the support services necessary for the proper functioning of its airports, both for its own needs as well as for those of companies located at the airports who choose Aéroports de Paris as their service provider.

Energy supply and logistics services provided by Aéroports de Paris include:

- Production and distribution of heating, generated in thermal facilities and hot water pipe systems. Aéroports de Paris provides heating services to companies located at its airports, although some companies have their own gas-powered systems. Aéroports de Paris uses gas for 90% of its heating requirements. At Paris – Orly, 10% of heating requirements are provided by the incineration factory of the Rungis national interest market;
- Production and distribution of air conditioning services for its facilities, generated by refrigeration stations (powered by electricity) and cold water pipe systems. At Paris – Orly, Aéroports de Paris only has a few external clients for this service. At Paris – Charles de Gaulle, the Group provides this service to external users, although it is difficult to estimate the percentage provided by Aéroports de Paris given that the companies may use their own air conditioning facilities;
- The distribution of potable water and the collection of wastewater. Other than the Air France Industries facilities in the north zone of the Paris – Orly airport, Aéroports de Paris provides all potable water at its airports. Water is purchased from Lyonnaise des Eaux and from Véolia Water;
- Waste management at the airports. Aéroports de Paris provides most waste management services at its airports, with the exception of certain specialized waste.
- Aéroports de Paris uses its own distribution network for electricity services, which mostly serves the aviation facilities of the Company for its own needs. Aéroports de Paris provides electricity to some companies, particularly those located inside the passenger terminals (shops, airline company offices). Most of the electricity used at the airports is brought in from outside (mostly purchased from the Compagnie nationale du Rhône), although Aéroports de Paris does have some generating capability to cover its aviation facilities in the event of a blackout.

In 2005, the industrial services provided by Aéroports de Paris generated external revenues of 60.6 million euros, with 42.5 million euros at Paris- Charles de Gaulle and 12.6 million euros at Paris - Orly.

The largest customers at Paris – Charles de Gaulle are Air France, Roissy-Print Le Figaro, Sogafro (*Société de la gare des agents de fret de Paris - Charles de Gaulle*), FedEx, Servair, SNCF and the airport-based hotels. At this airport, the volume of heat and air conditioning produced and distributed totaled 332 GWh and 119 GWh, respectively, in 2005, equivalent to the consumption of a city of 100,000 inhabitants. In 2005, Aéroports de Paris distributed about 2.5 million m³ of drinking water and collected and treated nearly 43,000 tons of waste in volume, equivalent to the waste produced by a city of 95,000 inhabitants.

At Paris – Orly, the largest customers are Servair, Air France Industrie, services of the French State and the airport-based hotels. At this airport, the volume of heat and air conditioning produced and distributed totaled 170 GWh and 24 GWh, respectively, in 2005. In 2005, Aéroports de Paris distributed about 720,000 m³ of drinking water and collected and treated nearly 13,500 tons of waste in volume.

6.3.3. Real Estate

In 2003, real estate activities outside the terminals were brought together into a new real estate division covering Paris - Charles de Gaulle and Paris - Orly airports, and into the central management team at Paris - Le Bourget airports. These activities represent a strategically important development area and over the medium term are expected to provide the Group with an additional source of growth. Aéroports de Paris, as the landowner, invests in preparing land for development that it then makes available for rent to investors or other users. Aéroports de Paris also acts as a developer, managing real estate projects to meet its own needs or those of companies seeking to establish or extend a presence in one of the airports. As an owner of real estate, Aéroports de Paris is responsible for the management (leasing, renovation and modernization) of its portfolio. Aéroports de Paris also provides facilities management services (maintenance, security, cleaning, mail).

Aéroports de Paris has approximately 670 external real estate clients, including Air France, FedEx, Vinci group, La Poste, Servair, Acna, HSBC, the Paris - Le Bourget exhibition site, Accor group, Hilton, Société Immobilière Aéroportuaire and various government agencies;

Revenues from the Group's real estate activities were 162.1 million euros in 2005, of which approximately 24.4% arose from rental payments from other segments within the Group, 7.9% from reallocated rental charges and other receipts billed to clients by other segments and 67.7% from external rental payments made by third parties.

6.3.3.1. The Land Assets Available for Real Estate Businesses

Aéroports de Paris' total land estate consists of 6,686 hectares, of which 4,977 hectares, or 74.4%, is reserved for the Group's aviation activities, 462 hectares, or 6.9%, is unusable due either to zoning reasons or aviation needs, and 1,247 hectares, or 18.7%, is the usable land available for the real estate business and can be broken down as follows:

- 878 hectares are already used (13.1% of the total amount available), including:
 - 337 hectares occupied by buildings leased by Aéroports de Paris in whole or in part to third parties; and
 - 541 hectares leased to third parties for development of their own real estate projects.

In all cases, Aéroports de Paris remains the owner of the land;

- 369 hectares of land available for development, or 5.5% of the Group's total estate: 157 hectares at Paris - Orly, 154 hectares at Paris - Charles de Gaulle, 41 hectares at Paris - Le Bourget and 17 hectares at the general aviation airfields.

The land available for real estate development must be used in compliance with the local zoning scheme or outline plan of the relevant local planning authority.

6.3.3.2. Land Rented to Third Parties

Rental income from land rented to third parties was 58.1 million euros in 2005, or 36% of revenue from the real estate segment in 2005. The 541 hectares of land rented to third parties break down as follows:

- approximately 304 hectares are used for buildings involved in aviation (such as plane hangars, cargo terminals, general aviation terminals or business terminals), including 26 hectares at Paris – Orly, 163 hectares at Paris – Charles de Gaulle, 43 hectares at Paris - Le Bourget and 72 hectares for general aviation airfields (used by flying clubs and leisure aviation, rental rates for these areas are much lower than those within the rest of the segment);
- approximately 145 hectares house business and office premises, manufacturing businesses or workshops (85 hectares at Paris - Charles de Gaulle and 60 hectares at Paris - Orly); and
- approximately 92 hectares are used for general public premises (hotels, shops and services, public facilities, public service agencies, exhibition sites, etc.), 19 hectares at Paris - Charles de Gaulle, 27 hectares at Paris - Orly and 46 hectares at Paris - Le Bourget.

A significant share of the first category are considered to be related to airport activities as defined in the Order of September 16, 2005, and will thus remain within the regulated perimeter following the expiry of the current CRE (see 6.3.2.6. “Airport Services - Revenues From the Operation of Airports”). However, a significant share of the land in the second two groups could be considered to be diversification real estate when the current CRE expires and would thus be removed from the scope of regulation of future agreements. Aéroports de Paris estimates that 72% of total revenues from land rented to third parties would fall into the “airport” category, with 28% potentially classifiable as “diversification”.

6.3.3.3. Buildings Rented by Aéroports de Paris

Rental income from buildings belonging to Aéroports de Paris were 51.6 million euros in 2005, or 32% of total revenues of the real estate segment in 2005.

At December 31, 2005, the portfolio of buildings owned by Aéroports de Paris consisted of a total net floor area of 1,138,426 m² with usable floor area of 1,061,566 m². After deducting the surface area of common areas that cannot be rented (approximately 31,000 m²), and areas within obsolete buildings (slightly more than 64,000 m²), the total usable floor area is 966,409 m². Of this amount, Aéroports de Paris occupied 160,046 m² for its own requirements. The balance, 806,362 m², represents the portfolio of buildings available for lease to third parties. Of this amount, the occupancy rate at December 31, 2005 was 88.7%, with a total of 714,957 m² actually leased.

These 714,957 m² of floor space let to third parties broke down as follows:

- approximately 83% of buildings relating to aviation, mainly aircraft maintenance hangars and cargo terminals or general or business aviation areas ;

- approximately 15% were commercial premises (offices, manufacturing facilities, workshops);
- 2% were general public premises.

A significant share of the first category of buildings will be considered to be part of airport real estate activities under the terms of the Order of September 16, 2005 and will therefore remain within the regulated perimeter once the current CRE expires (see 6.3.2.6. “Airport Services - Revenues From the Operation of Airports”). However, a substantial share of the rented property in the other two categories could qualify as diversification real estate when the current CRE expires and could therefore be removed from the regulated perimeter. The share of rental income that falls into the “airport” category is estimated at approximately 73% of the total and that which could be classified in the “diversification” category at 27%.

The buildings occupied by Aéroports de Paris for its own purposes fall almost exclusively into the “airport” category.

6.3.3.4. Real Estate Strategy

The existing asset portfolio, the location of the airports, the quality of ground transportation links and the powerful role played by airports in regional development and national economic growth create opportunities to generate value from the real estate businesses of Aéroports de Paris. An airport location gives a competitive advantage to certain types of companies where responsiveness and the rapid movement of goods are essential, and to international companies needing easy access to clients, suppliers and branches around the world.

The Group intends to build on the potential of its land and property assets to ensure that they provide an additional source of revenue growth over the medium term. This strategy includes the following elements:

- development of each of the airports that is harmonious and specific to the individual site, with increased density of buildings on airport sites with an overall development vision, modulated into different sectors, depending on the identity of the airports where it is located.
- a marketing and pricing approach that reflects the diversity of the portfolio and the different real estate products and markets targeted (leisure and services, manufacturing and logistics, commercial businesses, airport activities);
- provision of services and products designed to add value and enhance the efficiency and competitiveness of companies choosing to locate at the airports (business parks, hotel complexes, shops, restaurants, services, leisure facilities);
- optimization of risk and financial exposure.

From 2006-2010, the Group plans to develop and market approximately 60 hectares, which could hold buildings with a usable floor area of more than 315,000 m², including approximately 150,000 m² at Paris - Charles de Gaulle, 150,000 m² at Paris - Orly and 15,000 m² at Paris - Le Bourget. Of these 60 hectares, approximately 30 hectares will be used for aviation activities (a

usable floor area of approximately 85,000 m²) and the other 30 hectares are expected to be used for diversification activities (a usable floor area of approximately 230,000 m²).

The Group estimates that it will require total investment of approximately 460 million euros to complete this program, of which Aéroports de Paris expects to invest approximately one quarter.

Aéroports de Paris plans to use its resources to act as overall developer of the areas of the airports that are open for development. The group could also invest further down the property development chain, financing all or part of some buildings from its own resources, as it did with the cargo terminals at Paris - Charles de Gaulle and Paris - Orly.

However, Aéroports de Paris will leave the financing of all real estate products such as hotels, retail property outside terminals or services to other companies. Other programs, to develop offices or workshops, could be developed by partnerships involving Aéroports de Paris to a greater or lesser extent.

Of this total of 315,000 m², Aéroports de Paris currently plans to develop 48,000 m² itself, with 267,000 m² remaining to be developed either fully by promoters or investors unrelated to Aéroports de Paris, or in partnership with Aéroports de Paris.

Aéroports de Paris's projected financing portion of these projects will account for most of the resources the Group plans to invest in real estate business from now until 2010, a total of 164 million euros. The remainder of the 164 million euros will be used to prepare and develop certain zones and areas that Aéroports de Paris will hold, and that will not be delivered or commercialized until after 2010.

The Paris - Charles de Gaulle airport

Paris - Charles de Gaulle airport has a number of strengths that enhance real estate operations on its site. Road and public transport access is of the highest quality and continues to be improved. The site still has reserves of unused land and the number of air passengers using the airport is expected to grow steadily.

Most of the real estate at the airport is currently set up for cargo activities and the specific needs of each of its sectors. This is particularly true of the Cargo, Maintenance and Express Cargo and Roissy Pôle sectors. Over the long term, Aéroports de Paris plans to develop a diversified real estate portfolio in which airport-related development continues to dominate but where other key activities – such as offices, workshops, shops and hotels – can be created and/or expanded.

By 2010 Paris - Charles de Gaulle airport plans to have developed 36 hectares, representing 150,000 m² of usable surface area. Slightly less than 70,000 m² of this usable surface area will be dedicated to cargo, aircraft maintenance and other aviation activities, with approximately 72,000 m² used as office and industrial space and 8,000 m² for public facilities and leisure locations.

Six priority real estate development areas have been identified at Paris - Charles de Gaulle:

- Sector Cargo;

- Center Roissy;
- Sector Western Gateway;
- Pôle Roissy;
- Sector Support; and
- Maintenance and Express Cargo Sector, Cargo.

Development has already begun in several of these areas. The Support Sector houses Servair's new catering unit and ACNA's new plane cleaning and supplies unit. It will also house the future maintenance center of the Air France hub. The Cargo, Maintenance and Express Cargo Sector will house Air France's A380 hangar and FedEx parking slots, which are in the process of being built. Air France's new flight-crew city will open in the Roissy Pôle Sector in early 2006. In the short term, Aéroports de Paris also plans to extend its number of cargo buildings, for which there is currently unsatisfied demand. To this end, a new Aéroports de Paris general cargo terminal with a surface area of 22,600m² will open in the Cargo Sector in 2007.

Over the next several years, Aéroports de Paris plans to continue studies for the creation of a shopping and service complex situated halfway between the two towns of Tremblay-en-France and Roissy-en-France, aiming to serve the 80,000 people employed at the Paris - Charles de Gaulle airport. Unibail is the developer for this project and will build and operate the complex on a 10 hectare site rented from Aéroports de Paris. "Aérovillie" must first receive zoning permission, including authorization to change the land use plans of Roissy-en-France and Tremblay-en-France as well as approval from CDEC or perhaps even the national regulator. This commercial center will therefore not open until after 2010.

The Paris - Orly airport

Paris - Orly airport's real estate portfolio offers many advantages that could allow it to become, over the next 15 years, an important business center at the core of the largest business area south of Paris, which includes the Silic, a commercial business park in Rungis, the Rungis national produce market, the Belle-Epine retail complex and the SENIA business park.

Against this background, the real estate strategy at Paris - Orly is to develop a mid-range to up-market office property portfolio, while also ensuring that the needs of aviation businesses are met. To achieve this, Paris - Orly plans to develop 18 hectares between now and 2010, creating 150,000 m² of usable surface area. Of this, more than 115,000 m² will be offices and industrial facilities, approximately 20,000 m² will be services and hotels and around 15,000 m² will be cargo facilities.

Five priority sectors have been identified within the Paris - Orly site:

- Cœur d'Orly;
- Orlytech La Fraternelle;

- Cargo Sector;
- Pont de Rungis Sector (aviation maintenance area); and
- Est Villeneuve Le Roi Sector

In its role as overall developer of the airport, Aéroports de Paris plans to implement a planning policy that will bring together in a single area, the Cœur d'Orly Sector, the airports's most attractive areas, which are currently separated by the N7 national road. The creation of a residential area at the end of runway 4 and the development of a transverse axis running at right angles to the N7 will make a significant contribution to this. Aéroports de Paris also plans to continue to support improvements to the airports's links to public transportation.

At the center of the Paris - Orly airports, Aéroports de Paris thus plans to create a new business district, Cœur d'Orly, which might include a hotel complex including an international conference center and a service center forming part of a major program of commercial sector real estate. Completion of this project will require changes to the zoning plans of the towns of Orly and Paray-Vieille Poste.

Aéroports de Paris has already begun to modernize and increase the density of buildings at the airport. Following the construction of a unit of around 42,000 m² for Air France Industries (production buildings and restaurants) in the Est Villeneuve-le-Roi Sector, the modification of Air France's engine building is now under way in the Pont de Rungis sector, with completion expected at the end of 2006. In addition, from 2007 the southern Paris mail processing airports for La Poste will be located at Orlytech La Fraternelle Sector. Lastly, a new 15,000 m² general cargo terminal will open for business in the Cargo sector in 2007.

The Paris - Le Bourget Airport and the General Aviation Airfields

At Paris - Le Bourget, a program to develop the north-west and north-east edges of the airport is due to be launched in 2006. The north-west area will house companies involved in aviation (it already houses a training center for aviation jobs and an engine test bed). This land is in the public zone and will be accessible from the Parisis road that is currently being built. The north-eastern segment, which is already home to Eurocopter's rotor development center, will house business air travel companies. This will give access to the restricted zone (and thus to airplanes) but will also be accessible from the public zone.

In addition, some old buildings along the RN2/RN17 road will be demolished as the current occupancy arrangements come to an end, beginning in late 2006, thus freeing up land in an ideal location with access to the airport from the RN2/RN17.

Finally, there is a project at the Lognes-Emerainville aerodrome to develop industrial and logistics buildings. In total, the Group plans to develop 5 hectares of real estate zones at Paris - Le Bourget and the general aviation airfields, representing a surface area of 15,000 m² of tertiary development.

6.3.4. Ground handling

Ground handling services include all the services required by an airline while its plane is on the ground at an airport. An airline can either provide these services itself, using its own staff, or make use of an external service provider. A distinction can be drawn between passenger services (check-in, boarding, ground transport and shuttle buses, incoming passenger welcome, baggage claims, etc.) and plane services (loading, unloading, catering, cleaning, plane towing and push-back, production of technical documentation, baggage handling).

Legal context

In 1998, a French law was adopted requiring ground handling services to be open to competition. European Directive 96/67/EC of October 15, 1996 on access to the ground handling market at European Community airports, incorporated into Articles R. 216-1 and subsequent of the French Civil Aviation Code, redefined the legal framework for this business, which until then had been shared between Air France, the Group and airlines' in-house services, which covered mainly passenger services. The directive established the principle of a fully competitive market for passenger services (administrative support and supervision on the ground, passenger check-in and ground transport) and some plane services (cleaning, refueling, in-line maintenance, aircraft operations and crew management, catering). However, the directive made it possible to limit the total number of service providers for towing and pushback, baggage handling, cargo and mail transfer and transport between terminals and planes, while at the same time specifying that at least one service provider, independent of the airport operator and the dominant airline, must be authorized to offer such services at each terminal.

As these activities require certification from the *Préfet*, Aéroports de Paris has obtained approval to offer such services at Paris - Orly and Paris - Charles de Gaulle airports. European regulations stipulate that separate financial accounts must be kept for ground handling businesses.

Where the number of service providers is limited, authorized service providers are chosen by the French government following a tender process and after consultation with the airlines using the terminal in question and with representatives of government bodies. The number of votes allotted to each airline is proportional to its share of traffic through the terminal.

Each terminal at Paris - Orly and Paris - Charles de Gaulle has at least one and sometimes two independent service providers, with the exception of terminals CDG 2C, 2E and 2F, which are used exclusively by Air France and its partners in the SkyTeam alliance and where Air France provides its own ground handling services.

The ground handling services market in Paris

At Paris - Orly and Paris - Charles de Gaulle, 65% of the ground handling service market (both fully competitive and restricted segments) is held by Air France, which provides these services for its own needs and to its SkyTeam alliance partners. The remaining 35% of the market represents approximately 400 million euros of annual revenues, and is split between four groups: Europe Handling, which has 40% of the accessible market, Aéroports de Paris, which has a long-established ground handling activity, with slightly higher than 30%, and Servisair/GlobeGround and Swissport which share the remaining 30%.

The Group offers its services to airlines that do not provide their own ground handling. Ground handling services generated revenues of 128 million euros in 2005 for the Group. The services provided include the processing of more than 4.5 million departing passengers and more than 40,000 assisted landings every year. The Group's clients for its ground handling services come from all continents (its main clients are Air Algérie, Iberia, Corsair, Tunis Air, Continental Airlines, American Airlines, El Al, Fly DBA, TAP Air Portugal and Saudi Arabian). Airlines sign ground handling contracts directly with the Group.

The main services offered by Aéroports de Paris are passenger assistance, towing and pushback, baggage handling, cargo and mail transfer, aircraft services and ground transport. The Group does not offer catering, in-line maintenance or refueling services. Aéroports de Paris sub-contracts the bulk of its plane ground handling services, together with a significant share of its passenger services, to its subsidiaries that are part of the Alyzia group.

The Alyzia group, under the Alyzia Airport Services holding company, consists of: Aviance France (passenger handling and aircraft services at Paris - Orly and Paris - Charles de Gaulle), Sapser Handling (plane services at CDG 1 and T3), Alyzia Ramp Assistance (plane services at CDG 2), Alyzia Handling (towing and pushback at Paris - Orly) and Locmafer (cargo and mail transfer at Paris - Charles de Gaulle). Alyzia also owns three other subsidiaries: Alyzia Sûreté, Alyzia Training and Sapser, which provide passenger and baggage screening and searches, sniffer dogs, training and luggage trolley management.

Since 2002, Aéroports de Paris has been a member of Aviance, a global alliance of ground handling service providers with 10 members active in 12 countries and more than 100 airports worldwide.

The opening of the ground handling market to competition triggered a steady decline in prices, which began to stabilize only in 2005. Competitive pressure in the "accessible" market has also been increased by the gradual expansion of the SkyTeam alliance, which reduced the accessible share of the market as Air France increased its services. This highly competitive market has put pressure on margins in this labor-intensive area. In order to remain competitive, the Group has implemented three restructuring plans in its ground handling businesses, in 1998, 2000 and 2003. These plans sought to adjust the structures of these businesses to ensure their sustainability and to return them to financial viability by cutting production costs, focusing on profitable services and contracts and moving into line with industry standards. The restructuring plans have resulted in a gradual reduction in ground handling staff at Aéroports de Paris, from 1,176 permanent employees in 1997 to 710 at December 31, 2005.

In addition to these 710 employees at Aéroports de Paris, 947 permanent staff at the Alyzia group are also involved in the ground handling area at the airports operated by Aéroports de Paris, bringing the total for the Group to 1,657. Shifts run from 4:30 am to midnight at Paris - Orly and round the clock at Paris - Charles de Gaulle.

Strategy

Competitive pressure in the ground handling market will continue to increase over the medium term. There are two factors to take into account: first, the risk of the arrival of a new entrant, in

an already crowded “accessible” market. On this point, in November 2006, a license will become available at Orly Sud, a terminal at which only Aéroports de Paris has been active to date. Secondly, the European Commission is currently considering steps to bring about even greater freedom in the ground handling market. In the latest draft of modifications to Directive 96/67, issued in 2005, the Commission’s main proposals included:

- transforming the obligation of airport operators providing ground handling services to produce separate accounts, into an obligation to create a separate legal entity, and imposing the same obligation on airlines providing such services to third parties;
- ending the automatic selection of the airport operator (where it provides ground handling services) for ground handling services where the number of service providers is limited.

Against this background of an increasingly competitive market, the Group’s strategy is to bring its ground handling operations back to operating profitability by 2008, by:

- reducing operating costs;
- focusing on services and contracts that allow optimum use of human and physical resources throughout the day, thus boosting productivity; and
- providing a range of high added value services, by taking advantage of new technological developments such as the creation of interfaces with airline check-in systems, the use of on-board IT systems for plane services and the GPS tracking of runway equipment.

6.3.5. Other Activities

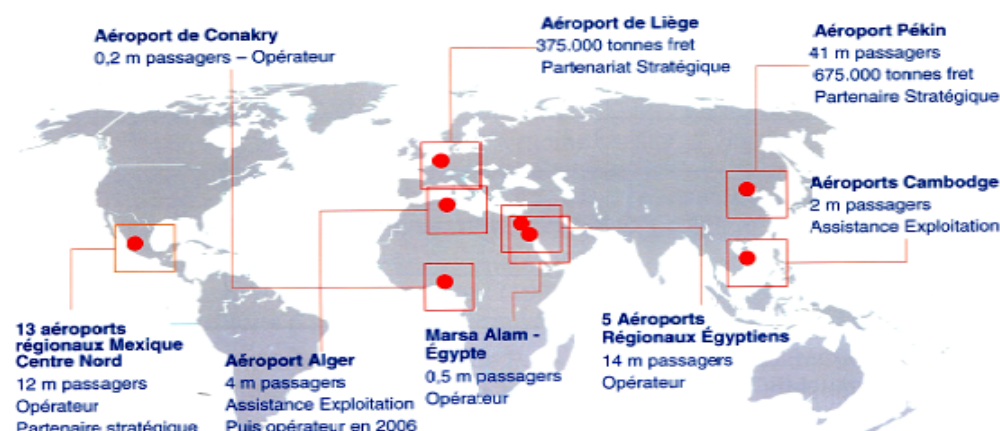
Aéroports de Paris, either directly or through its subsidiaries, carries out various business activities that leverage the expertise it has established, such as international airport management and airport engineering, specialized telecommunications services, and the operation of retail outlets in Group airports.

6.3.5.1. International airport management

The Group is active internationally, providing skills and expertise in airport management. The Group has entered into a number of airport management contracts, which in some cases have been accompanied by the acquisition of a stake in the airport operator.

In 2005, Group revenue from airport management was 7.4 million euros, in addition to which the Group received 2.9 million euros of dividends. The net book value of the Group’s holdings in international airport operators was 112 million euros at December 31, 2005.

The group's worldwide presence in airport management is either direct or through its ADP Management ("ADPM") subsidiary. The group's international activities in this area are shown in the map below:



Aéroports de Paris created ADPM in 1990. In January 1999 the Vinci group (then the GTM group) took a 34% stake in ADPM. Since December 2004 and the ending of the partnership between Aéroports de Paris and Vinci in ADPM, the company has been 100% owned by Aéroports de Paris.

Group holdings outside France

The Group owns equity stakes in airport operating companies outside France, some of which are held directly by Aéroports de Paris and the others by ADPM. These stakes are accompanied by management, consultancy or operating contracts held by Aéroports de Paris, ADPM or the company in which the stake is held. The Group's international holdings are listed below:

- **Mexico.** Since 2000 Aéroports de Paris has held a 25.5% stake in the Mexican company Servicios de Tecnología Aeroportuaria, S.A. de C.V. (SETA), which it acquired in two stages for a total of 114.6 million pesos, and which had a value on Aéroports de Paris' balance sheet at December 31, 2005 of 9,6 million euros. Since Vinci Airports sold its 37.25% stake in SETA in June 2005, the only other shareholder of SETA besides Aéroports de Paris, has been Aeroinvest, a subsidiary of the ICA group, owned by the Empresa ICA S.A. de C.V holding company, which owns 74.5% of the capital.

SETA is the strategic partner to Grupo Aeroportuario del Centro Norte, S.A. de C.V. (GACN), the holding company for 13 airports in the north and center of Mexico, including Monterrey International Airport. In 2005, traffic through the airports managed by GACN rose 9% to 11.6 million passengers. SETA owns 15% of GACN and in 2000 entered into a 15-year agreement for technical support and transfer of technology. Aéroports de Paris enjoys joint decision-making power for major decisions regarding the management of SETA, and, via SETA's role in GACN, exercises indirect management over GACN. The other shareholders in GACN are the Republic of Mexico, with 49%, and Aeroinvest with 36%.

- *China.* In February 2000, ADPM took a 9.99% stake, for 119,9 million euros, in Beijing Capital International Airport (BCIA), at the time of the flotation of 35% of this company's shares on the Hong Kong stock market. ADPM is also BCIA's strategic partner. Since the end of the partnership with Vinci Airports, ADPM's stake in BCIA has been cut from 9.9% to 6.6%. This holding had a book value of 98,4 million euros at December 31, 2005. The Chinese State is the main shareholder, with 65%. The Chinese authorities have confirmed their plans to expand this airport, which handled 41 million passengers in 2005 and which is due to increase its capacity by 35 million passengers per year, in time for the 2008 summer Olympic Games in the city. The acquisition of this stake was accompanied in 2000 by the signature of a consultancy contract for the support of BCIA, particularly in areas relating to the transformation of the airports to a hub model and the development of non-aviation revenues. This contract expired in January 2005. A new 3-year support contract was signed in June 2005. Under this contract ADPM will support the airport's management team in its preparations for the opening of the new T3 terminal, which will be one of the largest terminals in the world to be opened in a single phase.
- *Belgium.* Since 1999, ADPM has owned a 25.6% stake in the Société de Développement et de Promotion de l'Aéroport de Liège-Bierset SA (SAB), which manages the Liège-Bierset airport in Belgium. The other shareholders are Société Liégeoise de Financement (50.2%) and Société Wallonne des Aéroports Régionaux (24.2%). This stake has a book value on ADPM's balance sheet of 3.9 million euros, of which 0.87 million euros is not yet paid up. A partnership agreement between ADPM and SAB was signed in March 1999 for a 15-year period. Liège-Bierset airport is Europe's 11th largest cargo airport, with traffic of 326,000 tons in 2005, and is currently undergoing a major expansion program to increase the capacity of cargo and passenger handling infrastructure. This program saw the opening of a new passenger terminal, with a capacity of over 1 million passengers per year, in April 2005.
- *Guinea.* ADPM signed a technical assistance contract, with effect from January 1, 2006, for a renewable one-year period with SOGEAC (Société de Gestion et d'Exploitation de l'Aéroport de Conakry), which operates the international airport at Conakry - Gbessia. ADPM has owned a 29% stake in SOGEAC since 1994.
- *Japan.* In February 2006, ADPM, alongside Mitsui and ADP Ingénierie ("ADPi") (see below) formed a consortium to bid for the concession to manage the new international terminal at Tokyo Haneda airport in Japan.

Management and technical support contracts

The Group has also signed management and technical support contracts abroad without taking equity stakes in the companies involved. The principal contracts are:

- *Egypt.* On December 27, 2004, Aéroports de Paris signed a six-year agreement covering the management of five regional tourist airports receiving international traffic, at Sharm el-Sheikh, Hurghada, Luxor, Assouan and Abu Simbel. This contract, to be performed by ADPM, forms part of a complete overhaul of the Egyptian airport system under the auspices of the World Bank. ADPM also manages the private airport at Marsa Alam.

- *Algeria.* In June 2004, ADPM signed a two-year technical support contract with a value of over 4 million euros with the airport authority EGSA for the delivery in the first half of 2006 of the new terminal at Algiers International Airport, which has been remodeled by ADPi to meet new international standards. The contract covers support in transferring international traffic to the terminal and the implementation of modern and effective airport management structures. The Algerian airport authorities have expressed a desire to replace the current technical assistance contract with a three-year management contract. The terms of the new contract are now being finalized.
- *Cambodia.* In Cambodia, ADPM signed a three-year operational support contract on January 1, 2005, with CAMS, the company operating the international airports at Phnom Penh and Siem Reap, on behalf of concession holder SCA.

Strategy

Between 2006 and 2010, Aéroports de Paris will make a priority of its important investment program in its Paris airports. In this context and during this period, the Group intends to limit the level of financial commitments it assumes in connection with its international development, although it may consider the reallocation of its current investment portfolio if necessary.

The Group's strategy for airport privatizations and concessions internationally is to maintain a prudent presence so as to preserve sources of future growth. With this in mind, the principal components of the Group's strategy to capitalize on its experience and know-how in international markets are as follows:

- the Group plans to take financial stakes in companies accompanied by management or technical support agreements;
- it will continue to take a cautious approach in terms of the risk-reward balance, ensuring, as far as possible, a high degree of management control, either by the size of its stake or through the contracts entered into;
- the Group will follow clear rules regarding the geographical location of its international operations, with an emphasis on airports in Europe, in OECD countries and in countries with fast-growing economies, notably Brazil, Russia, India and China;
- the Group will seek out opportunities to become involved in large, but under-used airports, which have significant requirements for airport management skills, and thus offer strong growth potential.

6.3.5.2. Development of engineering businesses in France and abroad

Created in June 2000, ADPi is a wholly-owned subsidiary of Aéroports de Paris which provides design, lead contractor and project management services in the area of architecture and engineering for airports and infrastructure where there are issues of complex pedestrian flows (like air terminals and sports and cultural venues). ADPi, which works either alone or alongside

other consultants, is active on all continents and in 2005 generated revenues of 27.5 million euros.

Prior to the creation of a separate subsidiary, the architecture and engineering office of Aéroports de Paris directly engaged in the activities now carried out by ADPi. ADPi has been ISO 9001 certified since February 2003 and in March 2005 successfully passed its second ISO 9001 monitoring audit.

ADPi provide services, on demand, throughout the life cycle of its clients' projects:

- in the planning and scheduling phase, ADPi provides a variety of technical and economic studies (feasibility studies, traffic forecasts) which form the basis of master plans, covering site selection and evaluation and the overall site development plan;
- in the architectural design phase, ADPi performs preliminary scheme design work (initial definition of technical features, assessment of cost of project, and definition of architectural style of the buildings and their geometric details) and/or more detailed preliminary work;
- in the project development phase (representing the core of the engineering input in the true sense of the term), ADPi's role has traditionally been to produce detailed designs and technical specifications for the project, technical specifications for equipment, budget costs for the works and estimates of the time required;
- in the project management phase, ADPi manages the project (including selection and management of contractors and supervision of works) and/or provides post-project support (notably checking that installed equipment works correctly).

In the area of complex infrastructure, ADPi has been involved in a wide variety of projects including the TGV station at the Paris - Charles de Gaulle airport, overall planning for the Eurotunnel terminal area at Calais, project management for the Cité Europe shopping complex in Calais, the Multi-sport stadium in Canton, China, the ski jump for the Winter Olympic Games in 1992 in Courchevel, The Grand National Theatre in Beijing, China and the Oriental Arts Center in Shanghai.

In the airport field, ADPi boasts a portfolio of sixty projects ranging from the construction of terminals to entire airports. ADPi is active both in France (final assembly facility for the Airbus A380 in Toulouse, involvement in the construction of Bordeaux-Mérignac airport, etc.) and elsewhere in the world (assembly factory for Airbus A400M military plane in Séville, terminal and VIP lounge at Houari Boumediene airport in Algiers, involvement in terminal projects in Dubai, Moscow, Shanghai Pudong and Ho Chi Minh City).

At December 31, 2005, ADPi had 197 employees, 119 of them outside France, most of whom were working under local contracts.

A substantial share of ADPi's revenues are currently generated from its activities in the Persian Gulf (68% of 2005 revenues) due to the favorable economic conditions in this region, which is seeing rapid development, particularly in the airport segment, and to ADPi's strong marketing presence in the region. The main contracts include, in Dubai, the design and supervision of the

construction of terminal 3, concourses 2 and 3, the maintenance base for Emirates airline, the new Jebel Ali international airport and Brach Towers, and in Qatar, the new Doha international airport.

ADPi's strategy is based around three central features: controlled growth so as to spread general overhead and project development costs; a strategy of geographical targeting of the best opportunities (notably in the Persian Gulf) without overlooking stable, low-risk regions such as France, Western Europe and Japan and fast-growing areas such as Asia, China and Eastern Europe; and lastly the expansion of the project portfolio so as to be able to seize profitable opportunities (luggage systems, runways, control towers) while continuing to cover the segments where it has built its reputation (major air terminals, industrial airport buildings and complex infrastructure).

6.3.5.3. Hub télécom

Created in 2001 as ADP Télécom, Hub télécom is a telecoms operator specializing in telecommunications network services in airports and other sites with high levels of business users. Hub télécom is a wholly-owned subsidiary of Aéroports de Paris. Hub télécom had revenues of 71.3 million euros in 2005, of which 31.5 million euros was generated from Group entities. It had 239 employees at December 31, 2005.

Hub télécom mainly supplies telephony, data transmission, specialized networks for airport environments and engineering services. Telephony services include subscriptions, calls and equipment under rental and maintenance contracts.

As a telecoms network and service operator, Hub telecom offers a full range of telecommunications solutions including telephony, data transfer, mobility, multimedia and engineering services. Hub télécom has also developed consumer offerings including WiFi services and SMS flight information. Hub télécom has also supplied radio communications services over secure networks based on the digital TETRA radio standard.

The mobility solutions developed by Hub télécom meet all the needs of companies working at airports, from mobile telephony (DECT, TETRA and GSM) to data transmission (WiFi, GPRS and WiMAX) to activity-specific solutions (baggage management, plane preparation, real-time flight information and GPS services).

Hub télécom's clients in airports include airlines, ground handling service providers, transit agents, cargo companies, logistics providers, hotels, car rental groups and the public services. Specialist services and the solutions offered by Hub télécom contribute to increase the productivity of these companies and enhance the attractiveness and competitiveness of the Paris airports. Hub télécom's expertise thus provides a very good fit with that of Aéroports de Paris and emphasizes the Group's positioning as a provider of value added services.

Hub télécom has been awarded contracts to install and operate broadband wireless (WiFi) networks to meet the requirements of airlines, service providers and the general public in France (at Lyon, Montpellier, Toulon, Clermont-Ferrand, Lille and Perpignan airports) and in Morocco (Casablanca airport). Hub télécom has also developed and marketed the 'aérosms' service to

provide real-time flight information by SMS, supplying it to Brest, Montpellier and Toulon airports.

The services developed by Hub télécom are well adapted to other spaces used by the business community, where Hub télécom can offer innovative shared solutions. In particular this applies to complex business sites, such as areas where tens or hundreds of companies co-exist, with strong demand for mobility of people and assets. Hub télécom includes amongst its clients business parks, conference centers (including the Palais des Congrès in Paris), exhibition centers (including that at Porte de Versailles in Paris) and hotels (e.g. Hôtel Concorde Lafayette in Paris).

As well as being a service operator, Hub télécom owns its own network at the Aéroports de Paris airports and can thus offer telecommunications integration services to its clients. Hub télécom provides consultancy and engineering services to support the expansion of its clients, with its offering covering service marketing, cost optimization and network engineering. Hub télécom also offers site managers a range of telecommunications infrastructure outsourcing solutions.

Hub télécom has more than 1,350 company clients and more than 150,000 daily users across all its businesses.

Strategy

The major strategic goal for Hub télécom is to establish itself as the European leader in communications solutions for airports and complex sites. With this in mind, the company will focus on developing its offering around the themes of mobility and convergence, and to set itself apart by offering sector-specific and innovative solutions (such as GPS management solutions).

Drawing on a portfolio of references from the Paris airports and the major French regional airports, Hub télécom plans to pursue targeted geographical growth to strengthen its international presence, particularly through consultancy and engineering services that address the problems currently being encountered in airports (growing complexity, constant changes in airport management, lead-time, cost and resource constraints for airport operators).

On January 6, 2006, Hub télécom applied to ARCEP (*Autorité de régulation des communications électroniques et des postes*) for a WiMax license and to operate under this license in the main business districts in the Ile de France region. As the number of requests for licenses across mainland France greatly exceeded the number of licenses on offer (two per region), ARCEP has triggered the procedures to be employed in the event of scarcity. The new procedure was launched with a deadline of February 1, 2006 for applications. In order to increase its chances of success in the new application procedure, Hub télécom has joined forces with Bolloré SA, and, as part of a consortium, applied for licenses in all 22 regions of mainland France. Decisions are expected in July 2006.

6.3.5.4. Retailing: Société de Distribution Aéroportuaire

To complement its activity of developing and renting commercial space in its airports, Aéroports de Paris has decided to test a more integrated model. Since 2003 it has been involved in the direct management of retail operations through Société de Distribution Aéroportuaire, a company

created in partnership with the airport retail specialist Aélia (a subsidiary of Hachette Distribution Services). Greater integration between the airport operator and the retailer provides greater flexibility in adapting the offering to meet client expectations and in the development of new retail concepts. It has thus given Aéroports de Paris better control over the operation of its retail space (see 6.3.2.8. “– Airport Services – Commercial and service activities at Aéroports de Paris”).

Aéroports de Paris owns 49% of Société de Distribution Aéroportuaire, with Aélia holding the remaining 51%. Aéroports de Paris and Aélia have introduced balanced and bi-partisan management through a management committee consisting of three representatives from each partner.

The partnership in Société de Distribution Aéroportuaire covers the management of retail alcohol, tobacco and perfume outlets in the duty free zones of CDG 2 and CDG 1 terminals as well as some of the specialty food outlets in these two terminals. The activity should benefit from synergies between the two partners in many ways: organization of passenger flows, marketing and merchandising. The partnership, which was originally limited to CDG 2, was concluded for a ten-year period, and on June 1, 2003, Aéroports de Paris awarded the company a temporary authorization to occupy a public space lasting for the same period. In principle, shares in Société de Distribution Aéroportuaire may not be transferred during this period. However, the by-laws of Société de Distribution Aéroportuaire allow each of the partners to buy-out the other party's shares in the event of violation of a clause in the by-laws, bankruptcy or capital reduction at the partner in question below the legal minimum. In addition, Aéroports de Paris will have the option to buy out Aélia's share should the Hachette Distribution Services group transfer control of this subsidiary or in the event of the cancellation of the temporary authorization to occupy a public space under which Aéroports de Paris authorized Société de Distribution Aéroportuaire to operate retail facilities in the CDG 2 terminals. The temporary authorization to occupy public space in CDG 1 is in force since July 13, 2005 and will remain effective until January 16, 2012.

Société de Distribution Aéroportuaire purchases goods solely from Aélia's purchasing center, thus allowing it to benefit from terms negotiated on the basis of volumes for the entire Aélia group.

A specific profit sharing mechanism has been introduced for this company, whereby shares held by Aéroports de Paris give it the right to a 35% share of net income between 0% and 3% of net revenues at Société de Distribution Aéroportuaire, and 49% of any net income above this level.

Total revenues at Société de Distribution Aéroportuaire were 163.8 million euros in 2005, and total fees of 60.2 million euros were paid by Société de Distribution Aéroportuaire to Aéroports de Paris (up from 53.2 million euros in 2004). The dividend paid to Aéroports de Paris was 2 million euros, up from 0.9 million euros in 2004.

6.3.5.5. Training and human resources

As part of its strategy of international expansion and the export of its expertise, Aéroports de Paris offers companies, through training and advice on human resources development, a range of

support and training services that complement the services provided by its ADPi, ADPM and Hub télécom subsidiaries.

Sold under the banner “Aéroports de Paris Training”, these services can be purchased as a standard or a tailored package, thus ensuring quality and flexibility for clients, and can address any of the themes specific to the operation of an airport (operation, management, human resources, security, etc). Drawing on training materials already developed internally, Aéroports de Paris Training can also call on a network of speakers and trainers drawn from within the Group, all of whom are experts in very specific areas of airport management spanning all Group business lines.

Aéroports de Paris Training is thus able to provide a broad range of services (consultancy on human resources management and development, bespoke training and personalized programs on a wide range of themes relating to the airport industry, audit and design of training systems, training of training managers or trainers within client companies).

In this business area, Aéroports de Paris has provided services in more than 55 countries worldwide. By way of illustration, the Company was recently appointed to provide, between 2005 and 2007, more than a dozen training sessions for managers and staff at the five regional airports in Egypt operated by ADPM. In France, the main training provided has covered maintenance, operation of air terminals, crisis management, safety and security.

In 2005, services provided under the “Aéroports de Paris Training” name generated revenues of 1 million euros.

6.4. FACTORS OF DEPENDENCY

6.4.1. Clients

Revenues generated by the contractual relations between Aéroports de Paris and the companies of the Air France-KLM group represented 23% of the total revenues of Aéroports de Paris for the year 2005 (see paragraph 4.1 – “Risks Related to the Business of Aéroports de Paris”).

6.4.2. Intellectual Property

In accordance with the provisions of the French Code of Intellectual Property, Aéroports de Paris is bound to comply with the moral rights attached to existing airport constructions, in particular on the Paris - Charles de Gaulle platform. Such rights imply for the Company to obtain a prior authorization from architects for any significant adaptation or modification of the constructions. Any opposition from such architects might result in a delay or freeze of the proposed works on said constructions.

6.5. GROUP’S COMPETITIVE POSITION

The Group’s competitive position is set out in paragraph 6.2.5.1 – “Competition”.

6.6. LEGAL AND REGULATORY ENVIRONMENT

6.6.1. Sources of the Regulatory Regimes Applicable to the Group

Aéroports de Paris is subject to a number of international, European and international regulatory regimes relating the operation of airports.

The International Civil Aviation Treaty

Aéroports de Paris is subject to the French regulations implementing the International Civil Aviation Treaty signed in Chicago on December 7, 1944, ratified on December 7, 1944 and published in its approved French translation in Decree n° 69-1158 of December 18, 1969. Under Article 37 of this treaty, the International Civil Aviation Organization (ICAO), which has more than 180 member states, is responsible for establishing “recommended standards and practices” to ensure that each flight is handled in an identical and uniform way in all of the states that are signatories to the Treaty. These standards and practices cover technical specifications, the uniform application of which is considered necessary or desirable in the interests of security, conformity and efficiency of air travel and to which the signatory states must conform (in the case of standards) or seek to conform (in the case of recommended practices). They cover all technical and operational aspects of international aviation and in particular set out the characteristics of airports and landing areas and other items relating to security, efficiency and conformity of air travel.

European Union regulations

Aéroports de Paris is subject to European regulations relating to the air transport sector, most notably Council Regulation (CEE) n° 2408/92 of July 23, 1992 regarding access of community air carriers to intra-community air routes (which paved the way for liberalization of air transport in Europe) and Council Regulation (CEE) n° 95/93 of January 18, 1993 on common rules on the allocation of slots at European Community airports, modified most recently by Regulation (CE) n° 793/2004 of the European Parliament and the Council of April 21, 2004.

The Group is also subject to French laws implementing Council Directive n° 96/67 of October 15, 1996 which opened the market for ground handling services in airports in the European Union (see 6.3.4. “– Ground handling services”), Regulation (CE) n° 2320/2002 of the European Parliament and the Council of December 16, 2002 on the creation of common rules in the area of security, as modified by Regulation (CE) n° 849/2004 of April 29, 2004 (see 6.3.2.7. “– Security”) and Directive 2002/30 of the European Parliament and Council of March 26, 2002 on the creation of noise control rules at European Community airports (see implemented measures and environment Balance “– Environmental regulations”).

French legislation

Under Articles L. 251-2 and D. 251 of the Civil Aviation Code, Aéroports de Paris is responsible for managing, operating and developing the Paris - Charles de Gaulle, Paris - Orly and Paris - le Bourget airports, as well as 11 civilian airfields in the Ile de France region. Under these articles Aéroports de Paris has exclusive rights to manage, operate and develop these airports for an indefinite period.

As part of its legally mandated functions, Aéroports de Paris must comply with:

- the provisions of law applicable to all airfield operators, which are set out primarily in the Civil Aviation Code. These rules have been modified on several occasions, in particular in order to strengthen requirements regarding flight security and airfield security;
- the specific terms contained in the Law of April 20, 2005 and its enacting Decrees, as codified in Articles L. 251-1 and subsequent and R. 251-1 and subsequent of the Civil Aviation Code; and
- the obligations in a technical document known as the *cahier des charges*, as provided in Decree n° 2005-828 of July 20, 2005.

6.6.2. Regulation of Group airport activities

6.6.2.1. Regulations regarding revenues generated from the operation of airports

The public airport services provided by Aéroports de Paris are primarily paid for through airport fees for services provided. Airport fees are determined mainly as a function of the number of departing commercial passengers and the number of aircraft movements, including both takeoffs and landings. The maximum level of annual increase in airport fees are determined by multi-year contracts with a duration of up to five years between the Group and the French Republic or, in the absence of a contract, on an annual basis in accordance with articles L. 224-2 and R. 224-4 of the Civil Aviation Code. Aéroports de Paris and the French Republic signed a contract on February 6, 2006 (the CRE) to cover the period from 2006 to 2010. For more details see 6.3.2.6. “– Revenues from the operation of airports”.

6.6.2.2. Opening of airfields to public air traffic and classification of airfields

Opening to public air traffic

The airfields operated by Aéroports de Paris are open to public air traffic in the sense of Article R. 221-1 of the Civil Aviation Code, which provides the authorization for the operation of the airfield. As a result, all aircraft with the appropriate technical characteristics for these airfields are authorized to use them.

The opening or closing of an airfield to public air traffic is a decision made, after a technical review, by the Minister with responsibility for civil aviation. An authorization to open an airfield to public air traffic can not, except in an emergency, be suspended, restricted or withdrawn other than by a reasoned ministerial order issued, in certain cases, after approval from the Superior Council for Aviation Infrastructure and Navigation.

Classification of airfields

Airfields must be managed and equipped in a way that meets the obligations that is appropriate for the activity undertaken on them. The Civil Aviation Code separates airfields that are used by public air traffic into five categories, according to the nature of the traffic that the airfield is intended to receive (Article R. 222-1 and subsequent of the Civil Aviation Code). The

classification of airfields is made by decree issued after approval from the Superior Council for Aviation Infrastructure and Navigation. The adoption of the decree is made on the basis of a report from the Minister with responsibility for civil aviation, after approval from the Minister of the Economy and Finance, the Minister for Equipment, the Secretary of State for Housing, the Minister of the Interior and any other ministers affected. The list giving the classification of airfields is appended to the Civil Aviation Code (by virtue of Article D. 222-1 and subsequent of the Code).

Paris - Charles de Gaulle, Paris - Orly and Paris - Le Bourget airports are in category A (that is to say airfields suitable to receive normal long-distance flights under all conditions). The other airfields operated by Aéroports de Paris are classified in categories C, D and E.

6.6.2.3. Construction, extension or modification of airfields

Projects subject to specific procedures

The development of airfields requires considerable investments, which can have a significant impact on the environment and security of neighboring populations. As a result, some projects are subject to specific procedures designed to assess their impact on the environment and security and to inform and consult with local residents (Articles L. 211-1 and R. 211-3 and subsequent of the Civil Aviation Code). Therefore:

- the creation or extension of infrastructure for which the cost is greater than 1.9 million euros requires the prior publication of an impact study;
- major transport infrastructure projects with a cost of approximately 83 million euros or more are subject to review, including analyses of the conditions and costs of construction, maintenance, operation and renewal of the infrastructure; financing conditions and an estimate of the financial return; the effect of the project on existing transport infrastructure or other infrastructure in the process of being built; and a provisional analysis of the advantages and disadvantages resulting directly from the approval or rejection of the proposed infrastructure;
- the creation or extension of runways for category A airfields with a cost of over 35 million euros may involve a public debate (this becomes compulsory where the expected cost is greater than 100 million euros);
- the creation of a new airfield, a new runway or work carried out with a view to a change in category under Article R. 222-5 of the Civil Aviation Code must be preceded by a public enquiry;
- works to build, extend or carry out extensive modification of airport infrastructure, the operation of which poses security threats to users and neighboring residents, are subject, prior to commencement, to the production of a descriptive report accompanied by a security report drawn up by a suitably qualified and approved expert or organization. This report must detail the operating conditions of the infrastructure and examine its compatibility with existing structures, or in the case of projects on the fringes of airports its impact on the

security of neighboring residents (to date, however, this procedure, set out in Law n° 2002-3 of January 3, 2002, has not been the subject of an enabling Decree).

Building permits

In accordance with Articles L.421-2-1 and R.490-5 of the French Urban Land Use Code, the Republic of France is the competent body for the delivery of building permits relating to operations in the national interest. Article 5 of the Decree of July 20, 2005 included works to enhance and develop the airfields operated by Aéroports de Paris in the scope of such operations.

On September 23, 2005, the local authority of Tremblay-en-France submitted a motion to the Conseil d'Etat calling for the annulment of the Decree of July 20, 2005. In support of its motion the local authority challenged the legality of Article 5 of the Decree of July 20, 2005 on the basis that it failed to define in a sufficiently precise fashion the scope of the airport sites to which it was applicable. The authority claims that with the exception of the major airports operated by Aéroport de Paris, the airfields operated by the Company did not fulfill the criteria of being in the national interest. The authority therefore claims that the competence given to the Republic of France to grant building permits is inconsistent the principle of freedom of action of local authorities.

If the arguments put forward by the local authority of Tremblay-en-France were upheld, the provisions of Article 5 of the Decree of July 20, 2005 could be overturned. The legality of the other provisions of the Decree would not be called into question provided that the provisions in question are considered to be separable from Article 5. This case is currently pending.

6.6.2.4. Ownership of assets; obligation to pay a share of capital gains on the sale of closed airport sites to the French Republic

Ownership of Aéroports de Paris assets

Article 2 of Law n° 2005-357 of April 20, 2005 provided for the reclassification of all public assets held by Aéroports de Paris as a public body and all assets that the Republic of France had transferred to it or had authorized it to occupy. As from July 22, 2005, the date on which Aéroports de Paris was transformed into a *société anonyme*, full ownership of these assets was vested in the Company. Aéroports de Paris thus owns all its assets outright, including the land on which its airfields are located as well as all infrastructure and other installations that the Company has constructed there. At the same time, the Law of April 20, 2005 contained provision for the Republic of France, or its public bodies, to retain the assets necessary for public service functions relating to the operation of the airports. The list of these assets is given in Appendices 1 and 2 of Decree n° 2005-1538 of December 8, 2005. (See 8.1. “Real Estate Properties and Equipments of Aéroport de paris”).

However, the exercise by the Company of its property rights is restricted by the law in certain circumstances. Article L. 251-3 of the Civil Aviation Code stipulates that where a structure or land owned by Aéroports de Paris and situated within an airport is necessary for the proper execution by the Company of its public service functions or for the development of these functions, the Republic of France may oppose the sale or transfer of the structure or land, in whatever form, or the creation of a lien over the structure or land, or may make such sale,

transfer or creation of a lien subject to the condition that it does not disturb the performance of these functions. Article 53 of the *cahier des charges* of Aéroports de Paris sets out the categories of assets affected. The areas affected by the restrictions above represent approximately 67% of the total surface area of the three Paris airports, Paris - Charles de Gaulle, Paris - Orly and Paris - Le Bourget. Only 14% of the 369 hectares of real estate reserves currently available for development are affected by these restrictions.

Obligation to pay to the French Republic a share of capital gains realized on the sale of closed airfield sites

The agreement between the Republic of France and Aéroports de Paris under Article 3 of the Law of April 20, 2005 stipulates that, for a period of 70 years, in the event of the closure to public aviation of all or part of an airfield operated by Aéroports de Paris, the Company must pay to the state 70% of the difference between the market value of the buildings that are no longer used for public airport services and their value on the balance sheet at December 31, 2004, as approved by the General Meeting of Shareholders of Aéroports de Paris on December 23, 2005, increased by costs relating to their renovation and the closure of airport facilities.

The agreement provides that:

- the market value of real estate assets is to be determined by a panel of experts (consisting of four members nominated equally by the Republic of France and Aéroports de Paris and one member chosen by these four to be the chairman of the panel), who will apply methods customarily used in the valuation of real estate assets (assessment of the location, recent transactions for similar assets, general market level, etc.);
- the reference value of the assets is also set by the panel of experts, which will examine the costs of renovation and of the closure of airport facilities, particularly the cost of ground decontamination and of demolition of buildings and structures, which will be added to the balance sheet value at December 31, 2004.

The payment by Aéroports de Paris to the Republic of France must be made within 90 days of notification of its amount.

This agreement affects only those buildings which belonged to the public segment of Aéroports de Paris before the change in its status from public body to *société anonyme*, or to the Republic of France. It does not cover any assets that had been held by the private segment of the former public body or any assets acquired subsequent to the conversion of Aéroports de Paris to *société anonyme* status.

It should be noted that under current regulations, the decision to close an airfield or part of an airfield operated by Aéroports de Paris to air traffic would be taken by the minister responsible for civil aviation and would not be the responsibility of Aéroports de Paris (Article R. 221-2 of the Civil Aviation Code).

Characteristics of the airspace surrounding airfields: aviation servitudes

Airfields require control over large expanses of land. Most importantly, airfields must have a substantial volume of unimpeded airspace so that planes may approach and take off in complete safety. Article R. 241-1 of the Civil Aviation Code creates two types of aviation servitudes designed to protect an airfield from obstructions, so that planes may land and take off safely and regularly.

- Clear space aviation servitudes, which forbid the creation or require the removal of any obstacles that could hinder air movements or interfere with the operation of safety systems created in the interest of aviation. These could include height limits for buildings, trees or other structures and they give the authorities the right to require the removal of existing obstacles. A plan of such servitudes is drawn up for each airfield, and is considered by a public enquiry. Depending on whether the conclusions of the enquiry's report and the opinions of the public services and authorities affected are favorable to the plan, it will be approved by order or by decree. This plan is appended to local zoning plans. It will indicate the areas in which the height of buildings or any other potential obstacle is limited.
- Warning beacon aviation servitudes, which impose the requirement to inform pilots of certain obstacles and of the placing of visual or electronic warning systems designed to indicate their presence or to allow the identification of such obstacles and permit the installation of such systems.

In addition, expansion of airport capacity is made possible by the creation of a protected space around the airports, within which restrictions are imposed on the issue of building permits. These restrictions are set out in particular in the noise exposure map, the purpose of which is to limit the number of people affected by noise pollution, and through the creation of a master plan for the area surrounding airfields (see 6.7.1.1. “– Noise control regulations”).

6.6.2.5. Allocation of takeoff and landing slots

Allocation of takeoff and landing slots refers to the authorization to use airport infrastructure that may be required to provide aviation service in an airport at a specified date and time for the purpose of take-off and landing. The allocation of slots is distinct from the allocation of air carriers between terminals or airfields.

Rules for the allocation of slots have evolved gradually since the 1960s, particularly in the forum provided by IATA timetabling conferences. As far as the European Union is concerned, the rules for allocation of slots were harmonized across the community by Council Regulation CE n°95/93 of January 18, 1993 setting common rules for the allocation of slots in European Community airports, since modified by Regulation CE n°793/2004 of the European Parliament and the Council of April 21, 2004. These regulations aim to establish clear rules for the allocation of slots to different carriers, based on principles of neutrality, transparency and non-discrimination.

The rules for allocation are as follows: all slots allocated to a carrier for an aviation season are automatically reallocated to that carrier provided they have been correctly used (that is used for

at least 80% of the period of allocation, under the so-called “use-it-or-lose-it” rule) and if the carrier makes a fresh application for those slots in the following equivalent season. Slots that remain unallocated after this re-allocation (returned by carriers, not re-allocated or newly created), are pooled. Half of the pooled slots are allocated to new arrivals (carriers with little or no presence at the airport in question) and the other half allocated to carriers already using the airport. EU regulations also allow member states to take special measures to insure adequate internal air services by allocating a certain number of slots to routes serving particular regions and/or carrying a public service requirement.

Slots are allocated free of payment. They may be swapped between carriers at the same airport, but may not be given, bought or sold by carriers. Slots are not attached to specific routes but to carriers, other than for the special case of routes designed to improve internal links or with a public service requirement (for example, at Paris - Orly).

Under these regulations, member states may designate certain airports as “coordinated airports”. This implies that any take-off or landing at these airports is subject to the prior allocation of the corresponding slot, with the exception of government flights, emergency landings and humanitarian flights. The allocation of these slots is carried out by an impartial and independent organization known as the “coordinator”.

Paris - Orly and Paris - Charles de Gaulle airports were designated “coordinated airports” by order of the minister with responsibility for civil aviation (Order of October 19, 1999 and subsequent modifying orders, the latest of which is that of October 12, 2005).

The designated coordinator for the allocation and distribution of slots is COHOR, the *Association pour la Coordination des Horaires* (under the Order of August 9, 1996 designating the coordinator for the allocation of slots at Paris - Orly and Paris - Charles de Gaulle airports). COHOR is a non-profit organization governed by the Law of July 1, 1901. Its members are airlines (Aigle Azur, Air France, Air Horizons, Brit Air, CCM Airlines, Corsair, Europe Airpost, Regional Compagnie Européenne and Star Airlines) and airport managers (Aéroports de Paris and the Chambers of Commerce and Industry of Lyon and Nice). Any company holding an operating license in accordance with European regulations and any airport coordinated by COHOR, may become a member. In addition, two observers attend Annual General Meetings and meetings of the Board of Directors: BAR (Board of Airline Representatives) and UAF (Union des Aéroports Français). Lastly, a representative of the minister responsible for civil aviation sits on the Board of Directors and attends annual general meetings for consultative purposes.

In practice and in accordance with its by-laws, COHOR appoints a “delegated coordinator” for timetable coordination and/or allocation of slots between air carriers serving coordinated airports.

The delegated coordinator is currently Mr Eric Herbane. He was appointed for an automatically renewable 4-year term.

The delegated coordinator carries out all functions that are the responsibility of COHOR, namely:

- allocation and distribution of slots between the various users of coordinated airports;
- coordination of timetables of the various users of coordinated airports where COHOR has been appointed as coordinator;
- supervision of use of slots and respect of timetables;
- issuance of information to be provided to air carriers under European regulations;
- attendance at international conferences for the planning of aircraft movements;
- representation of COHOR on European and international coordinating bodies.

In addition the Coordinating Committee for French Airports (created by the Order of September 28, 2004) to which airlines, their representatives, operators of coordinated French airports (including Aéroports de Paris) and the air traffic control authority may all belong, can issue proposals or advice to COHOR regarding (i) the possibility of increasing capacity at coordinated airports or improving use of existing capacity, (ii) parameters of coordination, (iii) methods of monitoring use of allocated slots, (iv) local guidelines for the allocation of slots and the monitoring of their use, in particular to take account of any environmental considerations, (v) improvements to traffic conditions in coordinated airports, (vi) serious problems experienced by new arrivals and (vii) any question relating to the capacity of coordinated airports. The coordinating committee is also responsible for mediation between parties in dispute over the allocation of slots.

Paris - Charles de Gaulle

At Paris - Charles de Gaulle the number of available slots for each aviation season is set by the Minister of Transport, as a function of runway and terminal capacity. Thus the number of slots increases as a function of the increase in physical capacity created by investment, particularly in terminal facilities, and as a function of the operational capacity of the runways determined by the air traffic service. The total capacity at Paris - Charles de Gaulle (given as the number of departures and arrivals per 10 minute period and per hour between midnight and 23.59 pm local time), as well as the terminal capacity (given as the maximum hourly flow of outbound passengers at each terminal for the summer season 2006), were set by order of the Minister for Transport on October 12, 2005.

Total plane activity at Paris - Charles de Gaulle is, however, limited by a measured weighted overall indicator (the *Indicateur Global Mesuré Pondéré* or IGMP) set by the Republic of France under the Order of January 28, 2003. Under this indicator, weighted annual noise energy emissions at the airports must not exceed the average level of energy emissions over the three years 1999, 2000 and 2001.

Activity at Paris - Charles de Gaulle is also subject to limitations on night flights. With a view to reducing noise nuisance for neighboring residents, several orders of November 6, 2003, which became effective on March 28, 2004, limited, amongst other things, night flights between 12.30 am and 5.29 am for arrivals and between midnight and 4.59 am for departures.

These orders placed restrictions on flights by the noisiest aircraft. The night-time slots which have been abandoned or are not used by airlines are not reallocated. These abandoned or unused slots are deducted from the number of night-time slots available for subsequent aviation seasons.

Paris - Orly

There is a cap on the total number of slots at Paris - Orly. The order of October 6, 1994 on slots at Paris - Orly airport limited to 250,000 the maximum number of slots to be allocated over two successive aviation seasons (that is the “summer” season – from the last Sunday in March to the last Saturday in October and the “winter” season, from the last Sunday in October to the last Saturday in March). In addition, and in accordance with European Union regulations, the Republic of France reserves a certain number of slots at Paris - Orly (38,416 in 2005-2006) for routes providing internal air links or serving the public interest.

Between February 2002 and February 2005, the annual volume of slots freely available to Air France-KLM, the “historic” carrier at Paris - Orly, rose from 110,205 to 115,105, representing 46% of total slots at this airport. This total does not include the slots allocated by the Republic of France to Air France to allow the provision of internal air links or public interest services (in February 2005, Air France held more than half of these reserved slots).

The pool of unallocated slots has increased considerably over recent years due to the financial difficulties experienced by some airlines and the disappearance of others, such as Air Lib, Aëris and Air Littoral. Thus whilst a total of 12,848 slots were allocated, in eight pools, between 1997 and 2002, between February 2002 and February 2005, COHOR allocated 94,726 slots in fourteen separate pools. This increase in the number of slots available, has allowed so-called low-cost airlines to establish a presence at Paris - Orly.

Since February 2005, COHOR has distributed 2,812 slots surrendered by airlines for the winter season 2005-2006, and 2,924 slots for the 2006 season.

The Paris - Orly airport is subject to a night-time curfew between 11.30 pm and 6.30 am.

6.6.2.6. Airport safety

Certification and technical safety standards

The standards produced by the ICAO regarding the certification regime for airfields were incorporated in Order n° 2005-863 of July 28, 2005 regarding the safety and security of airfield operations, and in turn this has been incorporated in the Civil Aviation Code.

Under Article L. 211-3 of the Civil Aviation Code, each operator of a civilian airfield receiving commercial traffic must obtain an airport safety certificate from the minister responsible for civil aviation. The issue of this certificate is subject to a technical enquiry into the operating procedures and conditions at the airfield and the safety management structures in place as described in the airfield manual. The minister responsible for civil aviation may annul or suspend the certificate in the event of failures by the operator. Some aspects of the issue of certificates, notably the period of validity, remain to be set by decree.

Other technical standards produced by ICAO have not yet been incorporated in French regulations, but an order from the minister responsible for civil aviation under L. 211-2 of the Civil Aviation Code may soon define the technical standards having an effect on safety applicable to the management, design and operation of airfields. These standards are currently included in the technical instructions for civil airfields (*Instruction technique pour les aérodromes civils* or ITAC) issued by DGAC.

Prevention of bird risks

Since the adoption of Law n° 98-1171 of December 18, 1998 on the organization of certain air transport services, which created Article L. 213-3 of the Civil Aviation Code, Aéroports de Paris has been responsible for providing, under authorization of the *Préfet* (police chief) holding police powers over the sites of its airfields, a service to prevent threats to aviation from birds, in order to avoid collisions between aircraft and birds.

This new responsibility has not been subject to any regulatory texts that are currently in effect. As a result, the control of bird threat is still regulated by the Order of July 24, 1989 relating to the prevention of bird threat, under which responsibility lies primarily with the minister responsible for civil aviation. Under this order the scale of the preventative measures to be taken is related to the probability of a plane accident resulting from a collision with a bird during take off or landing. As a function of the local ornithological situation, the volume of traffic and the types of plane using the airport, a number of elements are determined: a package of protective measures; measures relating to the management of the airport site so as to make it less hospitable to birds; and the type of information to be provided to flight crews regarding the local ornithological situation.

Preventative services are provided during the working hours of the air traffic control service of the airfield other than at night, under the rules set out in the instruction from the minister responsible for civil aviation on July 24, 1989. This instruction detailed technical measures to be taken, notably permanent environmental measures with a view to making the environment less hospitable to birds, including outside the airport, and actions to be taken in response to large flocks of birds.

Recommendations regarding the airport site are put into practice by Aéroports de Paris. However, the absence of any applicable regulatory texts creates certain difficulties in the organization of measures to reduce bird threat. Under the Order of July 24, 1989, personnel other than government agents taking part in measures to prevent bird threat must receive authorization from the Republic of France, as they are acting as executive agents for the government and are under the functional responsibility of a government representative. Thus, the division of responsibility between the Republic of France and Aéroports de Paris is not clearly settled, and the regulation on the prevention of bird threat is currently being revised.

Other requirements

In accordance with Article L. 213-3 of the Civil Aviation Code, Aéroports de Paris, under the authority of the relevant *Préfet*, is required to provide rescue and firefighting services for aircraft. The main purpose of this service, as defined by Article D. 213-1 of the Civil Aviation Code, is to

save human life in the event of an accident or incident involving an aircraft, by making available staff, equipment and organizational structures adequate for the needs of the specific levels of protection required at each airfield. For the airfields operated by Aéroports de Paris, levels of protection are set out in an order from the minister responsible for civil aviation dated December 20, 2004.

6.6.2.7. Technical aspects of airport management (cahier des charges)

The technical document applicable to Aéroports de Paris (known as a *cahier des charges*), approved by Decree n° 2005-828 of July 20, 2005 regarding Aéroports de Paris, sets out the duties of Aéroports de Paris in its public service role. In particular, it defines the relationships between Aéroports de Paris and the various other parties involved in the use of the Group's airports: passengers, the general public, air carriers, plane operators and the Republic of France and its institutions and services. In particular the *cahier des charges* structures the cooperation between Aéroports de Paris and government services (production of zoning documents, production of noise exposure maps, maps of noise nuisance and aviation and electrical servitudes, publication of noise level curves, management of air terminals, etc.).

Allocation of airlines to air terminals or airports

Aéroports de Paris allocates airlines to the terminals of a given airport in accordance with principles prepared by the Company, approved by the minister responsible for civil aviation, and made available to users.

Under Decree n° 2005-828 of July 20, 2005, Aéroports de Paris has the power to allocate airlines between the airports it operates according to the rules on the division of traffic within the Paris airport system set out by the minister responsible for Civil Aviation in application of Article R. 221-3 of the Civil Aviation Code (Order of November 15, 1994 modified for the division of inter-community traffic within the Paris airport system which indicates that, barring exceptions, each airline may only operate four outbound and four inbound services between Paris - Orly and another airport or airport system within the European Union). As far as routes beyond the European Union are concerned, the allocation of carriers by Aéroports de Paris is subject to approval by the minister responsible for civil aviation.

Aéroports de Paris may not on its own initiative change the allocation of a carrier between airports or air terminals without the prior approval of the carrier and, for changes of airport, the approval of the minister responsible for civil aviation.

Services to passengers and the public

Aéroports de Paris must provide the following services to passengers: access to and movement within airports, which requires Aéroports de Paris to provide certain facilities (access routes, drop-off areas, car parks) and the operation of transport services linking access points to the public transport system, terminals and car parks; accessibility for certain categories of passengers; provision of emergency services including a permanent medical team; distribution of useful information to passengers and the public; passenger surveys (particularly concerning flight destinations, place of departure, residence of passenger, reason for journey, etc) and associated services (Aéroports de Paris must ensure through regular surveys that the services

available at Paris - Charles de Gaulle and Paris - Orly, particularly hotels, restaurants, shops, banks, foreign exchange dealers, car rental and public transport within the airport are acceptable). In the event of significant delays or disruption to traffic, Aéroports de Paris must deploy the resources required to provide help and assistance to passengers.

Availability of airport facilities

- Aéroports de Paris must draw up, as a complement to any measures taken by the government, rules for the operation of facilities and opening hours for airports and may set rules for the allocation of airport resources.
- Aéroports de Paris must manage airports so that the requirements of airlines in terms of premises and facilities “directly necessary” for their activities can be satisfied within a reasonable time.
- Aéroports de Paris must make available to government services (customs, border police, Ministry of Foreign Affairs for official welcomes) and public bodies such as Météo-France such land, premises and facilities as are necessary for the exercise of their duties. It must supply on demand to these occupants all services associated with such premises. This availability may be either free of charge (as with land on which buildings are situated that are used by the Republic of France) or subject to the payment of rent.
- At Paris - Charles de Gaulle and Paris - Orly, Aéroports de Paris must create and where relevant operate or make available the shared ground handling equipment mentioned in Articles R. 216-6 and D. 216-4 of the Civil Aviation Code, adequate for the needs of air carriers and their ground handling service providers.
- Aéroports de Paris must make available to ground handling service providers, cargo and postal services and public transport operators the facilities directly necessary for the conduct of their businesses.
- Aéroports de Paris must provide access to airport facilities to these companies and to any others whose presence is necessary for the conduct of air transport activities.
- Aéroports de Paris issues airport authorizations to ground handling service providers, airlines that handle their own ground-handling functions and other companies that conduct industrial, commercial or trade activities at its airports.

Operation of aviation areas

Under its *cahier des charges*, Aéroports de Paris is responsible for inspection of runways and taxiways, measurement and control of traction and skid ratings and, in certain conditions, regulation of plane movements in traffic areas.

Aéroports de Paris has also retained the responsibilities previously exercised in its role as:

- general manager: management of runways and taxiways, particularly for guidance systems, technical inspections and security measures in the event of works;
- airport operator: implementation of measures to prevent bird threat, allocation of parking slots, etc.

The legal framework for inspections of maneuvering areas and all plane movement areas is set out in the Order of March 15, 2002. Inspections consist of collecting information on the overall condition of the surfaces, identification of factors likely to affect the ground movements of aircraft (debris, ice, surface wear, ongoing works, etc) and, as required, to take immediate remedial action. Two inspections must be carried out every day, with one inspection carried out prior to the opening for use of “all parts of the plane movement areas likely to be used”. Although the responsibility to carry out these inspections now falls on Aéroports de Paris, this function is nevertheless carried out in collaboration with the Paris region air traffic control service.

Parking and movement within the airports

- Aéroports de Paris is responsible for appointing staff empowered to enforce the rules regarding policing of airports issued by the relevant *Préfet* and the Director of Civil Aviation North, under the provisions of the Civil Aviation Code and the rules governing parking in airports under the provisions of the Highway Code. It must also take measures to enhance security, including lighting and CCTV surveillance.
- Aéroports de Paris deploys a service responsible for management of applications for authorization for access to the restricted zone issued by the *Préfet*.

Monitoring of compliance with applicable environmental and health regulations

- At the request of the minister responsible for health, Aéroports de Paris ensures the application of certain health protection measures (implementation of risk reduction measures in the event of a severe health threat or pandemic, information to passengers going to or coming from geographical regions temporarily affected by an epidemic).
- Aéroports de Paris ensures the application and monitoring of environmental regulations and is responsible for measurement of noise and atmospheric pollution and analysis of rainwater run-off and wastewater.
- Aéroports de Paris must supply information to government services allowing identification of flights made in contravention of the allocated slots, information allowing identification of flights made in contravention of restrictions on the operation of airports, and information on any contravention of the regulations on aviation and radio-electric servitudes.

Other services

In addition to the services supplied to government agencies, Aéroports de Paris is required to supply the regional air traffic control center, SNA Région Parisienne, with specific services for a

maximum period of 30 years. This situation is the result of the fact that air traffic control services were previously integrated within Aéroports de Paris when it was a public body. These services include the supply of electricity and telecommunications services, IT support and project management for certain air traffic control investments.

6.6.2.8. Oversight and penalties

In addition to the provisions relating to the oversight exercised by the Republic of France over public companies generally, Aéroports de Paris' *cahier des charges* gives the Republic of France the right to be informed of the economic and financial situation of the company, in particular to ensure the correct operation of the CRE. The Republic of France also monitors the use made by the Company of the land and buildings it owns, with a view, in particular, to ensuring the correct execution of the public service functions for which it is responsible.

In addition, contracts under which Aéroports de Paris subcontracts certain functions to others may be freely entered into by Aéroports de Paris, with the exception of those where Article 5 of the *cahier des charges* states that they must be authorized by Decree (mainly contracts concerning the management, operation or development of runways, taxiways and plane parking areas).

Article L. 251-2 of the Civil Aviation Code sets the method of calculation of the amount of any fine or financial penalty that the minister responsible for civil aviation may impose, after approval by a committee of experts chaired by a judicial or administrative magistrate, in the event of a failure by Aéroports de Paris to meet its specific obligations under the *cahier des charges*. The amount of the fine must be proportional to the seriousness of the failure and the scale of any damage and/or advantage gained up to a maximum of 0.1% of revenues excluding taxes of the preceding financial year, with this ceiling raised to 0.2% in the event of a further failure to meet the same obligation. In the event of a penalty procedure being initiated by the minister, Aéroports de Paris has the right to defend its case and may be represented or supported. The *cahier des charges* details the legal structures applying in this case.

Moreover, the minister responsible for civil aviation and the *Préfets* with police power over the airports may take, after issuing due warning, remedial measures the cost of which are to be borne by Aéroports de Paris in the event of a “serious and persistent” failure by the company to meet the requirements of its *cahier des charges*.

6.6.2.9. Other regulations

Tender processes for public sector contracts

Since the implementation of Decree n° 2002-1171 of September 17, 2002 which modified certain aspects of the Civil Aviation Code, Aéroports de Paris is no longer covered by the Code for Public Sector Contracts.

Aéroports de Paris is nevertheless a “deciding entity” as defined in Directive n° 2004/17 of March 31, 2004 coordinating procedures for the awarding of contracts in the water, energy, transport and postal service sectors. As a result, all contracts with an estimated value before VAT of over 422,000 euros for contracts for goods and services and 5,270,000 for works

contracts must be advertised and open to competition. The rules for the subsequent management of the process are primarily set out in Order n° 2005-649 of June 6, 2005 relating to contracts awarded by certain public or private entities not governed by the Code for Public Sector Contracts and Order n° 2005-1308 of October 20, 2005.

Aéroports de Paris has adopted specific rules for awarding contracts with values that are below this level. It has also created a Contract Consultation Committee. This committee is responsible in particular for examining and giving its opinion on draft contracts with a value of over 5,000,000 euros for works and 400,000 euros per year for goods and services, as well as on draft contract revisions resulting in a significant modification to the financial terms of the original contract. It also gives its opinion on any issue relating to the preparation, process or performance of these contracts or modifications to contracts and checks to ensure that the procedures adopted for the awarding of contracts and of modifications are in accordance with the laws and regulations governing Aéroports de Paris.

Regulations applicable to establishments open to the public

Aéroports de Paris is subject to the regulations applicable to establishments open to the public as set out in Article R. 123-2 and subsequent articles of the Building and Housing Code. The Company must manage and operate those parts of the airports it operates that are open to the public (primarily the terminal buildings) so as to reduce the risk of fire and panic (building design, security features, specialist equipment, etc.). The opening to the public of the parts of the airports in question is subject to authorization by the *Préfet*, which is issued after review by a security commission of the measures taken by the operator.

6.7. Environmental information

6.7.1. Environmental Regulation, Implemented Measures and Environment Balance.

Given the diversity of businesses it exercises, Aéroports de Paris is submitted to many evolving and increasingly stricter environmental regulations in areas such as noise, air quality, water protection or waste management.

6.7.1.1. Noise Regulation

Public authorities have intervened to limit the noise generated by aircraft movements through the restriction of aircraft movements, in particular on the Paris - Orly and Paris - Charles de Gaulle airports (see paragraph 6.6.2.5 – “Allocation of Takeoff and Landing Slots”). The order of October 6, 1994 on time slots on the Paris - Orly airport sets at 250,000 the maximum number of time slots that may be granted by the coordinator of the Paris - Orly airport and a curfew is set between 11:30 pm and 6:00 am. On the Paris - Charles de Gaulle airport, the management of noise pollution has been implemented by introducing a limited index for noise pollution and a limitation of night traffic.

Public authorities further have administrative tools to take into account the noise pollution caused by air traffic and manage the urbanization of exposed areas. This is carried out through the noise exposure plan (*plan d'exposition au bruit (PEB)*), a planning document attached to the urbanism local plan (*plan local d'urbanisme (PLU)*) of the town concerned and delimiting areas

near airports within which the construction of residential housing is prohibited or must include strengthened insulation for the cases authorized by the French Code of Urbanism. Any housing built under a PEB is submitted to acoustic insulation obligations.

The Law no. 99-588 of July 12, 1999 has created the *Autorité de contrôle des nuisances sonores aéroportuaires* (ACNUSA), an independent administrative authority in the area of environment, whose main missions are to organize the measurement of aircraft noise and noise annoyance by operators of airports, to organize the circulation of the results of such measurements, to guarantee conditions under which the public has access to noise exposure plans or to the *plan de gêne sonore* (“PGS”) and to be consulted on such draft documents, finally to ensure a role of supervision and mediation between the interested parties (Article L. 227-1 et *seq.* of the French Code of Civil Aviation). The DGAC ensures the operational monitoring of the upper-limit of noise pollution for Paris - Charles de Gaulle through the global indicator measurement for weighted measured noise (*indicateur global de bruit mesuré pondéré* (IGMP)) under the supervision of the ACNUSA. On the Paris - Orly airport and on the Paris - Charles de Gaulle airport, a network of stations permanently measures the level of noise generated by air traffic. Such measures enable to constitute indicators on the evolution of levels of noticed noise. Two measurement stations have also been set near the Paris - Le Bourget airport (Stains and Villepinte).

Modulations of the landing fee and of the air noise pollution tax also enable to limit noise insofar as they favor the use of less noisy aircraft and penalize night flights. The air noise pollution tax (*taxe sur les nuisances sonores aériennes* (TNSA)) was set by the Correcting Finances Act for 2003 no. 2003-1312 of December 30, 2003. Implemented as from January 1, 2005 and collected by the DGAC, its proceeds are then paid to airfield operators, who allocate them to the acoustic insulation mechanisms, up to the collected amounts. This tax is paid for each takeoff of aircraft having a maximum takeoff weight greater than, or equal to 2 tons.

Since January 1, 2004, Aéroports de Paris has been entrusted, on behalf of the State, with the management of files of assistance to acoustic insulation of residents near the Paris - Charles de Gaulle and Paris - Orly airports submitted to the PGS (the PGS defines the three areas of noise annoyance, inside which residents may claim for financial assistance for the acoustic insulation of their house; it takes short-term traffic assumptions into account). The Company must now receive the new requests for assistance, investigate them, present them to relevant local commissions, who decide to grant assistance, and to pay resident the financial assistances granted to them for diagnostics and for acoustic insulation works. Aéroports de Paris has set up a department dedicated to the resident assistance program. Its mission is to assist residents at each step of their file.

Since November 2005, Aéroports de Paris makes available for the public the visualization of air trajectories through the Vitrail tool (visualization of aircraft trajectories and on-line information), available in the environmental houses (*maisons de l’environnement*) of Paris - Orly and Paris - Charles de Gaulle (also including Paris - Le Bourget).

6.7.1.2. Air Quality

Like all private entities referred to in Article L. 220-1 of the French Environmental Code, Aéroports de Paris must work (as far as its specific business is concerned) for the objective of implementation of the right recognized to each to breathe air complying with applicable health standards by actions of prevention, monitoring, reduction or suppression of atmospheric pollutions, preservation of air quality, and savings and rational use of the energy. Further to the application of the general regulation on air derived from Article L. 220-1 of the Environmental Code, and specific local regulations applicable to classified facilities operated by Aéroports de Paris, Aéroports de Paris is submitted to the following:

- Urban Transit Plans (*Plans de déplacements urbains* (“PDU”))

Derived from the Law no. 96-1236 of December 30, 1996 on air and rational use of the energy (as amended in September 2000 and codified in the French Environmental Code), the objective of PDUs is to reduce car traffic and promote public alternative and clean energy transportations in all community with more than 100,000 inhabitants. Prepared at the State’s initiative, the PDU of the Ile de France region was approved by Decree after public investigation in December 2000. In such context, Aéroports de Paris is in charge of implementing principles defined therein, on the Paris - Orly and Paris - Charles de Gaulle airports, through a “pole project”, middle-term action plan (June 2007 for Paris - Charles de Gaulle, March 2008 for Paris - Orly), prepared with the participation of all the parties concerned (in particular the State, the Ile de France region, the *Syndicat des transports d’Ile de France* (STIF), local collectivities, trucking contractors and associations) by the problem of land access to airports, gathered in an airport pole committee specific to each platform. The “pole project CDG” was finally approved in June 2003, that of Paris - Orly in March 2004.

Among the main completions, mention can be made of the lighting renovation at the RER station of Paris - Charles de Gaulle, the upgrading of the bus stops of the Paris - Orly airport (on-going project), the study and validation of the principle of completion of a bus station at the level of the Orly ouest terminal and the completion of a corporate movement plan for Aéroports de Paris (open access office space, videoconferencing, participation in the European mobility week).

- Atmosphere Protection Plans (*Plans de protection de l’atmosphère* (“PPA”))

The Law of December 30, 1996 (as amended in September 2000 and codified in the French Environmental Code) on air and rational use of energy provides for the preparation, at the State’s initiative, of PPA in communities with more than 225,000 inhabitants, and in areas where concentrations in pollutants exceed the regulatory limit values.

A proposed PPA for the Ile de France region was prepared and submitted to public investigation in September-October 2005. The report of the investigation commission was delivered to the *Préfets* concerned in January 2006, for a probable approval of the PPA during the year 2006. This proposed plan includes eight regulatory measures that will supplement the existing regulations under form of orders. Moreover, three big transportation companies (SNCF, RATP and Aéroports de Paris) have expressed concrete commitments for the improvement of the quality of air in Ile de France. Therefore, acting in liaison with other air traffic players (airlines,

air traffic control), Aéroports de Paris will prepare and offer a PPA action plan through the following targets:

- limiting the use of aircraft power auxiliary engines in normal situation and in case of pollution peak;
- reducing by 10% the average taxiing time of aircraft in Paris - Charles de Gaulle between 2005 and 2010;
- reducing by 25% the NOx emissions of the boilers rooms of Paris - Charles de Gaulle and Paris - Orly between 2000 and 2010;
- managing emissions relating to land transportations, with completion of travel plans in Paris - Charles de Gaulle and Paris - Orly;
- improving knowledge on air quality on and around airport platforms.
- Greenhouse Gas (“GHG”) Emission Quotas

The Directive of October 13, 2003 setting forth a system of exchange of quotas for greenhouse gas emission in the European Community has been transposed in France by Articles L. 229-5 to L. 229-19 of the French Environmental Code and the Decree of February 25, 2005 approving the GHG emission quota allocation national plan (*plan national d'allocation des quotas d'émission de GES (PNAQ)*) prepared for the 2005-2007 period.

Aéroports de Paris is a significant energy producer, therefore naturally concerned by the quota allocation national plan, with three combustion sites exceeding 20 MW. Aéroports de Paris has for these three facilities a total of 189,935 tons of carbon dioxide (tCO₂), *i.e.* 0.1% of allocated quotas. For the first allocation period (2005-2007), quotas allocated to Aéroports de Paris are 134,351 tCO₂ for Paris - Charles de Gaulle, 49,121 tCO₂ for Paris - Orly and 6,463 tCO₂ for Paris - Le Bourget. In 2005, Aéroports de Paris effectively emitted 166,507 tCO₂ – volume verified by BVQI according to rules defined by the order of July 28, 2005 on verification and quantification of greenhouse gas.

In such a context, Aéroports de Paris has engaged in a sustainable management of its atmospheric emissions and, in particular, Aéroports de Paris has engaged in a significant reduction of emissions related to energy production units by adopting less polluting technologies: giving-up of coal, low-NOx boiler and majority use of gas as combustible. For example, the Group still has cogeneration gas turbines at Paris - Charles de Gaulle, use to emergency supply of lighting devices. The starting of such turbines being rather long, they continuously run to guarantee immediate emergency if needed. These turbines should be replaced in 2007 in favor of zero time groups that will only run if needed.

6.7.1.3. Water

Rainwater Management

Since 1996, Aéroports de Paris have been equipped with rainwater treatment stations for the Paris - Orly and Paris - Charles de Gaulle platforms. These stations allow for continuous treatment surface waters and compliance with regulatory requirements on water quality. Rejection authorizations are delivered by “*arrêtés préfectoraux*”. At both airports, the operation of the rainwater treatment systems has been entrusted to ISO 14001 certified operators.

At Paris - Orly, rainwater is treated through a physicochemical process followed by filtration before release in the Orge. A portion of treated water is used to feed the airport’s air-conditioning installations, allowing savings of 70,000 cubic meters of drinking water per year.

At Paris - Charles de Gaulle, rainwater is treated at two treatment stations, through a biological process at the Marne-side basin, by a process associating lagooning and physicochemical process at the Seine-side basin. 2.76 million cubic meters were thus collected and released in 2005 with approximately 20.5 tons of thick purification sludge produced; such sludge is then recycled in compost and valorized in agriculture. 2,586.15 tons of liquid sludge is collected upward stations in hydrocarbon separators; such polluting wastes are evacuated and treated in approved sites. Recycling of a part of treated waters is being studied on the platform to supply cooling towers of heating power stations and therefore take part in the reduction of released volumes. Discussions are pending on the setting-up of a water release system in control flow to replace the fixed flow currently authorized for the airport.

For Paris - Le Bourget and for general aviation airfields, a compliance work has been carried out since 2003 (applications before the *préfecture* have been filed, public investigations should be conducted before the end of 2005, *arrêtés préfectoraux* have been obtained for Paris - Le Bourget and Toussus le Noble).

Wastewaters

Aéroports de Paris has set up a self-monitoring and follow-up procedure for the compliance of its wastewater releases derived from the various airport businesses and industries, in the *département* wastewater network. In consideration of sanitation services, Aéroports de Paris is submitted to payment of sanitation fees for the collection, transportation and treatment the rate of which is set by applicable regulation.

6.7.1.4. Wastes

Aéroports de Paris has an approved intermediary status for the collection of ordinary industrial wastes (*déchets industriels banals* DIB) on airports. Moreover, the Directive 90/675/EEC of December 10, 1990 setting forth the principles relating to the organization of veterinary controls for products from third countries introduced in the Community, transposed under French law by an Order of March 21, 1991, imposes on Aéroports de Paris to treat aircraft food wastes coming from outside the European Union. Therefore, on the Paris - Orly and Paris - Charles de Gaulle airports, Aéroports de Paris is associated with specialized service providers to guarantee the collection not only of its own wastes but also of those of companies installed on the airports. A

selective sorting is organized at the platform level to optimize their recycling and Aéroports de Paris is acting to reduce production at source. In 2005, 57,437 tons of DIB were collected by Aéroports de Paris. Hazardous waste treatment not directly produced by Aéroports de Paris is under the responsibility of each of the companies, unless they require otherwise.

Rare radioactive wastes are collected either by the own services of Aéroports de Paris (for medical wastes or fire detectors), or through maintenance companies whose contracts oblige them to collect (for baggage control equipments). In both cases, such wastes are then treated by approved companies with full traceability. Similarly, rare radioactive wastes collected as part of customs seizures are treated by a specialized service provider.

At Paris - Orly, a plant waste composting platform was opened in 2004. It has been dimensioned to receive 800 tons per year and could therefore be interesting for some neighboring territorial collectivities. This structure enables storing for composting purposes all wastes derived from the treatment of the airport's green areas.

Moreover, as part of applicable waste treatment agreements, fermentable wastes of the Paris - Orly platforms are sent to the incineration plant of SIEVD - *Syndicat Intercommunal d'Exploitation et Valorisation des Déchets de Rungis* – on the Rungis national interest market. In consideration, Paris - Orly purchases at the Rungis national interest market a portion of the heat produced by such plant. This system is currently running from May to October when the Paris - Orly production unit is stopped due to the too weak demand (from 2 to 3 MW for sanitary hot water). Aéroports de Paris is contemplated extending the purchase period of heat from April to November, in consideration of a technical adjustment. The completion of this project would allow making savings of approximately 1,000 tons of oil equivalent (Toe) of gas.

6.7.1.5. Fuel Oil Storage

Storing and distributing aircraft kerosene are not ensured by Aéroports de Paris but by *Société de manutention des carburants d'aviation* (“SMCA”) for the storage and distribution at arrival points in parking areas, and by fueling companies between the hydrant mouth and aircraft reservoirs. SMCA is the owner of tanks and of the hydrant system (underground pipeline system dedicated to the fueling of aircraft on traffic areas) of the Paris - Orly and Paris - Charles de Gaulle platforms, and ensures the maintenance and operation thereof. If tanks are traditionally located directly on the airport in the Paris - Orly case (9,380 cubic meters and 59,300 cubic meters), they are near the Paris - Charles de Gaulle airport (north-west – 202,539 cubic meters). Due to stored volumes of combustibles, these places are submitted to the legislation on Classified Facilities for the protection of the environment (*Installations Classées pour la protection de l'environnement ICPE*), which is in particular the French transcription of the SEVESO II European Directive (directive 96/82/EC of December 9, 1996). Article L. 125-2 of the French Environmental Code assumes public information and its participation in the prevention of technological risks by creation of local information and consultation committees around the sites. Aéroports de Paris was invited in 2005 by the *préfecture* to take part in such committees on the two airports concerned.

Regarding the underground pipeline system, its tightness is controlled on a daily basis and the results are sent to Aéroports de Paris in case a certain value is exceeded. Finally, airlines and

directions régionales de l'industrie, de la recherche et de l'environnement (DRIRE) regularly carry out quality or compliance audits on the installations.

6.7.1.6. Pollution

The environmental follow-up of the soil quality and risks of pollution of underlying ground waters is carried out by the laboratory of Aéroports de Paris. To-date,

- for Paris - Orly, 15 soil quality diagnostics have been made (investigated zones include the Air France zone, the firemen test zone, the north zone of runway 4 and car lender areas);
- for Paris - Charles de Gaulle, approximately ten soil quality diagnostics have been made, including the firemen test zone, the former EcoPur site (south-west zone of the platform) and some lands for the future installations of Air France (hangar A380);
- in accordance with *arrêtés préfectoraux* on effluent release and operation of the heating power stations of Paris - Orly and Paris - Charles de Gaulle, approximately 20 piezometers per platform have been followed-up for 15 years on a quarterly, half-year or annual basis according to zones.

Risky zones identified on each of the airports in 1999 by meetings and compilation of historical documents have therefore been additionally checked as required by the compliance audit conducted in 2005 at Paris - Orly and at the beginning of 2006 at Paris - Charles de Gaulle. They have enabled to test the absence of proven pollution on some sites and the absence of degradation on the sites where pollution was already known. To-date, to prevent such risks, preventive actions have been implemented (specific quality controls of the ground water and systematic completion of soil diagnostic).

In the Paris - Le Bourget case, five soil diagnostics have been made and the risks of pollution on the ground water are followed-up through piezometers. The continuation of soil investigations is planned according to changes in the allocation of infrastructures.

6.7.2. Environmental Policy

Aéroports de Paris has adopted an environmental management system (*système de management environnemental* SME) relying upon the ISO 14001 version 2004 environmental standard. This certification is granted for each platform (Paris - Orly, Paris - Charles de Gaulle and Paris - Le Bourget) provided that each airport complies with the applicable environmental regulation and that it undertakes to find, each year, ways to improve fields as varied as waste management, water pipelines or air emissions.

The Paris - Charles de Gaulle airport was the first one to engage in this way in 2001, followed a year later by the Paris - Orly airport. They were both renewed three years later in this voluntary step, in 2004 and 2005, respectively. The renewal was obtained following the revised version of the 14001 standard, which pays specific attention to the awareness and the environmental training of the employees of Aéroports de Paris but also of employees having intervened on its behalf. Such ISO 14001 audits have underlined no major environmental risk.

The Paris - Le Bourget airport obtained this certification in 2005.

Beyond the legal requirements with which it must comply, Aéroports de Paris formalizes its action through the preparation and follow-up of multi-year programs enabling to guarantee the compliance with the exercised activities. Aéroports de Paris has been actively taking part for many years in discussion and dialogue bodies and regularly communicates indicators of environmental follow-up and news on the Parisian platforms.

The internal “environmental” pole of Aéroports de Paris ensures environmental monitoring missions and expertise and engineering studies in the fields of air, water and soil, as well as acoustic quality, on all airports and airfields managed by Aéroports de Paris.

Expenses to prevent the consequences of the Group’s activity on environment represented, in 2005, € 3.5 million for environmental monitoring (noise, water, air) and € 4.4 million for the circulation of environmental information and reception of residents. Environmental actions have mainly consisted in landscaped fitting-outs (€ 3 million), treatment of rainwater (€ 5.3 million) and collection and elimination of ordinary and hazardous wastes (€ 7.9 million).

6.7.3. Sustainable Development

The sustainable development policy of Aéroports de Paris relies upon three main axes:

- strengthening the awareness of its common interests with neighboring territorial communities and developing an economic and social integration in partnership with them;
- developing a positive perception of environmental policy and valuing the image of a responsible company at the environmental, economic and social levels;
- being high performing in environmental management of its own pollutions.

The concrete translation of such commitments is assessed every two years by a independent extra-financing rating agency. A first exercise was carried out in 2003 by the BMJ Ratings agency granting Aéroports de Paris the rate B+ for its aggregate practices in the fields of environment and relations with the civil society. In 2005, in reply to the commitment taken in 2003, Aéroports de Paris caused once again its activities to be rated from the angle of sustainable development by the BMJ Ratings firm and obtained the rate A+, on an extended perimeter beyond environment and relations with the civil society, to include areas of human resources, relations between customers and suppliers, and governance.

In addition, Aéroports de Paris wished in 2003 to give an additional frame to its policy by adhering to an international charter promoted by the United Nations Organization (UNO): the Global Compact. This tool establishes 10 fundamental principles in the fields of human rights, labor standards, environment and struggle against corruption that its signatories have committed to comply with. Evidences of the compliance with such commitments are the annual presentation of a Good Practice with the UNO and a “Communication On Progress” translating the sustainability of actions launched. Therefore Aéroports de Paris has:

- in 2004, presented the Papa-Charlie action as mechanism to struggle against discrimination upon hiring since it consists in making available a low-price temporary car rental service for unemployed people. The airport companies have thus the guarantee that a car may be proposed to a candidate if needed. Papa Charlie is considered as an efficient tool of professional insertion;
- in 2005, presented a strong and collective commitment in favor of fair trade through awareness of its employees; an increase in the use of such products in restaurants with staff managed by the workers' committee personnel and without additional cost; and finally the promotion of this step with commercial partners set in terminals;
- has been pointed out for the quality of its "Communication On Progress" – an awareness leaflet for employees – since it may now be directly downloaded from the UN NY site in the column "Notable COPs".

The Company has also been assisting for several year many associations in their charitable action and their support to the underprivileged. Placed under the aegis of the *Fondation de France* and chaired by the Chairman & CEO of the Company, the *Fondation Aéroports de Paris* was created in March 2003 with the mission of contributing financial support to associations based in areas around the Parisian airports willing to carry out innovative or original actions in the field of local solidarity. Thanks to its executive committee consisting of 11 members in charge of selecting beneficiaries, the supports that the *Fondation Aéroports de Paris* has granted have enabled to implement concrete and efficient actions in extra teaching, services to the elderly, access to leisure for underprivileged families, or social reintegration and upgrading of housing. As part of the three-year convention with the *Fondation de France* for the 2003-2005 period (pending renewal), the *Fondation Aéroports de Paris* had an annual budget of € 530,000. On the date of registration of this registration document, the *Fondation Aéroports de Paris* has incurred € 1.4 million and has supported 153 association projects.

CHAPTER 7

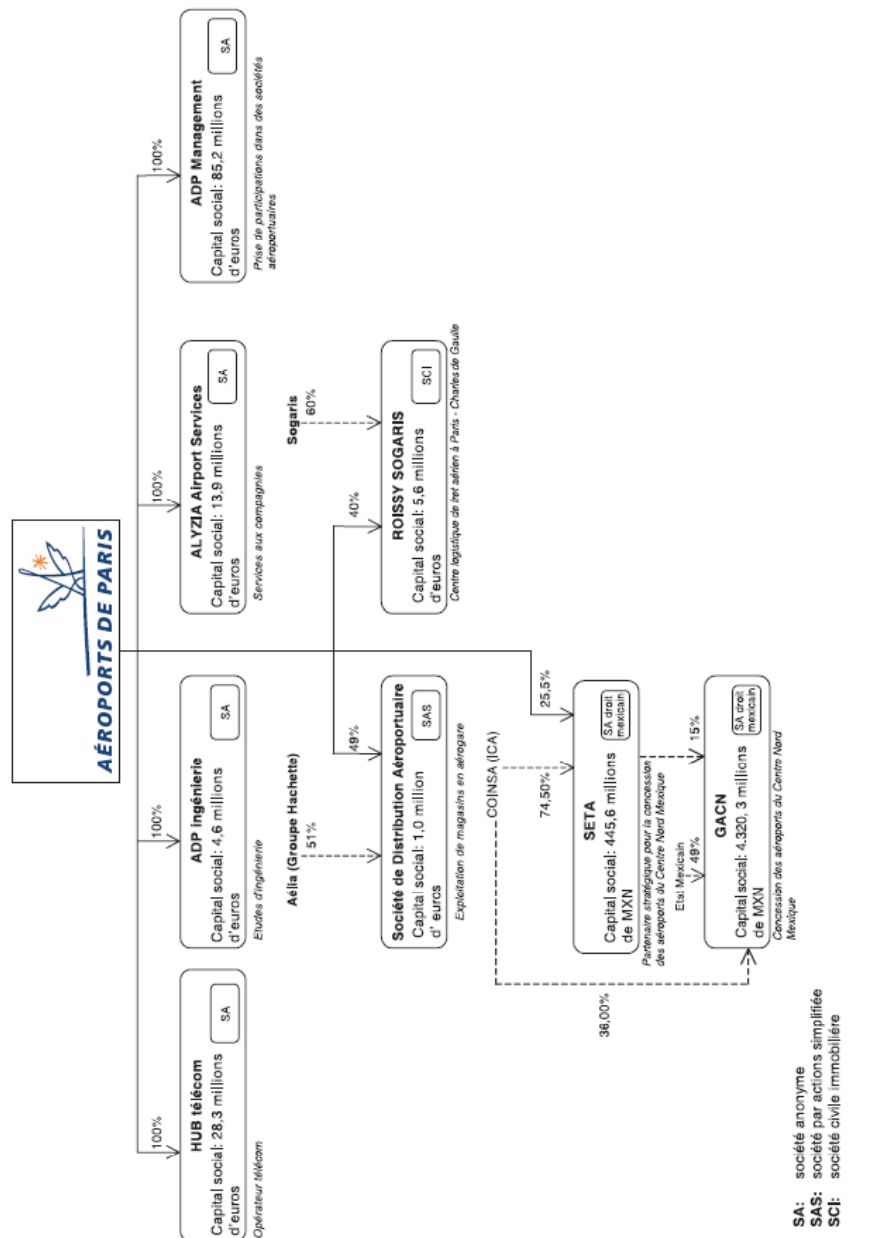
ORGANIZATION CHART

The organization chart below is the simplified organization chart of the main companies held by Aéroports de Paris (in rounded percentage of capital and voting right) on the date of registration hereof.

The main part of the Group's activities is directly exercised by Aéroports de Paris, which also holds the main assets for the Group's activities. The activities of Aéroports de Paris and its more significant subsidiaries are described in Chapter 6 hereof. The financial components regarding such companies are set out in Chapter 9 (see in particular paragraph 9.3.2 – "Revenues (income from ordinary activities) of the Group" and paragraph 9.3.4 – "EBITDA, Operating Income from Ordinary Activities and Operations Income. No corporate officer of Aéroports de Paris exercises any corporate office within the management bodies of the Group's subsidiaries.

The participations of ADPM, only subsidiary of Aéroports de Paris holding minority interests, are described in paragraph 6.3.5.1 – "International Airport Management".

ORGANIGRAMME SIMPLIFIÉ DES FILIALES ET PARTICIPATIONS D'AÉROPORTS DE PARIS



CHAPTER 8

REAL ESTATE PROPERTIES AND EQUIPMENTS

8.1. REAL ESTATE PROPERTIES AND EQUIPMENTS OF AÉROPORTS DE PARIS

Real Estate and Movable Assets Owned or Used by Aéroports de Paris

On the date of registration hereof, the real estate assets of Aéroports de Paris are formed of lands for a total surface of 6,686 hectares, including 4,977 hectares corresponding to the control of lands and works necessary to the proper performance of public service missions or the development thereof. A little bit less than the two-thirds of lands, *i.e.* approximately 4,193 hectares have been acquired by Aéroports de Paris directly as part of expropriation procedures or amicable agreement; the remainder is formed of properties that the State had allocated to Aéroports de Paris or had authorized it to occupy. Article 2 of the Law no. 2005-357 of April 20, 2005 has declassified all such properties and transferred the ownership to Aéroports de Paris since July 22, 2005. Nevertheless, in accordance with Article 53 of the specifications of Aéroports de Paris, the Minister in charge of civil aviation has a right of refusal on a possible contribution, sale or creation of surety that would relate to certain lands – and properties they hold – belonging to Aéroports de Paris. The lands concerned by these provisions for Paris - Charles de Gaulle, Paris - Orly and Paris - Le Bourget are defined on plans attached to the same specifications.

The Group's real estate assets are also formed of airport infrastructures (roads, networks, etc.) and passenger terminals.

The real estate of Aéroports de Paris besides includes works and buildings built on such lands or, sometimes, on lands that Aéroports de Paris is authorized to occupy under authorizations for the temporary occupation of the public domain or private leases. In particular, Aéroports de Paris occupies 7 hectares belonging to the *Ville de Paris* for the operation of the Issy-les-Moulineaux heliport and 2 hectares necessary to the setting-up of runway lights or sound measures rented from private owners. Some buildings or works built by third parties on lands that Aéroports de Paris owns must be given back to it at the end of the agreement authorizing the occupation of the land. Agreements and contracts entered into before the change of status of Aéroports de Paris have been transferred to Aéroports de Paris pursuant to Article 4 of the Law of April 20, 2005.

As at December 31, 2005, the net value of lands and laying-out (investment buildings included) amounted to € 70.2 million, constructions to € 3,656.9 million and technical facilities and others to € 209.1 million (see 20 and 21 of the notes to the consolidated accounts 2005 attached as Annex 1 hereto).

For a description of the most important real estate programs, of the main use of fixed assets and rate of use of lands in terms of available land reserves, see paragraph 6.3.3 – “Real Estate”.

As at December 31, 2005, the real estate assets held by Aéroports de Paris were mainly formed of airport, office and IT equipments, transportation stock and furniture.

Repayment to Aéroports de Paris of Investments Incurred on Properties Transferred to the State

In accordance with Article 2 of the Law of April 20, 2005, a financial agreement between the State and Aéroports de Paris was entered into on February 10, 2006 in order to set the amounts and terms of payment of sums owed by the State in consideration of the taking back in its favor of properties necessary to exercise its public service missions. This agreement, relating to properties allocated to the air navigation service department, provides for a financial compensation of € 156.6 million in favor of Aéroports de Paris, including € 6.7 million as financial memorandum of understanding 2005 applying the agreement of October 20, 1994 between the *direction générale de l'aviation civile* and Aéroports de Paris on air navigation fees. The transfer of most of the assets concerned has been effective since July 22, 2005. Other agreements with the same purpose are to be entered into with the customs department, the *direction de la gendarmerie des transports aériens* and the *direction de la police aux frontières*.

Retrocession of Part of the Capital Gain in case of Shutting-Down to Public Air Traffic of all or part of an Airfield Operated by Aéroports de Paris

The agreement entered into on March 30, 2006 between the State and Aéroports de Paris pursuant to Article 3 of the Law of April 20, 2005 provides, for a 70-year period, in case of shutting-down to public air traffic of all or part of an airfield it operates, that Aéroports de Paris will pay the State 70% of the difference between, firstly, the market value on such date of building that are not allocated to the airport public service anymore and, secondly, the reference value of such buildings corresponding to the value included in the assets of the balance sheet as at December 31, 2004 as approved by the shareholders' meeting of Aéroports de Paris on December 23, 2005, increased by costs related to their upgrading and to the shutting-down of airport facilities. See paragraph 6.6.2.4 – “Ownership of Assets, Obligation to Pay a Share of Capital Gains on the Sale of Closed Airport Sites to the French Republic”.

8.2. ENVIRONMENTAL RESTRICTIONS LIKELY TO IMPACT THE USE BY AÉROPORTS DE PARIS OF ITS FIXED ASSETS

The environmental restrictions are included in legislations and regulations at the world (OACI), European or national levels. On the date of registration hereof, this set makes the current and future use of the facilities of Aéroports de Paris possible. Only more restrictive regulations could limit the capacities of use of the platforms of Aéroports de Paris beyond what is already the case (see paragraph 4.1 – “Risks Related to the Business Activities of Aéroport de Paris”).

CHAPTER 9

GENERAL INFORMATION CONCERNING RESULTS AND FINANCIAL SITUATION

The following discussion and analysis of the Group's financial condition and results of operations should be read in conjunction with the Group's consolidated financial statements appearing elsewhere in this document. The consolidated financial statements for the year ended December 31, 2005 were prepared in accordance with IFRS (*International Financial Reporting Standards*) as adopted by the European Union and in effect on December 31, 2005. They include for comparison data relating to the year ended December 31, 2004 restated in accordance with the same principles.

The consolidated financial statements of the Group for the years ended December 31, 2003 and 2004 were prepared in accordance with French generally accepted accounting principles ("French GAAP") (Regulation 99-02 of April 29, 1999 of the *Comité de la réglementation comptable* on consolidated financial statements of commercial companies).

In the discussion that follows, the comparison of the Group's results in 2004 and 2005 is based on the consolidated financial statements prepared according to IFRS, and the comparison of the Group's results in 2003 and 2004 is based on the consolidated financial statements prepared in accordance with French GAAP. The main differences between IFRS and French GAAP as applicable to Aéroports de Paris are summarized below under 9.4. "– Material Differences Between IFRS and French GAAP for the Group's Consolidated Financial Statements."

9.1. KEY FIGURES: INCOME STATEMENT

The summary consolidated income statement data set forth below has been derived from the Group's consolidated income statements for the years ended December 31, 2003, 2004 and 2005.

Summary Consolidated Income Statement Data 2004-2005 (IFRS)

	Year ended December 31		Change
	2004	2005	2004-2005
	(in million euros)		
Revenues	1,811.7	1,914.6	5.7%
EBITDA⁽²⁾	542.8	592.4	9.1%
Operating income from ordinary activities⁽³⁾	291.0	331.2	13.8%
Operating income	274.8	354.7	29.1%
Net income, Group share⁽⁴⁾	144.1	179.9	24.9%
Net income, Group share excluding CDG 2E accident	154.5	158.1	2.3%

(2) EBITDA: earnings before interest, tax, depreciation and amortization Operating income from ordinary activities raised by depreciation charges and fixed assets depreciation without net repurchase.

(3) Operating income from ordinary activities is operating income before impact of non-recurring revenues and expenses, in particular those related to accident at terminal CDG 2E.

(4) Net income attributable to equity holders of Aéroports de Paris.

Summary Consolidated Income Statement Data 2003-2004 (French GAAP)

	Year ended December 31		Change
	2003	2004	2004-2005
	(in million euros)		
Revenues	1,711.8	1,820.9	6.4%
Gross operating income ⁽¹⁾	574.6	602.4	4.8%
Operating income ⁽²⁾	330.0	307.2	(6.9)%
Net income, Group's portion	128.9	125.9	(2.3)%

(1) Gross operating income under French GAAP excludes the impact of provisions relating to operating activities as well as other revenues and expenses, while EBITDA under IFRS includes the impact of these items.

(2) Operating income under French GAAP excludes exceptional items, which are separately recorded as exceptional income or loss, while operating income from ordinary activities under IFRS includes certain items that were formerly recorded as exceptional income or loss.

9.2. OVERVIEW

9.2.1. Introduction

Trends during the period from 2003 to 2005

During the period from 2003 to 2005, a number of factors had a significant impact on the Group's activity and its results of operations, the most important of which was the recovery of air traffic levels.

- From 2003 to 2005, the annual average rate of growth of air traffic was 5.5% in terms of the number of passengers and 2.0% in terms of the number of aircraft movements. In 2004, traffic increased by 6.4%, exceeding the record level set in 2000, and reflecting a net recovery of air traffic for the first time after the crisis that followed September 11, 2001. This recovery continued in 2005, as traffic grew by 4.4% compared to 2004. For more details on air traffic, see 6.2.2.2. "Business – Growth in Air Passenger Traffic at Airports of Aéroports de Paris".
- Airport fee rates increased by 5.5% as of April 1, 2003, an additional 5.5% as of April 1, 2004 and an additional 4.0% as of February 1, 2005.
- Aéroports de Paris and Aélia (Hachette Distribution Services Group) created Société de Distribution Aéroportuaire, which started its activity in June 2003 and is consolidated proportionally by Aéroports de Paris at the 49% level. The Group's share of the revenues of Société de Distribution Aéroportuaire was € 42.9 million in 2003 (over seven months), € 74.0 million in 2004 (the first full year of activity), and € 80.3 million in 2005.
- The rate of the airport tax (which finances security costs) was increased to cover the increase in costs related to airport security following the terrorist attacks of September 11, 2001. The rate of the airport tax increased from € 3.58 per departing passenger in 2002 to € 8.05 as of

January 1, 2003, then to € 8.20 per passenger as of January 1, 2004, before being reduced to € 7.95 per passenger as of January 1, 2005.

In the aggregate, the Group's consolidated revenues increased by approximately 6% in each year from 2003 to 2005, although the change of accounting principles to IFRS limits the comparability of the rate of growth between 2003 and 2004 and between 2004 and 2005.

As its revenues have grown from 2003 to 2005, the Group has implemented a cost control policy that has resulted in its costs growing less quickly than revenues, improving the Group's margins. Revenues increased by 6.4% between 2003 and 2004 and operating expenses by 6.0%. Between 2004 and 2005, revenues increased by 5.7% and operating expenses by 4.4%.

Over the past several years, the Group has implemented a major capital investment program to provide the facilities necessary to accommodate traffic and to improve the quality of its services. Its annual capital investments have exceeded € 540 million (in current euros) in 2003, 2004 and 2005. These capital investments have resulted in a significant increase in depreciation charges over the period.

Financial Structure

Beginning in 2000, Aéroports de Paris incurred significant amounts of debt, increasing its net debt to equity ratio under French GAAP from 1.07 at the end of 2000 to 1.50 at the end of 2003. Since then, the Group has stabilized its debt levels and begun to improve its financial structure. In 2004, the net debt to equity ratio under French GAAP was unchanged compared to 2003. The transition to IFRS improved the ratio, as shareholders equity increased by € 304 million due primarily to the effect of IAS 16 (property, plant and equipment) and IAS 17 (leases). The net debt to equity ratio under IFRS was 1.26 as of December 31, 2004. In 2005, improved results of operations have further reduced the ratio to 1.13 as of December 31, 2005.

As of December 31, 2005, the Group's net debt amounted to € 2.3 billion, slightly lower than the year-end 2004 level. The Group's gross debt of € 2.8 billion consisted mainly of bonds (more than 72% of total debt) and bank loans (more than 22% of total debt). Half of the bonds and two-thirds of the bank loans mature in more than five years, and approximately 7% of the total debt mature in less than one year.

9.2.2. Segments

In its consolidated financial statements prepared according to the IFRS, the Group has defined its primary segment information by activity. The identified segments are as follows:

- **Airport Services.** This segment includes all the goods and services supplied by the Group that are necessary or related to handling aircraft or flows of passengers (and people accompanying them) in the Group's facilities. It represents the greatest part of the Group's revenues (approximately € 1.6 billion in 2005, or approximately 75% of the Group's total revenues before inter-segment eliminations). Revenues in this segment include the following:

- o *Principal Airport fees* constitute the Group's most important source of revenues, representing almost one-third of total revenues in 2005. This category includes the four principal fees as defined in Article R. 224-2-1° of the Civil Aviation Code (landing fee, aircraft parking fee, passenger fee and fuel fee) as well as the lighting fee. These fees are invoiced to users of airport infrastructure, principally airlines. They are calculated primarily on the basis of the number of departing commercial passengers and the number of movements of aircrafts of different weight categories. See 9.2.3. "–Factors having a Significant Influence on the Group's Results" and 6.3.2.6. "Business – Revenues from the Operation of Airports."
- o *Special Airport Fees* include the fees that are defined as "ancillary fees" in Article R. 224-2-2° of the Civil Aviation Code. They are invoiced principally to airlines in respect of airport equipment storage areas or facilities such as check-in counters, baggage handling facilities, de-icing and other aircraft services. They also include fees for services such as VIP services or the lease of IT networks. See 6.3.2.6. "Business – Revenues from the Operation of Airports."
- o *Commercial revenues*, in this segment, include rent paid by operators of facilities such as shops, bars, restaurants, car rental agencies and advertising space. These facilities are operated under agreements for the temporary occupation of the public domain (which was the legal system used before the conversion of Aéroports de Paris into a *société anonyme*), which have been progressively replaced by civil and commercial leases. In both cases, rents are charged as a percentage of the revenues of the relevant activity, subject to a guaranteed minimum amount. The Group also realizes commercial revenues from the activities of Société de Distribution Aéroportuaire, but they are included in the "Other Activities" segment.
- o *Car parks and access revenues* consist primarily of revenues generated from car parks managed by Aéroports de Paris. A small portion of these revenues comes from payments made to Aéroports de Paris by the "Syndicat des Transports d'Ile de France" (STIF) and "OrlyVal Service", for services rendered in connection with public transportation at the Group's airports.
- o *Rental revenues* in this segment include rent for areas made available by Aéroports de Paris to various types of users (primarily airlines and ground-handling companies) in terminals and airport areas (storage facilities near aircraft parking areas). Rental revenues received for the lease of land, buildings and surfaces outside terminals and airport areas are recorded in the "Real Estate" segment.
- o *Industrial services revenues* include primarily revenues from the supply of heating and cooling, water distribution, waste and wastewater collection, and electricity supply to professional occupants of terminals.

- o *Airport tax* is collected by the State and paid over to Aéroports de Paris to cover the costs incurred by the Company to implement security measures and other public services. The airport tax is described under 9.2.3. “–Factors Having a Significant Influence on the Group’s Results.”
 - o Finally, *other revenues* in this segment consist primarily of two components. Two-thirds of the *other revenues* consist of revenues from services invoiced to third parties or to other segments of the Group, such as the supply of energy to the “Real Estate” segment, the rental of facilities in terminals or airport areas for use by the “Ground-handling and Related Services” segment, the provision of storage facilities and vehicles and the internal billing of management and administrative services. The remainder of *other revenues* includes payments made by the civil aviation authority (DGAC) to reimburse the costs of services that Aéroports de Paris provides to its air traffic control unit, such as the maintenance of equipment and networks for air traffic control, telephone and power services, and the availability of about one hundred members of personnel of Aéroports de Paris. These services are referred to as being part of the BAAC, which is the French acronym for the auxiliary civil aviation budget.
- **Ground-handling and Related Services.** Revenues of this segment were approximately € 167.9 million in 2005, or approximately 7.9% of the Group’s total revenues before inter-segment eliminations. The segment includes goods and services provided by the Group to airlines in respect of ground-handling and other services. These services are billed on the basis of the type of service rendered (for example, passenger check-in or runway aircraft assistance) based on IATA standard agreements for each activity.
 - **Real Estate.** Revenues of this segment were approximately € 162.1 million in 2005, or approximately 7.6% of the Group’s total revenues before inter-segment eliminations. The segment includes revenues from real estate rental and related services provided by the Group, excluding real estate inside terminals and in airport areas, which are included in the “Airport Services” segment. The revenues of this segment are earned in part from customers external to the Group and in part in respect of premises made available to other segments, as well as the internal billing of management and administrative services. See 6.3.3. “Business – Real Estate Activities.”
 - **Other activities.** Revenues of this segment were approximately € 199.9 million in 2005, or approximately 9.4% of the Group’s total revenues before inter-segment eliminations. It includes primarily goods and services provided by subsidiaries of the Group that do not fall within the other segments. For the year ended December 31, 2005, the four main subsidiaries that were part of this segment were Hub télécom, Société de Distribution Aéroportuaire (proportionately consolidated at the 49% level), ADPi and ADPM.

This segmentation was established for the first time in connection with the preparation of the consolidated financial statements for the year ended December 31, 2005, which was the first year of application of IFRS. Aéroports de Paris does not have information that permits it to break down its results of operations determined under French GAAP on the basis of this segmentation.

9.2.3. Factors Having a Significant Influence on the Group's Results

Revenues

A significant portion of the Group's revenues depends directly or indirectly on the level of traffic at the Group's airports:

- o Airport fees and airport taxes directly depend on air traffic, as well as on the rates for such fees and taxes.
- o Commercial revenues, car park revenues and revenues of the Ground-handling and Related Services segment are also closely correlated with air traffic, but they also depend on other factors that are discussed below.

Airport Fees

The amount of principal airport fees depends on two components: traffic and fee rates.

- In addition to the overall level of air traffic, the structure of traffic has a significant influence on principal airport fees. Principal airport fee rates for international traffic are higher than those for European traffic, which in turn are higher than those for domestic traffic. For example, in 2005 the passenger fee paid for a domestic flight was € 4.19 per departing passenger, while it amounted to € 6.29 for a flight to the Schengen area and € 12.10 for an international flight outside the European Union. Fees for aircraft movements are higher for heavier aircraft (based on maximum take-off weight).
- Rates are set primarily on the basis of the number of aircraft movements for different weight classes of aircraft (departure and arrival) and on the number of passengers (departure only). Fees for connecting passengers are reduced by 30% in 2006 (the reduction was 10% in 2003, 20% in 2004 and 25% in 2005). No fee is charged for transit passengers, meaning connecting passengers who remain on the same plane.

From 2003 to 2005, there were three rate increases. The weighted average increase was 5.5% as of April 1, 2003, 5.5% as of April 1, 2004 and 4.0% as of February 1, 2005. The rate increases for each of the principal airport fees on each of these dates are shown in the following table.

	2003	2004	2005
	Rate increase (in %)		
Landing Fee (1)	3.5%	3.4%	4.0%
Passenger Fee	3.8%	6.5%	4.0%
Parking Fee	7.0%	9.0%	4.0%
Fuel Fee	5.5%	5.5%	4.0%
Weighted average increase	5.5%	5.5%	4.0%

(1) The landing fee is charged separately for each landing and take-off.

Special airport fees are based on a variety of rate mechanisms, and they generally increase in accordance with indexation formulas based on a combination of the French cost of construction index, labor cost index and industrial price index.

For the period from 2006 to 2010, increases in principal airport fee rates and the rates for special fees that are not determined by specific contractual provisions will be determined in accordance with the economic regulation agreement (*contrat de régulation économique* or CRE) between Aéroports de Paris and the French State, signed on February 6, 2006. For 2006, the average rate of increase is 5%. See 6.3.2.6. “Business – Revenues from the Operation of Airports.”

Commercial Revenues

Commercial revenues depend significantly on the number of passengers in terminals, as well as on the nature of the traffic. For example, international traffic generates more commercial revenues than domestic traffic. Commercial revenues also depend on the product and service offering, including the amount of space made available for these activities, the attractiveness of the commercial spaces in terms of product positioning and price and the location of shops, bars and restaurants (their proximity to passenger flows and their accessibility).

Other factors also influence the commercial potential of terminals, including reducing the time that passengers are required to spend at security or customs checkpoints (which increases the time available before boarding and makes the overall experience more pleasant), and decreasing terminal saturation.

Commercial revenues are also affected by a number of factors that are beyond the control of the airport operator, including foreign exchange rates (in particular the exchange rate between the euro and the US dollar), the effect of public health policies (which can result in an rise in tobacco and alcohol prices) or changes that affect the number of passengers who can make duty free purchases (for example, the extension of the European Union).

Car Park Revenues

Car park revenues depend on the amount of time during which cars are parked, the occupancy rate of parking spaces and parking rates. They depend in particular on both the actual and perceived cost of parking to potential customers compared to other modes of transportation, as well as quality factors such as cleanliness, availability of spaces, and access to car parks and terminals.

Rental Revenues

Rental revenues depend on the surfaces of land and buildings leased to third parties or made available within the Group. Revenue growth depends principally on the Group’s ability to develop new land and building areas for rental. For existing leases, revenues depend on occupancy rates and rent levels. The Group’s leases typically include escalation clauses based on the French construction cost index.

Industrial Services

Revenues from industrial services depend on the requirements of companies located in the facilities of Aéroports de Paris for power, fluids and services, as well as the Group’s internal needs. The development of new real estate projects can also significantly affect the demand for industrial services. Demand can also be affected by the existence of alternative sources of

supply – for example, some companies located in Aéroports de Paris facilities may choose to use their own gas heating systems rather than heat supplied by Aéroports de Paris.

Rates for industrial services are generally specified in annual or multi-annual agreements entered into with users. For drinking water supply and waste collection agreements, there are annual price revision clauses. For power, heating and cooling, agreements provide for the quarterly pass-through to customers of supply costs based on market prices for electricity, gas or fuel. In a period of increasing energy prices, the increase in revenues resulting from such indexation mechanisms does not necessarily result in an increase in the margins of Aéroports de Paris, as the cost of energy purchases increases at a similar rate.

Airport Tax

The airport tax covers the costs incurred by Aéroports de Paris to implement security measures and other public services. For this purpose, costs include depreciation as well as a return on invested capital. Costs relating to security are accrued as they are incurred. When the total airport tax for an accounting period is greater than the total cost for that period, the excess is recorded as deferred revenue. When the total tax for an accounting period is lower than the total cost for that period, the deficit is taken into account the following year to determine the level of the airport tax. Deferred revenues of €7.0 million and €8.7 million, respectively, were recorded in 2004 and 2005. In 2003, a deficit of € 19.5 million was recorded.

Operating Expenses

The Group presents its operating expenses by type of expense, in accordance with one of the presentation options available under IFRS. The most significant operating expense categories are personnel expenses and, to a lesser extent, subcontracting expenses. From 2003 to 2005, personnel expenses represented slightly less than 45% of the Group's operating expenses, and subcontracting expenses represented slightly less than 20%. Taxes, raw materials and consumables used, and repair and maintenance expenses each represented approximately 8% of total operating expenses. The remainder includes costs of studies and external services, external personnel, insurance premiums, travel and entertainment, advertising, publications and public relations.

The level of personnel expenses depends on the Group's hiring policies and compensation practices, which are described below under 9.3.3. “– Results of Operations – Year ended December 31, 2004 compared with year ended December 31, 2005 – Operating Expenses.”

Subcontracting expenses include primarily security costs, cleaning of terminals and public transportation services in terminals (buses). Security costs depend primarily on regulatory requirements regarding screening and access, while the level of the other costs depends on the extent to which new facilities are opened, and the number of flights. All subcontracting expenses are labor intensive, and thus depend on salary levels in the services sector.

Taxes consist mainly of the French professional tax and real estate taxes paid to the municipalities in which the Group's facilities are located. Their level depends on the growth in the tax base (principally the Group's fixed assets), as well as tax rates applied by the relevant municipalities and the French administrative departments and regions where they are located.

Raw materials and consumables used include primarily the cost of energy and fluids, as well as the Group's share of raw materials and consumables used of Société de Distribution Aéroportuaire, as part of its commercial activity. The recent increase in this item is the result of increased gas prices and the growth in the activity of Société de Distribution Aéroportuaire.

Finally, repair and maintenance costs include preventive and corrective maintenance for facilities and equipment, such as baggage-handling equipment, passenger transportation systems (elevators, walkways, escalators, automatic metro) and jetways, as well as large maintenance projects that are planned several years in advance. These expenses increase with the start-up of new facilities, such as CDGVal or TBE. Prices for maintenance contracts are typically indexed on the "*tous corps d'état*" index published by the French statistical organization INSEE.

Capital investments

The Group's activity requires it to make significant capital investments in airport infrastructure. The Group has initiated a major capital investment program to increase its terminal capacity and to improve the quality of its services in order to take advantage of the anticipated growth in future air traffic. The budget for the capital investment program of Aéroports de Paris for the 2006-2010 period, which represents substantially all of the Group's capital investments planned for such period, amounts to € 2.7 billion, including approximately € 2.5 billion relating to its commitments in the CRE. The Group's main capital investments are described under 10.2.4. "Cash Flow – Capital Investment" and 5.2.3. "Main Investments Planned or Included in Firm Commitments from the Management Policies." Outside the context of the CRE, the actual amount of capital investment could be greater or smaller depending on future decisions of Aéroports de Paris or new obligations with which it might be required to comply.

The rhythm and level of capital investment in new terminal capacity mainly depend upon the anticipated level of growth in traffic. The level of investment in a given year also depends on where in the overall capital investment cycle that year falls. Airport infrastructure investments require advance planning and long lead times for construction. As a result, they are heavily concentrated in the period closely preceding the opening of a new facility, such as a new terminal or a runway. Even in low-cycle periods, however, capital investment must be made to ensure the renewal and renovation of obsolete facilities and to continually adjust existing equipment in order to improve operational and commercial performance. Aéroports de Paris has also recently had to make significant capital investment to meet the strengthened requirements regarding security (these investments are funded by the airport tax). They represent a cumulative amount of € 137 million in the CRE for the 2006-2010 period.

The implementation of the Group's capital investment program and the related growth in net fixed assets have resulted in increased depreciation and amortization. The depreciation periods for the various categories of the Group's fixed assets are described in note 4.5 to the consolidated financial statements in Appendix 1 thereof.

Other Operating Revenues and Expenses

The Group presents under the heading "other operating revenues and expenses" items of revenues and expenses that by their nature are unusual or non-recurring. To present the Group's

results of operations before the impact of these items, the Group presents its “operating income from ordinary activities”, meaning operating income before other operating revenues and expenses. In 2004 and 2005, the majority of the Group’s other operating revenues and expenses were related to the accident at terminal CDG 2E.

9.2.4. Employee Benefit Obligations

The companies of the Group contribute to the general pension system in France and in the other countries where they operate. There is no special pension system applicable to Aéroports de Paris. The Group’s employee benefit obligations include severance, obligations under an early retirement plan (which terminated on February 28, 2005), a plan to allow fire fighters to retire at age 55, supplementary health benefits and length of service benefits. Employee obligations (net of assets held to cover those obligations and actuarial gains and losses) are fully provisioned under both French GAAP and IFRS. The aggregate provision for employee benefits as of December 31, 2005 was € 401.7 million. The principal assumptions used to determine the amount of provisions are described in note 11.2 to the consolidated financial statements in Appendix 1 thereof.

9.3. YEAR ENDED DECEMBER 31, 2004 COMPARED WITH THE YEAR DECEMBER 31, 2005 (IFRS)

9.3.1. Traffic

In 2005, traffic at the airports of Aéroports de Paris was 78.7 million passengers (including transit passengers), an increase of 4.4% compared with 75.3 million passengers in 2004. The number of aircraft movements (including cargo) was stable at 736,552 movements in 2005, 0.2% higher than the 735,223 movements recorded in 2004, as the increase in passenger traffic resulted mainly from higher load factors (the percentage of available seats occupied) and not significant changes in flight schedules. The following table sets forth traffic in 2004 and 2005 at Paris - Charles de Gaulle and Paris – Orly:

	Passengers in 2004	Passengers in 2005	Change (%)	Commercial movements in 2004	Commercial movements in 2005	Change (%)
Paris - Charles de Gaulle	51.3 million	53.8 million	5.0%	516,425	513,674	(0.5)%
Paris - Orly	24.0 million	24.9 million	3.4%	218,798	222,878	1.9%
Total	75.3 million	78.7 million	4.4%	735,223	736,552	0.2%

The number of tons of cargo at the two main airports was 2.1 million tons in 2005 (including mail), an increase of 6.3% compared with 1.9 million tons in 2004. Most of the cargo activity and growth was at Paris - Charles de Gaulle, which alone accounted for 2 million tons of cargo in 2005, or 94.9% of the total.

For a more detailed description of trends in traffic at the Group’s airports, see 6.2.2. “Business – Air Passenger Traffic Worldwide and in France” and 6.2.4. “ – Growth in Cargo Traffic.”

9.3.2. Group Revenues (ordinary activities)

The Group's revenues were € 1,914.6 million in 2005, an increase of 5.7% as compared with € 1,811.7 million recorded in 2004. Approximately 2% of the Group's revenues were generated abroad in 2005, mainly by ADPi and ADPM.

The growth in the Group's revenues in 2005 resulted primarily from the following factors:

- A significant increase in principal airport fees, which represented 32.5% of the Group's revenues and amounted to € 621.5 million, a 7.1% increase as compared with 2004, resulting from the growth in traffic and the rate increase that took effect on February 1, 2005.
- A 3.8% increase in total revenues from commercial activities, which were € 256.3 million in 2005. This figure includes both rent paid by operators of commercial facilities to Aéroports de Paris (recorded in the "Airport Services" segment), and the Group's share of the sales of Société de Distribution Aéroportuaire (recorded in the "Other Activities segment").
- A 7.8% increase in rental revenues, from € 156.6 million in 2004 to € 168.9 million in 2005. These amounts include revenues from the rental of spaces in terminals and airport areas (recorded in the "Airport Services" segment) and the rental of land and space in buildings outside terminals and airport areas (recorded in the "Real Estate" segment); and
- Significant increases in special airport fees (a 19.0% increase in 2005 compared to 2004) and revenues from car parks and access (a 12.6% increase).

The growth in these revenues was partially offset by a decrease in revenues from airport ground-handling services provided to customers outside the Group (the external portion of revenues from the "Ground-handling and Related Services" segment), which decreased from € 144.4 million in 2004 to € 128.2 million in 2005, a decline of 11.3%.

The following table breaks down the Group's consolidated revenues by segment for the periods indicated:

	<u>Year ended December 31,</u>		
	<u>2004</u>	<u>2005</u>	<u>Change</u>
	<i>(in million euros)</i>		<i>(%)</i>
Airport Services			
Principal airport fees	580.4	621.5	7.1%
Special airport fees	80.1	95.4	19.1%
Commercial revenues	193.3	196.9	1.9%
Car parks and access	119.5	134.8	12.8%
Rental Revenues	56.7	61.7	8.8%
Industrial services	57.4	60.6	5.6%
Airport tax	298.2	308.8	3.5%
Other revenues	113.6	121.0	6.5%
Total Airport Services (1)	1,498.3	1,600.6	6.8%
Ground-Handling and Related Services (2)	168.4	167.9	(0.3)%
Real Estate (3)	158.3	162.1	2.4%
Other activities			
Hub télécom (including SERTA)	56.4	71.1	26%
Société de Distribution Aéroportuaire	74.0	80.3	8.5%
International (ADPM and ADPi)	27.7	35.1	26.7%
Others	12.6	13.3	6.4%
Total Other Activities (4)	170.7	199.8	17.1%
Inter-segment eliminations	(184.0)	(215.8)	n.s.
Consolidated Revenues	1,811.7	1,914.6	5.7%

(1) Including revenues from customers outside the Group of € 1,399.8 million in 2004 and € 1,502.7 million in 2005.

(2) Including revenues from customers outside the Group of € 144.4 million in 2004 and € 128.2 million in 2005.

(3) Including revenues from customers outside the Group of € 115.6 million in 2004 and € 118.4 million in 2005.

(4) Including revenues from customers outside the Group of € 151.9 million in 2004 and € 165.3 million in 2005.

Airport Services

The growth in the revenues of the Airport Services segment in 2005 was primarily the result of the significant increase in principal airport fees, as described above. In addition, the main factors that affected the remaining revenues of the segment were as follows:

- The 19.1% increase in special airport fees resulted primarily from a significant increase in de-icing activity during the 2004-2005 winter season, as well as an increase in rates for baggage handling facilities and, to a lesser extent, to increases in the rates charged for the use of check-in counters.
- The commercial revenues of this segment, which only include rents and fees paid by operators of commercial spaces, increased by 1.9% as compared with 2004. At Paris - Charles de Gaulle, although the growth in commercial activity was constrained by the saturation of terminals as a result of the unavailability of the boarding area of terminal CDG 2E, the commercial facilities in the CDG 2E temporary boarding area recorded strong activity. At CDG 1, renovation work resulted in the closure of a part of the terminal, although the impact of the renovation was mitigated by improved directional signs in the terminal. At Paris - Orly, the growth in the activity was more dynamic, largely as a result of strong growth in international traffic and the launch of mobile kiosks that increased revenues per passenger. Despite the increase in activity, 2005 revenues were impacted by the renegotiation of an agreement with a commercial operator, as a result of which the operator was allowed to credit guaranteed minimum payments from prior years against 2005 rent (there will be no further credits after 2005).
- Car park and access revenues increased by 12.8% as compared with 2004, due to a more dynamic commercial strategy (in particular at Paris - Orly where new special weekend rates and long-term rates were instituted), and to rate increases of 6% at Paris - Charles de Gaulle and 3% at Paris - Orly.
- Rental revenues in this segment increased by 8.8% as a result of the combined effect of rent indexing and the leasing of new areas in terminals (such as lounges and offices), primarily at the CDG 2 terminal, where new space was rented at CDG 2A and in the temporary boarding area of CDG 2E.
- Industrial services revenues increased by 5.6% as compared with 2004, mainly as a result of an increase of almost 7% in the price of energy for heating.
- The 3.5% increase in the airport tax revenues (€ 308,8 million for 2005 as compared to € 298,2 million for 2004) reflects traffic growth, which more than offset the decrease in the airport tax rate as of January 1, 2005 (from € 8.20 to € 7.95 per passenger).
- Other revenues of the segment increased by 6.5% mainly due to the 8% rise in the reimbursements relating to the BAAC, or auxiliary civil aviation budget.

The growth in revenues was strongest at Paris - Charles de Gaulle in 2005. The following table below sets forth revenues of the Airport Services segment broken down by airport.

	Year ended December 31,		Change (%)
	2004	2005	
	<i>(in million euros)</i>		
Paris – Charles de Gaulle	1,074.8	1,151.9	7.2%
Paris – Orly	400.3	420.9	5.1%
Others (1)	23.2	27.8	19.8%
Total	1,498.3	1,600.6	6.8%

(1) Paris - Le Bourget, general aviation airfields and miscellaneous.

Principal airport fees received at Paris - Charles de Gaulle increased by 7.2% in 2005, and those received at Paris - Orly increased by 7.8%, in both cases a growth rate that was similar to that of principal airport fees in the segment as a whole (7.3%). However, other revenue items increased more significantly at Paris - Charles de Gaulle. The revenues of the Paris - Orly platform were in particular affected by the minimum guarantee credit resulting from the renegotiation of a contract with a commercial operator, as described above.

Ground-handling and Related Services

The slight decrease in the revenues of this segment (-0.4%) is the result of a significant decrease in revenues from ground-handling services, offset by an increase in other services (principally security services provided to the Airport Services segment). Ground-handling revenues in 2005 were impacted by the loss of important customers (in particular British Airways, Air India, Finnair, Cathay Pacific and, at Paris - Charles de Gaulle, Iberia), which were only partially offset by new customer contracts at Paris - Charles de Gaulle (SN Brussels Airlines, Ukraine International Airlines) and at Paris - Orly (Tunis Air).

Real Estate

The increase in the revenues of this segment which resulted from the growth in land rental revenues, rent indexing and the rental of new spaces, was affected by the readjustment resulting in 2005 of the fact that real estate taxes were no longer re-billed to FedEx (- € 1,4 million) and by non recurring revenues recorded in 2004 from real estate tax refunds (- € 1,9 million). Besides, the proportion of revenues realized from parties outside the Group increased of 0.5% between 2004 and 2005, to 75.6% of segment revenues.

Significant events that impacted revenues in the segment in 2005 included the following:

- The new ACNA aircraft equipment unit and the new catering unit of Servair at Paris - Charles de Gaulle;

- New occupancies of cargo buildings by DHL, Aviapartners and Servair at Paris - Charles de Gaulle;
- The full year effect of the opening in 2004 of the “Eole” engine building of Air France Industrie at Paris - Orly;
- The increase in space rented by existing customers at Paris - Le Bourget, as well as the rental of space to new customers, such as Cessna and Universal Flying Group; and
- The expiration of a rental contract (known as a temporary occupancy authorization) with the French postal service La Poste at Paris – Orly, which resulted in the closure of the sorting centre for postal packages at Paris-Orly and the departure of the tenant.

Other Activities

The strong increase in the revenue of the Other Activities segment reflects primarily the performances of the four subsidiaries included in such segment:

- *Société de Distribution Aéroportuaire*: the Group’s share of 2005 revenues was € 80.3 million (or 40.2% of the total revenues of this segment), representing an 8.5% increase compared with €74.0 million recorded in 2004. The increase was principally the result of the dynamic commercial policy of *Société de Distribution Aéroportuaire* that involved the renovation of existing shops and the opening of new sales outlets, which partly offset the impact of terminal saturation at terminal CDG 2. The extension of its activity to terminal CDG 1 in 2005 had no significant impact on revenues in 2005, as operations started.
- Hub télécom: with € 71.1 million of revenues (35.6% of the total revenues of this segment) including approximately 59.9% with customers external to the Group, the contribution of Hub télécom to the Group’s consolidated revenues increased by 26% compared with € 56.4 million recorded in 2004 (including the revenues of SERTA, a radio-communication subsidiary of the Group, which was merged into Hub télécom in 2005). Hub télécom’s business in 2005 included continued development of data transmission and local networks for businesses, as well as significant consumer WiFi and Internet activity, which more than offset a decline in revenues from fixed telephony.
- ADPi: the revenues of ADPi were € 27.3 million, corresponding to a 9.2% increase as compared with € 25 million recorded in 2004. In 2005, ADPi recorded revenues under agreements for the new terminals T3, C2 and C3 in Dubai and completed two important projects, the Oriental Art Centre in Shanghai and the radars in Abu Dhabi and Al Aïn in the United Arab Emirates. It also signed new agreements for a project in Doha in Qatar, hangars in the United Arab Emirates and the new airport of Jebel Ali in Dubai.
- ADPM: the revenues of ADPM amounted to € 7.8 million in 2005, corresponding to a 189% increase as compared with 2004 (€ 2.7 million). In 2005, ADPM recorded significant revenue contracts won in 2004 in Algeria and Egypt. ADPM also received income from its equity interests in 2005 (mainly BCIA dividends) of € 2.9 million, although this income is not recorded as part of consolidated revenues.

9.3.3. Operating Expenses

In 2005, the Group's operating expenses (excluding depreciation and amortization) increased by 4.4% to reach a total of € 1,403.3 million (73.3% of revenues), as compared with € 1,343.6 million in 2004 (74.2% of revenues). The following table sets out the Group's main operating expenses in 2004 and 2005.

	Year ended December 31,				Change
	2004	(% of	2005	(% of	2004-2005
	(M€)	revenues)	(M€)	revenues)	
Personnel Expenses	549.6	30.3%	611.5	31.9%	11.3%
Raw Materials and Consumables Used	100.6	5.6%	106.2	5.5%	5.6%
Other Ordinary Operating Expenses	693.5	38.3%	685.6	35.8%	(1.2)%
<i>Of which subcontracting</i>	321.0	17.7%	299.0	15.6%	(6.8)%
Total Ordinary Operating Expenses	1,343.6	74.2%	1,403.3	73.3%	4.4%

Personnel Expenses

Personnel expenses were € 611.5 million in 2005. This evolution mainly results from measures only relating to employees of Aéroports de Paris, among which:

- o Increases in fixed salaries, premiums, bonuses, and early retirement plan contributions (1.8%);
- o Increases resulting from seniority or technical advancement of employees (1.0%);
- o Increased number of employees before taking into account changes in scope (2.9%);
- o Inclusion of personnel from two assistance companies (Aviance France and Alyzia Ramp Assistance) in the consolidated group (3.8%); and
- o Expenses of € 12.2 million for employee profit-sharing, which was applied by Aéroports de Paris for the first time in 2005 in accordance with the Decree no. 2005-1650 of December 27, 2005 (2.2%).

The Group's average number of employees amounting increased from 9,652 in 2004 to 10,294 in 2005. The number of employees of Aéroports de Paris (the parent company) was essentially stable, declining by 0.4%, while the number of employees of subsidiaries increased by 35.1%. This was due primarily to the inclusion of Aviance France and Alyzia Ramp Assistance in the consolidated Group, representing a total of 363 employees, as well as the full year effect of the inclusion of Alyzia Sureté in the consolidated group, which occurred in the second half-year 2004. Excluding the impact of the inclusion of Aviance France and Alyzia Ramp Assistance, the Group's average number of employees only increased by 2.9% from 9,652 in 2004 to 9,931 in 2005.

(Million euros)	2004 IFRS	2005	2005/2004	Equivalent Scope	2005/2004
Personnel Expenses	549.6	611.5	11.3%		
Average Number of Employees	9,652	10,294	6.7%	9,931	2.9%
<i>Aéroports de Paris</i>	7,738	7,709	(0.4%)	7,709	(0.4%)
<i>Subsidiaries</i>	1,914	2,585	35.1%	2,222	16.1%

Raw materials and consumables used

In 2005, the Group's raw materials and consumables used increased by 5.6% to € 106.2 million. Fuel purchases were € 19.3 million in 2005, an increase of 20.6% that reflected increased market prices. Electricity purchases of € 12.7 million represented an increase of 1.6%. Purchases of raw materials and consumables used by Société de Distribution Aéroportuaire amounted to € 30.5 million, up 5.5% compared to 2004. The costs of engineering studies were € 6.9 million, 31% lower than in 2004.

Other Ordinary Operating Expenses

The decrease in other ordinary operating expenses mainly reflects a decrease in security and assistance subcontracting expenses, which was partly offset by an increase in subcontracting expenses for the operation of infrastructure. As a whole, subcontracting expenses decreased by 6.8% in 2005, reflecting the following:

- A significant decrease (77.1%, from € 28.9 million to € 6.6 million) in assistance subcontracting expenses, which mainly reflects the fact that two companies of the Alyzia group moved into the Group's scope of consolidation, increasing personnel expenses (as described above) but decreasing subcontracting expenses.
- A 6% decrease in security subcontracting expenses to (€ 148.1 million in 2005 as compared with € 157.6 million in 2004). This decrease reflects the combined effect of the fact that a number of security tasks were brought in house through the Alyzia Sureté subsidiary, resulting in a reduction of € 13 million in security subcontracting expenses in 2005, while expenses related to other security subcontracting agreements, in particular passenger screening inspection, increased in 2005.
- The decrease in security and assistance subcontracting is however partly offset by an increase in infrastructure subcontracting resulting from the full year effect of the renegotiation of the baggage-handling contract for CDG 1.

Maintenance and repair expenses increased by 6.8% (from € 75.1 million in 2004 to € 80.2 million in 2005). This increase reflects in particular maintenance expenses for new facilities, such as the new baggage-handling facility at CDG 1 and the future TBE (the maintenance of which already started in 2005).

Other external service expenses increased by 15.8% from € 123.9 million in 2004 to € 143.5 million in 2005. The increase in these items included, in particular, study and fee expenses related to satellite S3 and advertising and public relations expenses for the communication

campaign that followed the conversion of Aéroports de Paris into a *société anonyme*, and the launch of the Group's new visual identity. Insurance expenses decreased, as premiums in 2004 included payment for a construction site policy for terminal CDG 2E (€ 5,6 million), which was not incurred in 2005.

Losses on bad debts and settlements with suppliers decreased by 63%, reflecting a high level of defaults in 2004 (particularly Air Lib) as well as settlements of claims of contractors that worked on terminal CDG 2E (these settlements were unrelated to the accident of terminal 2E).

Taxes increased by 21.8%, from € 94.3 million in 2004 to € 114.8 million in 2005, reflecting in particular a significant increase in the professional tax due to the fact that terminal CDG 2E was first included in the tax base in 2003.

Asset write-offs and net allocations to reserves were a combined € 11.2 million in 2004 and € 22.5 million in 2005. This reflected primarily the fact that net new reserves for litigation were € 9.5 million in 2004, while there was a net release of reserves for litigation of € 4.7 million in 2005.

9.3.4. EBITDA, Operating Income from Ordinary Activities and Operating Income

The Group's margins increased in 2005, as revenues grew more than expenses. The table below sets forth the Group's EBITDA, operating income from ordinary activities and operating income in 2004 and 2005.

	Year ended December 31,			2005 (% of Revenues)	Change 2004-2005
	2004 (M€)	(% of Revenues)	(M€)		
EBITDA	542.8	30.0%	592.4	30.9%	+9.1%
Depreciation and amortization*	(252.4)		(262.2)		+3.9%
Asset impairment and net allowances to provisions*	0.6		1.0		+66.7%
Operating income from ordinary activities	291.0	16.1%	331.2	17.3%	+13.8%
Other operating revenues and expenses	(16.2)		23.5		n.s.
Operating Income	274.8	15.2%	354.7	18.5%	+29.1%

* These items only include asset write-down for property, plant and equipment.

EBITDA

The increase in EBITDA of 9.1% in 2005 mainly reflected the combined effect of the significant increase in revenues compared to the moderate increase in operating expenses. The result was an increase in the EBITDA/revenues margin of 0.9 percentage points.

Operating income from ordinary activities

The operating income from ordinary activities margin grew more quickly than that of the EBITDA margin primarily because the 3.9% increase in depreciation and amortization expenses

in 2005 was less than the growth rate of revenues. Overall, the ratio of operating income from ordinary activities to revenues increased by 1.2 percentage points.

Operating Income

The increase in operating margin was the result of the increase in the operating income from ordinary activities margin, as well as the fact that the Group recorded net other operating revenues of € 23.5 million in 2005, compared to net other operating expenses of € 16.2 million in 2004. This change reflects primarily items and entries related to the accident at terminal CDG 2E in 2004. In 2005, the Group recorded insurance revenue of € 31.8 million and expenses related to the consequences of the accident (principally professional expenses relating to legal proceedings and expenses incurred at the worksite) of € 6.7 million. In addition, the Group changed its reconstruction plan to maintain the glass structure at the terminal, and as a result it wrote-back a provision of € 76.4 million in 2005 (€ 75.5 million for the write-off of the non-collapsed portion of the boarding area, and the remainder consisting of compensation to be paid to operators of shops and restaurants), and recorded depreciation of € 67.9 million.

The following table sets out the Group's other operating revenues and expenses related to this accident in 2004 and 2005.

	Year ended December 31	
	2004	2005
	<i>(in million euros)</i>	
Asset write-off	(14.6)	-
Exceptional depreciation of long-term assets	-	(67.9)
(Allocation to) write back of reserves	(76.4)	76.4
Revenues from insurance	80.5	31.8
Other expenses	(5.7)	(6.7)
Total	(16.2)	33.6

In addition, other operating revenues and expenses in 2005 reflected the correction by the UNEDIC of its computations for social charge contributions for previous years, resulting in an expense of € 10.2 million.

Operating income from ordinary activities by segment

The increase in the Group's total operating income from ordinary activities in 2005 was led by the Airport Services segment, which recorded a 16.3% increase in operating income from ordinary activities in 2005. The table below sets forth the Group's operating income from ordinary activities by segment.

	2004	2005	Change
	(in million euros)		(%)
Airport Services	324.6	377.4	16.3%
Ground-Handling and Related Services	(4.7)	(10.9)	(131.9)%
Real Estate	38.2	34.4	(9.8)%
Other Activities	14.8	16.2	9.5%
Unallocated items*	(82.0)	(86.4)	5.3%
Total	290.9	331.2	13.8%

* Principally head office expenses.

In the Airport Services segment, the increase in operating income from ordinary activities was recorded mainly at Paris - Charles de Gaulle, where operating income from ordinary activities increased by 22.6% to reach € 312.9 million in 2005 as compared with € 255.2 million in 2004. At Paris – Orly, operating income from ordinary activities decreased by 2.6% to € 70.3 million in 2005 as compared with € 72.1 million in 2004, as operating expenses increased more than revenues due to the minimum guarantee credit for a commercial operator, as described above. Operating expenses increased primarily as a result of increased fuel costs (in particular a 35% increase in gas prices) and security subcontracting costs.

The increased operating loss from ordinary activities of the Ground-Handling and Related Services segment, to € 10.9 million in 2005 as compared with € 4.7 million in 2004, resulted from the decrease in the revenues of ground-handling activities, a reserve relating to the termination of a customer's activity (€ 2 million) and increased expenses resulting from the first-time application in 2005 of employee profit sharing.

In the Real Estate segment, operating income from ordinary activities decreased by 9.8% to € 34.4 million in 2005 as compared with € 38.2 million in 2004. This change resulted primarily from the following two factors:

- On the one hand, a reasonable change in the revenues, as real estate taxes related to the FedEx contract were re-billed in 2005 (- € 1,4 million), while non recurring revenues connected to real estate tax refunds had been recorded in 2004 (see 9.3.2. – “Revenues”) ;
- On the other hand, a material increase in charges, that partly results from new items, such as employee's profit-sharing (+ € 0,7 million) and from the allocation to the Real Estate segment of a more significant part of charges related to the management of the access to terminals (+ € 2,6 million). This increase also partly resulted from a capital loss suffered when some assets were retroceded to the French State in connection with the conversion of Aéroports de Paris into a *société anonyme* (+ € 1,0 million) (see 8.1 – “Real Estate Properties and Equipments of Aéroports de Paris”). The operating revenue was also affected by the

increase in fees paid to counsels hired to shape the Group's medium term strategy for its Real Estate business (+ € 0,9 million).

In the Other Activities segment, the Group's share of operating income from ordinary activities from Société de Distribution Aéroportuaire was € 3.8 million in 2005, as compared with € 2.5 million in 2004, a 52% increase. Hub télécom contributed operating income of € 11.4 million as compared with € 10.4 million in 2004, an 8.6% increase.

9.3.5. Other Income Statement Items

9.3.5.1. *Net Finance Costs*

The Group recorded net finance costs of € 82.5 million in 2005, a 19.1% increase as compared with net finance costs of € 69.3 million in 2004. This reflects the positive impact in 2004 of the reversal of a reserve previously taken in respect of the Group's interest in BCIA securities (€ 8.8 million), resulting from the rise in the Hong Kong dollar compared to the euro and an increase in the market value of BCIA. It also reflects capital gains recorded on the sale of non-consolidated securities of an airport operating company in Cambodia (CAMS) for € 4.9 million in 2004. The cost of the Group's net debt was stable at € 90.9 million in 2005 as compared with € 90.3 million in 2004 as short term rates held steady during the year, and average debt levels remained stable.

9.3.5.2. *Income tax expense*

The Group's income tax expense amounted to € 95.1 million in 2005 as compared with € 64.5 million in 2004, principally as a result of increased income before tax. The effective tax rate of 34.94% in 2005 was in line with the average rate in France (34.93%). The impact of the accident of terminal CDG 2E on income tax expense was a net credit of € 5.7 million in 2004 and a net expense of € 11.7 million in 2005.

9.3.5.3. *Net Income*

The Group's share of net income increased by 24.9% in 2005, standing at € 179.9 million as compared with € 144.1 million in 2004. Excluding the non-recurring impact of the accident of terminal CDG 2E, net income would have been € 158.1 million in 2005 as compared with € 154.5 million in 2004, an increase of 2.3%.

9.4. MATERIAL DIFFERENCES BETWEEN IFRS AND FRENCH GAAP FOR THE GROUP'S CONSOLIDATED FINANCIAL STATEMENTS

The following tables set forth the impact of the conversion to IFRS on the consolidated shareholders' equity and net income of Aéroports de Paris (in each case before minority interests):

Impact on Shareholders equity:

<i>(in million euros)</i>	January 1, 2004	December 31, 2004	December 31, 2005
French GAAP	1,477.2	1,544.9	1,833.7
Impact of Standards:			
IAS 16 – Property, plant and equipment	423.2	435.1	-
IAS 17 – Leases	45.2	45.7	45.7
IAS 19 – Employee Benefits	(1.4)	(1.1)	(1.1)
IAS 28 – Investments in Associates	1.0	1.8	1.8
IAS 38 – Intangible Assets	6.5	9.6	-
IAS 32 and 39 – Financial Instruments	-	-	6.4
IFRS 1 – First-time Adoption of IFRS	(26.8)	(24.2)	(24.2)
IFRS 3 – Business Combinations	-	-	-
Impact of corresponding deferred tax	(162.1)	(163.1)	(7.7)
IFRS	1,762.8	1,848.8	1,854.6

Impact on Net Income:

<i>(in million euros)</i>	Year ended December 31, 2004
French GAAP	131.9
Impact of Standards:	
IAS 16 – Property, plant and equipment	11.9
IAS 17 – Leases	0.5
IAS 19 – Employee Benefits	0.3
IAS 28 – Investments in Associates	0.9
IAS 38 – Intangible Assets	3.1
IFRS 1 – First-time Adoption of IFRS	2.4
IFRS 3 – Business Combinations	-
Impact of corresponding deferred tax	(0.9)
IFRS	150.1

For Aéroports de Paris, the principal impact of the conversion to IFRS relates to the application of IAS 16 (Property, plant and equipment), which resulted in:

- breaking down certain items of property, plant and equipment into distinct components (surfacing for runways and roads, power and heating networks), and
- the extension of the useful lives of property, plant and equipment (terminals and parking spaces) from 40 to 50 years.

The impact of the extension of useful lives was to increase opening shareholders' equity for 2004 by € 423.2 million (before the deferred tax effect) and to increase net income in 2004 by € 11.9 million (before the deferred tax effect).

Overall, the conversion to IFRS increased the Group's shareholders' equity as of December 31, 2004 by € 303.9 million, resulting in an improvement of the Group's net debt to equity ratio, which decreased as of December 31, 2004 from 1.51 under French GAAP to 1.26 under IFRS. The overall impact of the conversion to IFRS on 2004 net income was an increase of € 18.2 million. See note 5 to the 2005 consolidated financial statements for more detail.

9.5. YEAR ENDED DECEMBER 31, 2004 COMPARED TO YEAR ENDED DECEMBER 31, 2003 (FRENCH GAAP)

9.5.1. Traffic

In 2004, Aéroports de Paris received 75.3 million passengers (including transit passengers) at its two main airports, as compared with 70.7 million in 2003, an increase of 6.6%. This growth resulted from a 3.8% increase in the number of aircraft movements (including cargo), to 735,223 movements in 2004 from 708,524 in 2003, and a higher load factor. The table below sets forth traffic at the Group's two main airports in 2003 and 2004.

	Passengers in 2003	Passengers in 2004	Change (%)	Commercial Movements in 2003	Commercial Movements in 2004	Change (%)
Paris - Charles de Gaulle	48.2 million	51.3 million	6.3%	505,630	516,425	3.0%
Paris - Orly	22.5 million	24.0 million	7.1%	202,894	218,798	7.8%
Total	70.7 million	75.3 million	6.6%	708,524	735,223	4.4%

The air cargo tonnage at the two main airports of Aéroports de Paris was 1.9 million tons in 2004, including mail, as compared with 1.7 million tons in 2003, an 11.8% increase. See "Business – Cargo Traffic."

9.5.2. Revenues

In 2004, the Group's consolidated revenues amounted to € 1,820.9 million, a 6.4% increase as compared with € 1,711.8 million in 2003. The table below breaks down the Group's revenues by category in 2004 and 2003:

	2003 (in million euros)	2004	Change (%)
Principal Airport Fees	489.8	556.3	13.6%
Airport Tax	283.9	298.2	5.0%
Commercial Revenues	258.2	271	5.0%
Rental Revenues	152.0	162.6	7.0%
Car Parks and Access	190.8	197.4	3.5%
Airport Assistance	153.2	143.7	(6.2%)
Industrial Services and Other Revenues	183.9	191.5	4.1%
Group's Revenues	1,711.8	1,820.9	6.4%

Principal airport fees were € 556.3 million in 2004, representing 30.6% of the Group's total revenues and a 13.6% increase as compared with € 489.8 million recorded in 2003. This increase reflected the effect of the 5.5% average rate increase that took effect on April 1, 2004, the 6.6% increase in passenger traffic and the 3.8% increase in aircraft movements. The rate change in 2004 also included the increase in the reduction for corresponding traffic, described above.

The rate of the airport tax was increased from € 8.05 to € 8.20 per passenger as of January 1, 2004, resulting in part of the 5.0% increase in the airport tax. The remainder resulted from the 6.6% increase in passenger traffic as compared with 2003.

Commercial revenues increased by 5.0%, from € 258.2 million in 2003 to € 271.0 million in 2004. Commercial revenues represented 14.9% of the Group's revenues in 2004. This increase is mainly explained by the € 74 million contribution of Société de Distribution Aéroportuaire in its first full year of activity (only seven months of activity were recorded in 2003). The success of Société de Distribution Aéroportuaire boosted commercial revenues. In 2004, Aéroports de Paris recorded stable revenues from the rental of commercial space, penalized by the effect of saturation of terminals as a result of the accident of terminal CDG 2E, by the unfavorable euro-dollar exchange rate and by renovation work at CDG 1.

Rental revenues increased by 7.0% from € 152.0 million in 2003 to € 162.6 million in 2004, and represented 8.9% of the Group's consolidated revenues. This increase mainly resulted from the effect of rent indexing and the signature of new agreements. The increase in rents in terminals was offset in part by the accident of terminal CDG 2E in May 2004, which resulted in the closure of the rental area of the boarding area for several months.

Revenues from car parks and access increased by 3.5% from € 190.8 million in 2003 to € 197.4 million in 2004, and represented 10.8% of the Group's revenues. This increase resulted from the an increase in subscriptions, an increase in the hourly parking rate at Paris - Orly and Paris - Charles de Gaulle and changes in the customer base.

Airport assistance revenues (ground-handling) decreased in 2004 by 6.2%, standing at € 143.7 million in 2004 as compared with € 153.2 million in 2003. This decrease resulted from the general slow-down of the airport assistance market, due in particular to the decrease in the activity of US airlines in 2004. In addition, as part of the implementation of the ground-handling restructuring plan, Aéroports de Paris did not renew some agreements in 2003 and 2004 (such as those with Star Airlines and Singapore Airlines) that it considered to have unsatisfactory margins.

Finally, industrial services and other revenues increased by 4.1% to € 191.5 million in 2005, representing 10.5% of the Group's total revenues. The increase resulted in particular from a sharp increase in the contribution of ADP Telecom (now Hub télécom), which recorded € 38.3 million of revenues with customers outside the Group. ADPM contributed € 2.7 million of revenues and ADPi € 26.1 million.

9.5.3. Operating Income of the Group

Operating expenses increased by 9.5% in 2004 to € 1,222.1 million.

Raw materials and consumables used increased by 25.1% as compared with 2003, from € 80.4 million to € 100.6 million. The increase resulted from an increase in electricity purchases and in costs of engineering studies, as well as the impact of the first year of full activity of Société de Distribution Aéroportuaire.

Subcontracting expenses increased by 4.7%, to € 321.0 million in 2004 as compared with € 306.6 million in 2003. This increase was the result of expenses for the preparation of the maintenance of the baggage-handling system and for subcontracting of ground-handling, as well as an increase in services outsourced by subsidiaries, in particular ADPi.

Maintenance expenses increased by 6.8% in 2004, reflecting an increased asset base and a drive to improve quality, both at Aéroports de Paris and at ADP Telecom (now Hub télécom).

Expenses for other external services rose by 10.4%, to € 123.9 million in 2004 million as compared with € 112.2 million in 2003, primarily as a result of costs relating to studies and fees for project management assistance.

Personnel expenses rose by a relatively modest 2.8% between 2003 and 2004, from € 534.7 million to € 549.8 million, reflecting the stabilization of the Company's staff levels (a decline of 0.5% between 2003 and 2004) and a decrease in the number of employees of subsidiaries (a decline of 9.5% between 2003 and 2004).

Operating income

Gross operating income was € 602.4 million in 2004 as compared with € 574.6 million in 2003, a 4.8% increase.

Operating income was € 307.2 million in 2004, a 6.9% decrease as compared with 2003. This decrease resulted from a 15.7% increase in amortization expenses, which rose by € 35 million in 2004 to € 260.1 million. This significant increase reflects the capital investment effort in which Aéroports de Paris has been engaged for several years. The decrease in operating income also resulted from an increase in other operating expenses, which rose by € 70.7 million (10.8%) between 2003 and 2004.

9.5.4. Other Income Statement Items

9.5.4.1. Financial expenses

In 2004, the Group recorded a net financial expense of € 94 million, a 7.4% increase compared with a net financial expense of € 87.5 million in 2003. Although Aéroports de Paris benefited from the decrease in market interest rates and an improvement of its investment revenues, this positive effect was offset by an increase in net debt and the reclassification of the reserve relating to the Group's investment in BCIA as a financial expense, rather than an exceptional expense.

9.5.4.2. Income tax expense

In 2004, the Group's income tax expense amounted to € 63.6 million (34.0% of income before tax) as compared with € 88.2 million in 2003 (41.4% of income before tax), a 27.6% decrease.

9.5.4.3. Net Income

The Group's share of net income decreased by 2.3%, to € 125.9 million in 2004 as compared with € 128.9 million in 2003. Excluding the impact of the accident of terminal CDG 2E, net

income would have been € 138 million in 2004, a 7.1% increase as compared with 2003. Expenses related to the accident at terminal CDG 2E were partly offset by €80.5 million of income recorded in relation to insurance indemnities, an amount that represented the minimum amount of indemnities that the Group anticipated receiving, taking into account indemnities already received, and then current decisions, studies and expert evaluations. In addition, the Group recorded capital gains from the sale of assets (in particular sale of securities of CAMS in Cambodia) and released a number of unused reserves.

CHAPTER 10

LIQUIDITY AND CAPITAL RESOURCES

The financial data appearing in this section are derived primarily from the consolidated financial statements of Aéroports de Paris as of and for the year ended December 31, 2005 prepared in accordance with IFRS. Financial data for the year ended December 31, 2004 have been restated in accordance with those standards.

10.1. OVERVIEW

The Group's cash needs are covered by significant cash flow from operating activities, supplemented by bonds and bank loans. The Group's liquid resources are mainly used to finance its capital investment program, which is intended to increase the capacity of the Group's airports to accommodate the anticipated growth of traffic, to improve the quality of services offered by the Group and to develop the Group's commercial and real estate business.

In 2005, the Group recorded a significant increase in cash flow from operating activities, from €389.2 million in 2004 to € 647.3 million in 2005, as a result of three factors. The first factor is the increase in the Group's EBITDA, as described above. The second factor (which is non-recurring in nature) is the collection by Aéroports de Paris of a portion of the insurance indemnities relating to the accident at terminal CDG 2E, in an amount of € 70 million. The third factor (also non-recurring in nature) is related to the timing of payments of income tax, which had a cumulative impact on cash flow from operating activities of € 116.3 million.

The Group's liquid resources enabled it to finance capital investment in property, plant and equipment and intangible assets of € 578.9 million in 2005. The Group's net debt decreased slightly in 2005, to € 2,297.7 million (1.13 times equity) as of December 31, 2005, as compared with € 2,333.8 million (1.26 times equity) as of December 31, 2004.

10.2. CASH FLOW

10.2.1. Operating cash flow from before changes in working capital and tax

The Group's operating cash flow before changes in working capital and tax was € 657.7 million in 2005, an increase of € 114.2 million as compared with 2004. This increase was primarily the result of two factors:

- A € 49.9 million increase in EBITDA between 2004 and 2005; and
- The collection in February and December 2005 of an aggregate € 70 million of insurance indemnities relating to the accident at terminal CDG 2E. As of December 31, 2005, € 41.4 million of insurance indemnities were still to be received, and were recorded under "other receivables" in the consolidated balance sheet.

10.2.2. Working Capital

Working capital (before income tax) decreased by € 18.5 million in 2005, as "other liabilities" increased by € 24.5 million in 2005. The increase in "other liabilities" was primarily the result

of an increase in employee-related liabilities, including € 12.2 million in respect of employee profit-sharing, applied for the first time in 2005, and € 13.0 million in respect of reserves and social contributions. In addition, tax liabilities (other than income tax) increased € 5.1 million.

In 2004, working capital increased by € 9 million, in particular due to difficulties with respect to the collection of certain receivables for commercial and real estate activities. Those difficulties did not recur in 2005.

10.2.3. Cash flow from operating activities

The Group's cash flow from operating activities was € 647.3 million in 2005, compared with € 389.3 million in 2004. In addition to the impact of the increase in cash flow from operating activities before changes in working capital and tax, and the decrease in working capital (before income tax), each as described above, the difference in cash flow from operating activities resulted from the fact that the Group paid income tax of € 28.9 million in 2005, and € 145.2 million in 2004. The 2004 payment included a portion of the income tax relating to the 2003 (€ 47 million). In addition, Aéroports de Paris overestimated its income at the time it paid its estimated tax in 2004, and as a result paid € 35.5 million above its actual tax liability, an amount that was subsequently refunded in 2005. The result was a € 71.1 million difference that impacted the comparison of cash flow from operating activities between 2004 and 2005. In total, income tax payment differentials resulted in a cumulative non-recurring improvement in cash flow from operating activities of € 116.3 million in 2005.

10.2.4. Capital investment

In 2005, total capital expenditures (including capital investment in both property, plant and equipment and intangible assets) amounted to € 578.9 million, a 4.9% increase as compared 2004 capital expenditures of € 551.9 million. Substantially all such capital expenditures were made in respect of property, plant and equipment.

In 2005, Aéroports de Paris (the parent company) invested a total of € 559.6 million. The Group's subsidiaries invested € 19.3 million, and in particular Hub télécom invested € 14.7 million. This allocation between parent company and the subsidiaries is similar to the split in 2004: Aéroports de Paris invested € 535.0 million and the subsidiaries invested € 16.9 million (including € 15 million for Hub télécom and SERTA, which has since been merged into Hub télécom).

The 4.9% increase in capital expenditures as compared with 2004 reflects continued capacity development (satellite S3, TBE, CDGVal) and rehabilitation projects (CDG 1, Orly ouest, car parks at Paris - Orly) implemented by Aéroports de Paris (see "Business – Airport Services"). The following tables set forth the Group's capital investment in 2005 by principal projects and airport.

(in million euros)	2005
Capacity capital investment, including	239.3
<i>CDGVal</i>	48.6
<i>Satellite S3</i>	112.1
<i>TBE</i>	16.7
Restructuring capital investment, including	54.3
<i>Rehabilitation of CDG1</i>	41.8
<i>Hall 2 Orly Ouest</i>	12.5
Renovation and Quality capital investment	167.7
Real Estate Development	7.6
Security	30.9
Engineering and Feasibility Studies	62.6
Other	16.5
Total Group	578.9

Cash flow used in 2005 for investment activities was € 526.4 million, as compared with € 474.1 million in 2004, an 11.0% increase. Capital investment payables increased by € 29.9 million, a lower increase compared with 2004 (€ 65.4 million), as significant work began in 2004 under contracts relating to satellite S3, the CDGVal automatic metro and the rehabilitation of CDG 1.

For the 2006-2010 period, the investment global budget of Aéroports de Paris amounts to € 2.7 billion, including an amount of investments relating to the regulated perimeter (as defined in the CRE) of € 2.5 billion, see 5.2.3. – “Main Investments Planned or Included in Firm Commitments from the Management Bodies”.

10.2.5. Cash Flow related to Financing Activities

The Group received net cash flow from financing activities of € 96.0 million in 2005. The Group entered into new borrowings (including receiving deposits and giving guarantees) of € 332.5 million and repaid € 115.8 million of debt (including capital leases, deposits and guarantees) in 2005, as described below under “– Financing.” Dividends paid in 2005 by Aéroports de Paris in respect of earnings from 2004 were € 25.2 million as compared with € 12.0 million in 2004 in respect of 2003 earnings. Net interest paid was € 95.2 million in 2005 as compared with € 87.0 million in 2004.

10.2.6. Change in Cash and Cash Equivalents

The significant cash flows from operating activities recorded in 2005, and the Group’s new borrowings, which were only partly used at the end of the year, resulted in a €217.3 million increase in the Group’s year-end 2005 cash position, with total cash and cash equivalents (net of overdrafts) standing at € 381.3 million at the end of 2005.

10.3. FINANCING

The Group’s outstanding debt as of December 31, 2005, including financial derivatives, amounted to € 2,778.9 million, a 10.8% increase compared to € 2,507.3 million as of December

31, 2004. Net debt (including financial derivatives) decreased slightly to € 2,297.7 million as of December 31, 2005 as compared with € 2,333.8 million as of December 31, 2004.

The net debt to equity ratio improved to 1.13 as of December 31, 2005, as compared with 1.26 as of December 31, 2004.

The following table sets forth the Group's net debt of the Group as of December 31, 2004 and 2005.

<i>(in million euros)</i>	As of December 31, 2004	As of December 31, 2005
Bonds	1,867.2	2,016.2
Bank loans	498.3	623.3
Debt on finance leases	32.9	28.0
Security deposits received	13.1	13.3
Other borrowings and similar debt	6.3	5.1
Accrued interest	79.6	74.8
Current accounts with non-consolidated companies	0.3	0.4
Bank overdrafts	9.5	7.0
Sub-total Debt	2,507.3	2,768.1
Derivative financial instruments in a liability position	--	10.8
Gross Debt	2,507.3	2,779.0
Derivative financial instruments in an asset position	--	(92.9)
Cash and Cash Equivalents	(173.5)	(388.3)
Net Debt	2,333.8	2,297.8

Out of the total gross debt (excluding financial derivatives) of € 2,768.1 million, € 196.8 million is due and payable in 2006, € 87.5 million in 2007, € 432.0 million in 2008 and € 470.7 million in 2010. No significant repayments are due in 2009. € 1,579.9 million of the Group's gross debt, or 57% of the total, was due in 5 years or more as of December 31, 2005. Substantially all of the Group's debt is denominated in euros.

In 2005, Aéroports de Paris:

- Repaid the € 106.7 million 7.80% bond issued in 1995;
- Borrowed € 130 million under a variable rate loan with the European Investment Bank (EIB) for a 15-year term, to finance the construction of satellite S3;
- Issued a new € 200 million floating rate bond due 2008. This bond is not listed.

The subsidiaries of Aéroports de Paris did not make any borrowings.

The weighted average interest rate on the Group's debt in 2005 was 4.49% per annum before hedging and 3.70% after hedging. As of December 31, 2005, approximately 70% of the Group's debt bore interest at fixed rates and approximately 30% at variable rates, before hedging (56% at fixed rates and 44% at variable rates after hedging).

Aéroports de Paris has outstanding bank loans with EIB (€ 552.8 million as of December 31, 2005) and with Caisses d'Epargne (€ 68.7 million as of December 31, 2005).

The Group's bank loans do not include restrictive covenants or obligations to maintain financial ratios. The EIB loans are for the financing of specific infrastructure (runway 4, satellite S3, CDGVal) and require prepayment in case of significant reduction in the cost of projects to be funded by these loans.

The loan agreements contain customary events of default that may trigger an early repayment, such as non-repayment of amounts owed, inaccuracy of representations and warranties given or made by Aéroports de Paris, a substantial decrease in the assets of Aéroports de Paris and any event that might affect the payment of the loan and related security.

Pursuant to bank loans entered into with EIB, the latter was entitled to seek early repayment in connection with Aéroports de Paris ceasing to be an *établissement public*, except if the parties could find a mutually acceptable solution. Talks began in April 2006 following the conversion of Aéroports de Paris into a *société anonyme*, with a view to putting EIB in a position to assess the potential impact of such conversion. This procedure, which is still pending, might result in increased margins charged by the EIB.

In addition, the loan agreements with EIB provide that in case of decrease in the rating of Aéroports de Paris to or below A+ by Standard & Poor's (or any equivalent rating given by another rating agency), EIB may call for the early repayment of the loan if at the end of a discussion with Aéroports de Paris a legally acceptable solution enabling the parties to protect their mutual interests has not been found.

The purpose of the three borrowings with Caisses d'Epargne is to fund the Company's ongoing liquidity requirements. Each loan agreement includes an early repayment obligation in case of non-repayment of other loans taken by Aéroports de Paris with Caisses d'Epargne.

All of the outstanding loans are unsecured.

10.4. EQUITY

The Group's equity increased by 9.8% from € 1,848.8 million as of December 31, 2004 to € 2,030.7 million as of December 31, 2005. This increase resulted from the incorporation of the consolidated net income for 2005 and the first-time application of IAS 32 and IAS 39, relating to the accounting at fair value of financial assets available for sale and of financial instruments. The impact of such standards as of January 1, 2005 amounted to € 5.8 million. The impact as of December 31, 2005 was € 25.2 million, after direct incorporation in equity of a revaluation of the Group's interest in BCIA shares at the end of the year (positive impact of € 19.4 million).

10.5. INVESTMENT PROPERTIES

An assessment of the Group's investment properties as of December 31, 2005 established a fair value of € 982.6 million, as compared with € 884.8 million as of December 31, 2004. The difference was primarily the result of a decrease in the discount rate (5.87% as of December 31, 2004, and 5.38% as of December 31, 2005), which is based on the average of the last three years

of the 10-year OAT (French government bond) rate. The net book value of investment properties amounted to € 305.6 million as of December 31, 2005, and to € 306.6 million as of December 31, 2004.

Investment properties are real estate properties (land, buildings, real estate complexes or a portion of any of them) held for the purpose of rental to third parties and/or with a view to a capital gain. In contrast, buildings occupied by Aéroports de Paris for its own needs (head office, administrative buildings or operating buildings) are not investment properties, but are instead operating assets recorded in the balance sheet as tangible fixed assets. Vacant buildings that are not planned for use by Aéroports de Paris for its own needs are included in investment properties. Buildings that are used both for investment property purposes and for Aéroports de Paris activities are classified as investment properties when more than half of the surface area is used for purposes falling within the definition of investment properties.

The methodology used by Aéroports de Paris to estimate the fair value of its investment properties is described in note 4.6 to the consolidated financial statements. Rented buildings and land that constitute investment properties are valued according to the discounted cash flow method. Land reserves are assessed on the basis of an estimated potential sales price according to current market conditions. Their value is adjusted to take into account the time expected for development and the capacity of the rental real estate market to absorb additional supply. The adjustment reflects the cost of carry of the land reserves for Aéroports de Paris. A discount is applied to reflect the relative absence of liquidity of the real estate assets of Aéroports de Paris, due to the particular circumstances of these assets in terms of market factors such as geographic concentration, scope of the portfolio, specific features of existing assets and the types of products that can be developed given the airport environment, as well as legal factors such as easements and other encumbrances related to airport activities and the administrative authorizations required for development. The valuation does not take into account the 70-year legal requirement that Aéroports de Paris pay to the French State 70% of any capital gains realized from the sale of properties underlying closed airport facilities (after taking into account land remediation costs). See “Business – Ownership of Assets, Retrocession of a Portion of the Capital Gain in case of Shutting-Down to Public Air Circulation of all or part of an Airfield operated by Aéroports de Paris and Encumbrances.”

10.6. GROUP COMMITMENTS

Off-Balance Sheet Commitments

The Group’s off-balance sheet commitments amounted to € 43.5 million as of December 31, 2005. The table below sets forth the off balance sheet commitments given by the Group as of December 31, 2004 and 2005.

<i>(in million euros)</i>	As of December 31, 2004	As of December 31, 2005
Guarantees	15.3	18.5
First demand guarantees	10.1	11.4
Asset and liability warranties	--	2.8
Others	3.7	10.8
Total	29.1	43.5

The Group's off balance sheet commitments reflect primarily guarantees of loans to employees and sureties and other guarantees relating to engineering or international exploitation projects. The indemnity obligations relate to the sale in 2005 of the securities of France Handling, a company specialized in handling cargo services. The "other" commitments mainly reflect currency forward sale transactions of ADPi, which had increased currency exposure in 2005 as a result of payment timing issues.

Employee benefit obligations

The Group's employee benefit obligations, before deducting the value of coverage assets, amounted to € 437.0 million as of December 31, 2005 as compared with € 442.0 million as of January 1, 2005. These obligations include severance, obligations under an early retirement plan, a plan to allow fire fighters to retire at age 55, supplementary health benefits and length of service benefits. Employee benefit obligations (net of deferred actuarial gains and losses) are covered by provisions or, to a lesser extent, by coverage assets. As of December 31, 2005, provisions for employee benefit obligations were € 401.7 million.

A detailed description of the Group's employee benefit obligations and the main assumptions used to determine their amount appears in note 11.2 to the consolidated financial statements for the year ended December 31, 2005.

10.7. MARKET RISKS

The most significant market risk to which the Group is exposed is interest rate risk related to the Group's debt.

Interest rate risk

The interest rate risk to which the Group is exposed is interest rate risk related to the Group's debt. The interest rate risk relating to the debt is managed by adjusting the portions of fixed and floating rate debt as a function of changes in market conditions, and by entering into, reversing or canceling swap transactions. All swaps are linked to bonds issuances or bank loans and are entered into for hedging purposes.

The table below sets out the portion of the share of the Group's fixed rate debt and floating rate debt as at 31 December 2005.

<i>(in million euros)</i>	At 31 December 2005 Before hedging	In %	At 31 December 2005 After hedging	In %
Fixed Rate	1,930.7	69.7%	1,540.4	55.6%
Floating Rate	837.5	30.3%	1,227.7	44.4%
Total	2,768.1	100.0%	2,768.1	100.0%

This risk is managed by entering into, reversing or canceling swap transactions. All the swap transactions are backed by bonded debt or banking loans.

The table below sets out the of the maturity of the Group's financial assets and liabilities as at 31 December 2005.

Interest rate risk as at 31 December 2005
(in million euros)

	Maturity lower than 1 year	Maturity between 1 and 5 years	Maturity greater than 5 years	Total
Financial assets	388.3	-	-	388.3
Financial liabilities	196.7	991.5	1,579.9	2,768.1
Spread	191.6	(991.5)	(1,579.9)	(2,379.8)
Conditional positions	-	-	-	-

Credit swap

The table below sets out the notional amounts of derivatives that qualify for fair value hedging treatment.

(in million euros)	Maturity lower than 1 year	Maturity between 1 and 2 years	Maturity between 2 and 3 years	Maturity between 3 and 4 years	Maturity between 4 and 5 years	Maturity greater than 5 years	Total as of December 31, 2005	Fair value
Floating Rate Paying & Fixed Rate Receiving Swaps	--	15.2	--	--	--	375.0	390.2	54
Total	--	15.2	--	--	--	375.0	390.2	54

There was no change in hedging transactions between December 31, 2004 and December 31, 2005.

The table below sets out the notional amounts of derivatives that do not qualify for fair value hedging treatment. These transactions result from swap reversal transactions and from a foreign exchange transaction relating to a debt denominated in US dollars.

<i>(in million euros)</i>	Maturity lower than 1 year	Maturity between 1 and 2 years	Maturity between 2 and 3 years	Maturity between 3 and 4 years	Maturity between 4 and 5 Maturity	Maturity greater than 5 years	Total as of December 31, 2005	Fair Value
Floating Rate Paying & Fixed Rate Receiving Swaps	--	--	53.4	--	150.0	--	203.4	(5.8)
Floating Rate Paying & Floating Rate Receiving Swaps	--	53.4	34.7	--	--	--	88.1	(4.7)
Fixed Rate Paying & Fixed Rate Receiving Swaps	--	--	--	--	150.0	--	150.0	22.7
Fixed Rate Paying & Floating Rate Receiving Swaps	--	--	53.3	--	150.0	--	203.3	15.8
Total	--	53.4	141.6	--	450.0	--	644.8	28.1

All such rate swap transactions are indexed on the 3-month EURIBOR rate. As of December 31, 2005, the sensitivity of the Group's medium- and long-term debt to a 1% rate change for a full year was € 12.3 million.

Apart from interest rate risk, the Group's interest in BCIA is carried in the consolidated financial statements at its fair value, which fluctuates on the basis of the market price for BCIA's shares.

Foreign exchange risk

The table below sets forth the aggregate amount of the Group's assets and liabilities denominated in currencies as at 31 December 2005.

<i>(in million euros)</i>	USD
Assets	0
Liabilities	34.8
Net position avant gestion	(34.8)
Positions hors-bilan	34.8
Net position après gestion	0

Liquidity risk

Aéroports de Paris is rated AA by Standard & Poor's since April 2005. On this date, the rating was actually lowered from AAA to AA following the publication of the law of April 20, 2005 governing airports, pursuant to which Aéroports de Paris was converted into a *société anonyme*. The outlook of the Company is considered negative until a procedure of initial public offering is initiated.

As at 31 December 2005, Aéroports de Paris was the beneficiary of two standby credit lines, each of an amount of 150 million euros. Their maturity dates were scheduled in January 2006 and March 2006, respectively. There was no outstanding drawdown on such date, and the available balance consequently amounted to 300 million euros. These credit lines matured on March 31, 2006 and their renegotiation shall take place during the second half of 2006.

Details concerning the liquidity risk are provided in note 29.2.3 of the exhibit to the 2005 consolidated accounts (attached as Annex 1 to this document)⁸. The Company's own assessment of its liquidity risk on the date hereof does not differ in a significant manner.

Equity price risk

For purposes of managing its cash position, the Group only invested in monetary mutual funds denominated in euros for short-term periods (less than one year).

⁸ **Note:** Please refer to Index to Financial Statements Page F-1. Please note that the information attached to the present document is limited to the Statutory Auditors' Report on the consolidated financial statements for the year ended December 31, 2005; the Consolidated Financial Statements as of and for the Year Ended December 31, 2005 (IFRS), the Statutory Auditors' Report on the consolidated financial statements for the year ended December 31, 2004 and Consolidated Financial Statements as of and for the Year Ended December 31, 2004 (French GAAP). For the other Exhibits to the Document de Base, please refer to the Document de Base registered on April 21, 2006 under the number I. 06-036.

CHAPTER 11

RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES, INTELLECTUAL PROPERTY

11.1. RESEARCH AND DEVELOPMENT

In view of the activity it exercises, Aéroports de Paris is conducting a specific research and development policy limited to its activities. For example, have therefore been developed, with various simulation software, algorithms modeling the airport processes such as passenger boarding or luggage-delivery. Such airport capacity simulation tools enable, among other things, from in particular flight programs, to assess instantaneous flows of passengers, luggage or vehicles in all locations of an airport.

11.2. TRADEMARKS, PATENTS AND LICENSES

Regarding trademark policy, Aéroports de Paris initiated, in the year 2005, a policy of construction and valuation of its trademark. The trademark summarizes the personality, values, ambition and strategic orientations of the company. It symbolizes its dynamism and the commitment of the teams, both with its clients and future shareholders.

The creation of the Aéroports de Paris trademark is built upon on a global communication strategy:

- reimagining the corporate identity, with the launch of a new logo and the creation of a new jingle to accompany public announcements in terminals;
- launching a new advertising campaign and a new slogan: “the world is our guest”;
- revising the website, to create a reliable information source and a base for client relations;
- launching a complimentary magazine for passengers, available in departure lounges and baggage claim areas; and
- establishing a brand base founded on the French style of reception and art de vivre.

Aéroports de Paris holds about fifty trademarks, which differentiate the various business activities of the Group. The main trademark of the Company, “Aéroports de Paris,” including the logo composed of a winged Eiffel Tower and a sun, was filed in March 2005. Many other trademarks, such as “Boutiques Aéroports de Paris,” “Aéroports de Paris Magazine,” and “Aéroports de Paris.fr” have also been filed to promote the commercial services of the Group. Many subsidiaries of Aéroports de Paris use their own trademarks, including Hub télécom and Alyzia.

The main trademarks of the Group are protected in France and, where necessary, in other countries where the Group does business. In France, the trademark “Aéroports de Paris” is protected until March 2015, and that of “Boutiques Aéroports de Paris” until December 2009.

As of the date of this document, Aéroports de Paris held a portfolio of about 120 internet domain names, in particular “adp.fr” and “aeroportsdeparis.fr.” Aéroports de Paris is currently in the process of registering “.eu” domain names at the European level.

Aéroports de Paris occasionally files for patents, particularly for innovative new products, although it does not have a targeted research and development policy. None of these patents is essential to the Group’s business. Two patents are currently in force. The first concerns an assessment device for runway beacons and is protected until February 2013. The second patent, held in co-ownership with the French government, concerns a ground slipping measuring device and is protected until December 2009.

CHAPTER 12 RECENT DEVELOPMENTS AND OUTLOOK

12.1. RECENT DEVELOPMENTS SINCE THE END OF FISCAL YEAR 2005

Economic Regulation Agreement

On February 6, 2006, Aéroports de Paris and the State entered into an Economic Regulation Agreement (*Contrat de regulation économique - CRE*) covering the 2006-2010 period. The CRE sets, over the 2006-2010 period, the maximum average rate of evolution of the main fees for services, the program of planned investments (see paragraph 5.2.3 – “Main Investments Planned or Subject to Firm Commitments from the Management Bodies”), and determines the targeted quality of service of Aéroports de Paris.

Petition against the Economic Regulation Agreement

Between April 4 and 6, 2006, the *Syndicat des compagnies aériennes*, the *Fédération nationale de l'aviation marchande* and the *Association des représentants de compagnies aériennes en France* filed with the *Conseil d'Etat* three summary petitions against the CRE, for the purpose of canceling it due to various alleged external and internal legality defects and of canceling the decisions of the Minister of the economy, finances and the industry and the Minister of transport, infrastructure, tourism and maritime affairs to sign the CRE (see paragraph 20.8 – “Court Proceedings and Arbitration”).

Airport Fee Pricing as from May 15, 2006

In accordance with the provisions of IV of Article R. 224-3 of the French Code of Civil Aviation, a notice was published on April 14, 2006 informing users of the availability of fee pricing for services set by Aéroports de Paris for the Paris - Charles de Gaulle and Paris – Orly airports. Such pricing shall apply as from May 15, 2006.

It results therefrom that, over the 2005-2006 period, the average weighted level of prices increased by 5%, in accordance with the provisions of the CRE and were broken down as follows per fee.

Evolution (%) 2006	
Landing Fee	1.6%
Passenger Fee	7.2%
Parking Fee	6.7%
Fuel Fee	0.0%
Average Evolution	5.0%

Other Agreements Entered Into with the State

- Pursuant to Article 2 of the Law of April 20, 2005, on February 10, 2006, a financial agreement was entered into between the State and Aéroports de Paris in order to determine the amounts and terms of payment of sums owed by the State in consideration of the taking

back in its favor of properties necessary for exercising its public service missions regarding air navigation (see paragraph 8.1 – “Real Estate Properties and Equipments of Aéroports de Paris”).

- Pursuant to Article 3 of the Law of April 20, 2005, on March 30, 2006 an agreement was entered into between the State and Aéroports de Paris setting forth the terms and conditions of retrocession by Aéroports de Paris to the State of part of the real estate capital gain in the event of shutting-down to public air traffic of all or part of an airfield operated by Aéroports de Paris (see paragraph 6.5.2.4 – “Ownership of Assets, Retrocession of Part of the Capital Gain in case of Shutting-Down to Air Traffic of All or Part of an Airfield Operated by Aéroports de Paris”).

Tax Control for the Fiscal Years 2003 and 2004

On April 14, 2006, Aéroports de Paris received a notice of accounting audit from the tax authorities (*direction des vérifications nationales et internationales*). This procedure will start on May 2, 2006 and will relate to the fiscal years 2003 and 2004. The last accounting audit of Aéroports de Paris concerned the fiscal years 2000 to 2002.

Passenger and traffic flows in the first quarter of 2006

The table below summarizes the passenger and traffic flows at Aéroports de Paris’ two main airports of over the three first months of 2006, compared to the traffic over the course of the first three months of 2005.

	January 2005- January 2006	February 2005- February 2006	March 2005-March 2006
Aéroports de Paris	4.6%	4.9%	2.1%
Paris - Charles de Gaulle	5.9%	5.7%	2.2%
Paris - Orly	2.1%	3.2%	1.9%

Increases in passenger and traffic flows in the Group’s airport in the first quarter were more robust to those reported by the other main European airports, as illustrated in the table below (source: press releases from the various companies listed).

	January 2005 - January 2006	February 2005 - February 2006	March 2005 - March 2006
Fraport (Frankfort)	-0.5%	-0.1%	
Schiphol	2.7%	1.1%	
BAA	1.3%	2.2%	-1.3%
Heathrow	-0.6%	-0.4%	-3.8%
Gatwick	2.1%	5.0%	-0.1%
Stansted	6.9%	7.0%	1.3%

12.2. OUTLOOK

The financial situation and the future performance of the Group depend on numerous factors, described elsewhere in this document. Certain important factors are nonetheless highlighted below.

Airport fees

It is anticipated that the average rate of fees shall increase by 5% on May 15, 2006, which corresponds to the beginning of the first fee period set by the CRE that is schedule to end on March 31, 2007. Under the terms of the CRE, the four other fee periods shall run from April 1 to March 31 of each of the following years. For those periods, the average increase in tariffs of the principal fees and the ancillary fees covered by the CRE shall be equal to 3.25% above inflation, subject to potential adjustments based on traffic levels, performance indicators related to service quality and the proper performance of the investment program. See section 6.3.2.6 “Revenues from the operation of airports”.

Beyond 2010, airport fees will be determined on the basis of criteria to be defined in a new multi-year regulatory contract to be entered into between Aéroports de Paris and the Republic of France. If no contract is agreed, airport fees shall then be determined on an annual basis subject to approval by the ministers responsible for civil aviation and for the economy. Under the applicable law and regulations, the aggregate amount of airport fees may not exceed the cost of the service provided and the amount received for each service may not be manifestly disproportionate to the costs borne by Aéroports de Paris in providing such service. The amount of fees must also take into account the return on capital invested by the Company to provide such services. Fees are determined on the basis of the activities and services included in the “regulated perimeter”, such as defined in section 6.3.2.6 “Revenues from the operation of airports”. Land and real estate business that are not directly linked to aviation (referred to as “real estate diversification” businesses) will be excluded of the regulated perimeter upon termination of the CRE, in 2010. In addition, the Order dated September 16, 2005 also created the possibility of limiting the number of non-aviation activities included in the regulated perimeter for any multi-year contracts to be entered into after 2011.

Commercial activities

To meet its objectives for commercial revenues the Group plans to implement an ambitious expansion strategy for its commercial areas, such as bars and restaurants, increasing the available space by approximately 30% by 2010 (more than 11,000 m²). The majority of this expansion will take place in 2007 and 2008. As part of this expansion, the areas devoted to duty-free shops should increase by more than 40%. See paragraph 6.3.2.8 “Commercial and service activities at Aéroports de Paris.”

Non-airport real estate

From 2006 to 2010, the Group plans to develop and service about 60 hectares of available land and to develop, either alone or in coordination with one of its affiliates, more than 315,000 m² of marketable building space before 2010. See paragraph 6.3.3 “– Real Estate Businesses.”

Investments

As discussed above, Aéroports de Paris' investment plan for 2006-2010, which represents nearly all of the Group's anticipated investments over this period, encompasses €2.7 billion in investments, of which nearly €2.5 billion relate to its obligations under the CRE⁹. See paragraphs 10.2.4 "Capital Investment" and 5.2.3 "Main Investments Planned or Incurred in Firm Commitments from the Management Bodies". In 2006, investments scheduled pursuant to the CRE amount to € 675.0 million (including € 377.2 million for capacity expansion investments).

Beyond 2010, the Paris – Charles de Gaulle investment plan currently identifies the locations and physical premises necessary for the construction of future airport terminals that would allow it to expand to a capacity of approximately 100 million passengers by 2020-2025 (versus a scheduled nominal capacity of 66.5 million expected in 2010). This will be achieved through construction permitting the S4 satellite currently expected to open in 2012, which will add an anticipated capacity of more than 7 million passengers, and through work relating to the future T4 terminal, which is expected to have a total capacity of 25 million passengers (about half of which could be accommodated upon the completion of the first phase, in 2016). The anticipated cost of terminal T4 (including the related taxiways and terminal access) is at this stage estimated to be approximately €1,630 million. Of this amount, about €1,070 million will cover the first phase and €560 million euros will cover the second phase.

At the same time, Aéroports de Paris will implement an active policy of renovation and restructuring its existing facilities. This policy will continue to account for a significant part of Aéroport de Paris' future investments, with a view to the recertification of certain terminals and satellites that are not recertified between 2006 and 2010. Finally, the company expects to continue its annual investments in ongoing projects (such as renovation, upgrading to specifications, security, quality of service) in the future.

Financing of Investments

Aéroports de Paris will finance its investments by using self-financing and capital markets. In particular, Aéroports de Paris may increase its share capital of an amount between € 500 and 600 million in the context of its potential IPO.

Airport Tax

Since January 1, 2006, the airport tax has been €8.50 per departing passenger and €0.30 per ton of cargo or mail – the maximum levels currently permitted by law for the airports run by Aéroports de Paris. This rate per passenger reflects an increase of €0.55 relative to the 2005 rate. See paragraph 6.3.2.7 – "Security".

⁹ The amount of investments outside of the CRE regulated perimeter does not include the new decisions that Aéroports de Paris could adopt and without prejudice of new obligations that would be imposed to Aéroports de Paris.

Distribution Policy

The objective of Aéroports de Paris is to apply a dividend distribution policy representing 50% of its consolidated net income, Group's portion, as from the fiscal year 2006; it being specified that future dividends will be assessed for each fiscal year, according to the Company's results, its financial position and any other factor deemed relevant. For 2005, the annual shareholders' meeting decided to pay on dividend of € 63.2 million, i.e. 35% of its consolidated net income, Group's portion.

12.3. OBJECTIVES OF THE GROUP

In determining its budget and in order to plan its business and investment programs, Aéroports de Paris sets certain objectives concerning its income. These objectives, described below, are based on data, assumptions and estimates that Aéroports de Paris believes to be reasonable. These are not forecasts and Aéroports de Paris cannot guarantee that these objectives will be reached.

Aéroports de Paris' assumptions as to fees, airport taxes and investments are described above (see paragraph 12.2 "Outlook" and paragraph 5.2.3 "Main Investments Planned or Included in Firm Commitments from the Management Bodies"). In addition, the objectives are based upon assumptions about air traffic growth set by the CRE, specifically a 3.75% average annual rate of growth in traffic. The fees do not take account of any adjustments relating to traffic levels, nor do they take into account any increases or decreases associated with quality of service indicators stipulated by the CRE. Based on these expectations:

- the Group believes that growth in its business derives mainly from growth in traffic, the average increase in airport fees, growth in commercial areas at airports and investment projects by Aéroports de Paris in the airport and real estate business, as discussed above;
- the Group also intends to improve operating performance through the control of its operating expenses, and in particular through a targeted 15% increase in its productivity, measured by the number of passengers served per employee, by 2010. On this basis, the Group has set a goal to increase its EBITDA by 45-50% by 2010, compared with the EBITDA recorded in 2005, with an objective to be in the higher end of this range.

The Group's objectives are not broken down by business segment. However, the Group's objective with respect to ground-handling and related services is to re-establish operating profitability in this business through a decrease in operating expenses, refocusing on services and contracts which optimize the human and material resources over the course of the work day, allowing for greater worker productivity and providing a greater range of value-added services.

The objectives summarized above are based on data, assumptions and estimates considered to be reasonable by Aéroports de Paris. These data, assumptions and estimates may change or be modified due to uncertainties relating to the economic, financial, competitive and regulatory environment and weather conditions. Moreover, the occurrence of certain risks described under "Risk Factors" may have an impact on the Group's activities and its ability to realize its objectives. In addition, the realization of its objectives is based upon the assumption that

Aéroports de Paris successfully implements its commercial strategy described under “section 6.1.3 – “Strategy”. Aéroports de Paris provides no assurance that the objectives described in this section will be realized, and it expressly disclaims any obligation or undertaking to publish any updates or revisions to these objectives.

CHAPTER 13
PLANNED OR ESTIMATED PROFIT

13.1. PLANNED OR ESTIMATED PROFIT OF THE GROUP

Not applicable.

13.2. REPORT OF STATUTORY AUDITORS ON FORECAST INFORMATION

Not applicable.

CHAPTER 14

ADMINISTRATIVE, MANAGEMENT, SURVEILLANCE AND GENERAL MANAGEMENT STRUCTURES

Aéroports de Paris is a *société anonyme* with a Board of Directors since July 22, 2005, when Decree No. 2005-828 of July 20, 2005 relating to Aéroports de Paris came into force (such decree implements Law No. 2005-537 of April 20, 2005 related to airports).

14.1. COMPOSITION OF THE BOARD OF DIRECTORS AND CHIEF OPERATING OFFICER

14.1.1. Board of Directors

Aéroports de Paris's Board of Directors is currently composed of 21 members, of which 7 are appointed as representatives of the French State, 7 are employees elected by the employees and 7 are appointed as "qualified individuals". Rules governing the choice of these members are set forth by Law No. 83-675 of July 26, 1983 relating to the democratization of the public sector and by Law No. 2005-537 of April 20, 2005.

Members of the board are appointed by the shareholders to serve a term of five years and may be re-appointed for consecutive terms. Article 13-III of the by-laws of Aéroports de Paris, however, provides that the initial board members' terms will end on July 14, 2009, and that the terms of those board members who represent shareholders other than the French State elected by the shareholders to replace certain of the initial board members will also end on July 14, 2009. Under French law, legal entities may be appointed as board members as long as they appoint permanent representatives to represent them on the board.

Even if the interest held by the French State in the Company's share capital falls below 90%, the Board of Directors will comprise 21 members (including a third elected by employees) until July 14, 2009. Other members will include representatives of the French State and at least one representative of other shareholders appointed by the shareholders' meeting of the Company.

The following table sets forth information regarding its current Board of Directors, including the name, age, the year in which the director was first appointed, the date on which the current term of each director started and information on their principal business activities outside Aéroports de Paris and their business experience.

Name	Age	First appointed/ elected	Start of current term	Other directorships and business experience (current positions are marked with an asterisk)
<u>Chief Executive Officer</u>				
Pierre Graff	58	Sep. 19, 2003 ¹⁰	July 28, 2005	Director of the RATP* Member of the Economic and Social Counsel* Chief Executive officer of civil aviation Director of the cabinet of the Minister Of Equipment, Transportation, Housing, Tourism And Maritime Affairs. Director of the Snecma Director of Aérospatiale, now Aérospatiale Matra

¹⁰ As president of a public company.

Name	Age	First appointed/ elected	Start of current term	Other directorships and business experience (current positions are marked with an asterisk)
<u>Representatives of the French State</u>				
Michel Adrien	50	Sep. 7, 2005	Sep. 7, 2005	General in the French Aviation Brigade* Second-in-command for “performance-synthèse” for French air force headquarters (Ministry of Defense)* Auditor at the <i>Centre Des Hautes Études Militaires</i> and at the <i>Institut Des Hautes Études De La Défense Nationale</i> Commander of an air force base
Dominique Bureau	50	July 22, 2005	July 22, 2005	Director of International and Economic Affairs (Minister Of Equipment, Transportation, Housing, Tourism And Maritime Affairs)* Director of Economic Research and Environmental Evaluation (Ministry of the Environment)
Eric Le Douaron	56	Nov. 16, 2005	Nov. 16, 2005	Central Director of the Border Police (Ministry of the Interior and Land Use)* Director of the Urban Police in the Paris Region
Jean-Louis Girodolle	38	Oct. 20, 2003	July 22, 2005	Director of Participations at the Participations Agency of the French government, in charge of companies and public participation in the transport sector (Ministry of the Economy, Finance and Industry)* Director of the RATP* Director of Renault* Director of Air France-KLM* Director of <i>Autoroutes du Sud de la France</i> * Head of the “savings and financial markets” division, Director of the Treasury – Ministry of the Economy, Finance and Industry Technical advisor to the cabinet of the Ministry of Economy and Finance, in charge of the public sector
Claude Martinand	62	July 9, 1999	July 22, 2005	Vice president of the Board of Bridges and Roadways* Honorary President of the <i>Réseau ferré de France</i> (RFF)* President of the <i>Institut de la gestion déléguée</i> (IGD)* Vice President of the board of the National School of Bridges and Roadways* Member of the Economic and Social Council President of the <i>Réseau ferré de France</i> Director of <i>Lyon Turin Ferroviaire</i>
François Mongin	48	Mar. 13, 2003	July 22, 2005	Executive Director of Customs and Indirect rights (Ministry of the Economy, Finance and Industry)* Head of service, assistant to the Executive Director of Customs and Indirect Rights Director of the <i>Port autonome de Paris</i>
Thierry Trouvé	45	Oct. 20, 2003	July 22, 2005	Director for the prevention of pollution and risks, delegated to major risks (Ministry of Ecology and Sustainable Development)* Director of the <i>Caisse centrale de réassurance</i> * Director of the market and public service of electricity at the Energy Regulatory Commission

Name	Age	First appointed/ elected	Start of current term	Other directorships and business experience (current positions are marked with an asterisk)
<u>Qualified individuals[*]</u>				
Olivier Andriès	44	June 10, 2002	July 22, 2005	Executive Director for Strategy and Cooperation of Aibus and member of the Executive Committee*
Vincent Capo-Canellas	39	July 9, 2004	July 22, 2005	Mayor of Le Bourget* Chairman and Chief Executive Officer of SEMBO*
Bernard Irion	69	July 9, 1999	July 22, 2005	Vice President of the Chamber of Commerce and Industry of Paris* Director and President of the <i>Société d'exploitation du parc Expo Nord Villepinte</i> * Director and President of the <i>Société d'exploitation du parc Paris Nord Le Bourget</i> * Director of CITER* Permanent Representative of the CCIP to the board of directors of SAEMES* Director of Peugeot Motocycles*
Françoise Malrieu	60	July 22, 2005	July 22, 2005	Financial Advisor* Director of La Poste* Managing Director of Deutsche Bank Managing Partner of Lazard Frères
Marc Véron	57	July 9, 2004	July 22, 2005	Chief Operating Officer for Cargo for the SNCF* Director of SNCF Participations* Director of Géodis* Director of Ermewa* Head of Mission to the Administration of the Alcatel Group Director of Alcatel Space
Gaston Viens	82	June 15, 1976	July 22, 2005	Mayor of the city of Orly (94)* Director of the <i>Office public d'aménagement et de construction du Val de Marne</i> * President of the <i>Société d'économie mixte d'aménagement et d'équipement de la ville d'Orly</i> *
<u>Employee Representatives</u>				
Nicolas Golias	41	June 3, 2004	Jan 1, 2006	Representative for the union Sitcam-CGT (engineers, executives, technicians and lower management)*
Jean-Luc Dauje	63	May 18, 1999	July 22, 2005	Representative for the <i>Confédération française de l'encadrement CGC (CFE-CGC)</i> *
Jean-Louis Guy	57	May 18, 1999	July 22, 2005	Representative for the federation CGT-FO*
Antonio Pinto	35	June 3, 2004	July 22, 2005	Representative for the union SPE-CGT (personnel d'exécution)*
Carole Leroy	45	June 3, 2004	July 22, 2005	Representative for the federation CGT-FO*
Paul Vatin	63	May 24, 1984	Jan 1, 2006	Representative for the union UNSA-SAPAP*
Brigitte Recrosio	55	June 3, 2004	July 22, 2005	Representative for the union SPASAP-CFDT*

Pursuant to Article R. 251-1 of the French civil aviation Code, the civil aviation minister appoints two representatives to participate with consultative voice, to the board of directors of Aéroports de Paris. Mr. Michel Wachenheim, general manager of the civil aviation and Ms.

* Mr. Pierre Graff is also included in this category

Danielle Bénadon, director of the economic regulation, have been appointed respectively *commissaire du gouvernement* and *commissaire du gouvernement adjoint* by an Order of the minister of transportation of July 25, 2005. A state comptroller also participates to board of directors (see paragraph 18.5 “Relations with the State and the administrative authorities”).

14.1.2. Deputy Chief Executive Officer (Directeur général délégué)

In accordance with the requirements of Article 14 of the by-laws of the Company, the Board of Directors, on the nomination of the Chairman and Chief Executive Officer, named Mr. François Rubichon to the post of Deputy Chief Executive Officer (directeur général délégué) at its October 27, 2005 meeting.

Name	Age	First appointed/ elected	Start of current term	Other directorships and business experience (current positions are marked with an asterisk)
Chief Executive Officer				
François Rubichon	42	October 27, 2005		Chairman and Chief Executive Officer of Geoposts Logistics Director of Chronopost, TAT Express, STP and member of the executive committee of Geopost Assistant Director at the office of the Minister for Transport, Infrastructure, Tourism and the Sea Counsel to the Prime Minister in charge of social issues Special counsel in charge of social matters at the office of the Minister for Transport, Infrastructure, Tourism and the Sea

Currently, Pierre Graff and François Rubichon are in charge of the general management of the Group.

14.1.3. Relations within Management Bodies

To the best of the Company’s knowledge, there is no family link between the members of the Board of Directors or between the members of the Board of Directors and the Chief Operating Officer (*directeur général délégué*). To the best of the Company’s knowledge, for the last five years: (i) no sentence for fraud has been held against a member of the Board of Directors or the Chief Operating Officer, (ii) none of the members of the Board of Directors or the Chief Operating Officer has been associated to a bankruptcy, escrow or liquidation, (iii) no charge and/or official public sanction has been held against a member of the Board of Directors or the Chief Operating Officer by statutory or regulatory authorities (including designated professional bodies) and (iv) none of the members of the Board of Directors or the Chief Operating Officer has been prevented by a court from acting as member of an administration, management or supervisory body of an issuer or from intervening in the management or conduct of the business of an issuer.

14.2. CONFLICTS OF INTEREST AT THE LEVEL OF THE MANAGEMENT BODIES

To the best of the Company’s knowledge, there is no potential conflict of interest between the duties, vis-à-vis the Company, of the members of the Board of Directors and their private interests. It is specified that the French State, who holds, on the date of registration hereof, the

whole capital of Aéroports de Paris, also holds 18.6% of the capital of Air France-KLM; in this respect, Mr. Jean- Louis Girodolle, head of “Transportation” participations in the *Agence des participations de l’Etat*, representative of the State at the Board of Directors of Aéroports de Paris, is also representative of the State at the Board of Directors of Air France-KLM. Except for the fact that, in accordance with the law, one-third of the members of the Board of Directors are representatives of the French State, to the best of the Company’s knowledge, there is no arrangement or agreement entered into with the French State or with clients or suppliers pursuant to which a member of the Board of Directors would have been chosen as director or member of the management board of the Company.

On the date of registration hereof, the members of the Board of Directors of Aéroports de Paris hold no interest in the capital of Aéroports de Paris and therefore there is no restrictions accepted by the members of the Board of Directors concerning the sale of their possible interests in the share capital of Aéroports de Paris.

CHAPTER 15

COMPENSATION AND DIRECTORS' ADVANTAGES

15.1. COMPENSATION AND BENEFITS PAID TO THE EXECUTIVE MANAGEMENT OF AÉROPORTS DE PARIS

The State's representatives and the directors elected by employees exercise their duties for no compensation (Articles 11 and 22 of the Law no. 83-675 of July 26, 1983 relating to the democratization of the public sector). However, they may receive from the Company repayment for the costs they have incurred in this context.

Only "qualified" directors might receive directors' fees. The shareholders' meeting is competent to set the annual global amount of directors' fees, upon proposal of the Board of Directors.

The global compensation (including benefits in kind) paid for the fiscal year 2005 to corporate officers both by the Company and by controlled companies as defined in Article L. 233-3 of the French Commercial Code are as follows:¹¹

- **Mr. Pierre Graff** was appointed chairman of the Board of Directors of the public institution Aéroports de Paris pursuant to Decree of September 19, 2003 and Chief Executive Officer of the *société anonyme* Aéroports de Paris pursuant to Decree of July 28, 2005:
 - directors' fees paid by the Company (August to December 2005): none;
 - directors' fees paid by controlled companies in 2005: none;
 - global gross compensation paid by the Company (excluding directors' fees) and benefits in kind (August to December 2005)¹²: fixed compensation of € 88,676.65 and € 2,058 of benefits in kind;
 - global gross compensation paid by the controlled companies (excluding directors' fees) in 2005: none.

As from March 7, 2006, pursuant to the deliberation of the Board of Directors of the same day, Mr. Pierre Graff will receive a annual fixed gross compensation of € 245,000 (calculated *pro rata temporis* for 2006) and a variable compensation determined as indicated below.

Mr. Pierre Graff does not benefit from any specific pension scheme. He has received no signing bonus and does not benefit from any severance pay.

¹¹ Mr Hubert du Mesnil no longer being Chief Operating Officer of the Company since October 27, 2005, his compensation for 2004 and 2005 is consequently not mentioned below. Details concerning his compensation for these two years are available in the 2005 consolidated accounts (-note 34).

¹² For information, Mr. Pierre Graff, in his capacity as President, received from the Company in 2004 a fixed gross compensation of € 205,900.05 and benefits in kind amounting to € 4,824.24. In 2005, he received an aggregate amount of € 210,014 (including his global gross compensation of € 88,676.65).

- **Mr. François Rubichon** was appointed Chief Operating Officer by the Board of Directors of October 27, 2005. In 2005, his global gross compensation amounted (from October 27 to December 31, 2005) to € 31,872.

As from March 7, 2006, pursuant to the deliberation of the Board of Directors of the same day, Mr. François Rubichon will receive an annual fixed gross compensation of € 205,000 (calculated prorata temporis for 2006) and a variable compensation determined as indicated below.

Mr. François Rubichon does not benefit from any specific pension scheme and has received no arrival premium. He benefits from severance pay up to 12 months of his compensation as corporate officer.

- **“Qualified” Directors** were appointed pursuant to Decree of July 22, 2005. They received no directors’ fees for the year 2005. It is proposed to the ordinary and extraordinary shareholders’ meeting to be held on May 22, 2006 to set the global budget of directors’ fees to be allocated to the Board of Directors at € 80,000.

Terms and Conditions of Calculation of the Variable Compensation to be paid to Messrs. Pierre Graff and François Rubichon as from March 7, 2006

The variable compensation is based on three criteria derived from targets set by the Company for the fiscal year 2006:

- gross margin rate, up to 50%;
- CRE quality indicators (assessed as at December 31, 2006), up to 30%; and
- commercial proceeds, up to 20%.

Achievement of these objectives will result in a proportional increase of 20% of the gross annual salary earned by each of these directors. If the objectives are exceeded, the rate of increase can be increased by up to 40% of the gross annual salary earned. The amount of this compensation will be calculated and awarded in 2007, after approval of the 2006 accounts by the board of directors.

The President and Chief Executive Officer and the Executive Vice President each have use of a company car and are covered by a contingency contract as well as by the individual accident insurance policies of Aéroports de Paris employees.

15.2. PENSIONS AND OTHER BENEFITS

Reserves for retirement and “employee health mutual fund” contribution are constituted for the members of the Board of Directors representing employees and for the Chief Operating Officer, as for all the employees (see paragraphs 17.2.2 – “Status of the Group’s Staff” and 9.2.4 – “Social Commitments”). The reserved amount as at December 31, 2005 for such persons amounts to € 605,049.

No stock option plan has been implemented by the Company in favour of its corporate officers.

CHAPTER 16

FUNCTIONING OF THE ADMINISTRATION AND MANAGEMENT BODIES

16.1. FUNCTIONING OF THE ADMINISTRATION AND MANAGEMENT BODIES

16.1.1. The Board of Directors

The functioning of the Board of Directors of Aéroports de Paris is set by legal and regulatory provisions, by the by-laws and by the internal rules adopted by the Board of Directors in its meeting of September 9, 2005 (the “**Internal Rules**”). The Internal Rules mention in particular the perimeters of responsibility of the Board of Directors and its members, and the mode of functioning of the Board of Directors and its specialized committees and establish a director’s charter setting forth the rules that each director must comply with.

The Chairman and Chief Executive Officer of Aéroports de Paris in exercising his position as Chairman of the Board of Directors organizes and runs the works thereof and represents it in its relations with shareholders and third parties. He sees to the proper running of the company’s bodies and makes sure, in particular, that the directors are able to meet their mission.

The Internal Rules provide that once a year, the Board discusses its own functioning, and proposes, if necessary, amendments to its Internal Rules. Every three years, the Board may implement an external assessment of its own operations. This assessment will be carried out by an external consultant, under the control of an independent director.

Meetings of the Board of Directors

The Chairman and Chief Executive Officer is responsible for holding the Board either at periodic intervals, or at times he deems appropriate. In order to enable the Board to review and discuss in details issues falling within its attributions, the Internal Rules provides that the Board shall meet at least six times a year, and more if circumstances so require. In particular, the Chairman and Chief Executive Officer shall see to meeting the Board of Directors to review the half-year accounts and to close the annual accounts and call the shareholders’ meeting in charge of approving the latter.

The Board of Directors is held upon notice given by its Chairman. The notice, sent to the directors at least five days before the date of the meeting unless in case of justified urgency, sets the place of the meeting, in principle the registered office of the Company. The meetings of the Board of Directors may also take place through videoconference, under the conditions set by the Internal Rules.

Attributions of the Board of Directors

It results from the Internal Rules that the Board of Directors determines the orientations of the Company’s activity and ensures their implementation. It shall control the management of the Company and shall ensure the quality of the information given to shareholders and to the market through accounts or in the context of significant transactions, in particular on the Company’s securities. Subject to powers expressly granted to shareholders’ meetings and within the limit of the corporate purpose, it deals with any issue interesting the operations of the Company and

settles by deliberations the affairs concerning it, and matters for which it has reserved itself the competence. It makes any such controls and audits as it may deem appropriate.

Pursuant to the Internal Rules, the Board of Directors of Aéroports de Paris:

- regularly discusses the major strategic, economic, financial and technologic orientations of the Company and sees to their implementation by the executive management. At least once a year, it reviews all the strategic orientations of the Group, in particular in view of the evolutions of the air transport sector, and the competitive context in which the Group operates;
- reviews the multi-annual strategic plan of the Group;
- is informed, once a year, of the relations of Aéroports de Paris with the State in connection with the public service missions of the Company;
- approves the multi-annual economic regulation agreement;
- sets the rates of fees referred to in 1° of Article R. 224-2 of the French Code of Civil Aviation;
- adopts the 5-year investment and financing plan of the Group and reviews each year of performance;
- reviews at the end of each year, for the coming year, the Group's budget and the aggregate amount that the Company and its subsidiaries are authorized to borrow;
- approves the definition of the objectives and profitability of major investment projects directly carried out by Aéroports de Paris for an amount greater than € 60 million;
- approves transfer of assets or external development investments greater than € 30 million, for airport infrastructure or operation activities exercised in France;
- approves transfer of assets or external development investments greater than € 10 million for all other activities;
- approves the transactions and waiver of receivables when the amount is greater than, or equal to, € 15 million excluding taxes;
- sets the principles of allocation of air carriers among airports;
- sets the principles of allocation of air carriers among terminals;
- is informed at each of its meetings of the development of its activity and its results, and review in particular the possible differences noticed compared with the budget. At least twice a year, the Chairman and Chief Executive Officer includes in the agenda a review of the financial condition, cash and off-balance sheet commitments of the Group;

- reviews once a year, and insofar as necessary, the position of the main subsidiaries and interests of the Company;
- sets each year the total amount of securities, endorsements or guarantees that the Chairman and Chief Executive Officer is authorized to grant in the name of Aéroports de Paris. Furthermore, the Chairman and Chief Executive Officer reports to the Board of all securities, endorsements or guarantees exceeding € 30 million;
- sets each year the amount of debenture loans that the Chairman and Chief Executive Officer is authorized to issue;
- exercises the powers it reserves pursuant to Article L. 225-56 of the French Commercial Code.

Generally and excluding normal management, all decisions that might affect the strategy of Aéroports de Paris, modify its financial structure or its business perimeter are submitted to prior authorization of the Board of Directors. The Board also reviews the issues submitted to its information at the initiative of the Chairman and Chief Executive Officer. It also discusses the issues that a director wishes to be discussed by the Board as part of various subjects. In such a case, the director informs the Chairman and Chief Executive Officer of the nature thereof at the beginning of the meeting; if the Chairman and Chief Executive Officer so requires, the discussion of all or part of such issues is postponed to the following meeting.

Information of Directors

The Internal Rules remind that the prior and permanent information of directors is a primary condition of the exercise of their mission. Based on information provided, the directors ask for all the details and information they deem useful. The directors undertake to keep confidential the information disclosed.

With a view to a meeting of the Board of Directors, the Chairman of the Board of Directors communicates to the directors concerned, for the full exercise of their mission, all information useful to such meeting, within at least five days before the meeting, unless in case of necessity or material impossibility. Moreover, the Chairman and Chief Executive Officer communicates to them, insofar as possible, the minutes of the previous meeting.

During each Board of Directors, the Chairman and Chief Executive Officer shall inform the members of the main facts and significant events relating to the Company's life having occurred since the last meeting.

The directors may regularly receive, and if necessary between two meetings, all relevant information concerning the Company, including press articles and financial analysis reports.

The Chairman and Chief Executive Officer sends to the directors, every three months, a Company's chart including all significant elements, in particular on its activity and results, as well as a summary statement of contracts for an amount greater than € 15 million entered into by Aéroports de Paris.

When a new director takes up his office, the Chairman and Chief Executive Officer gives him all necessary documents for the proper exercise of his duties (in particular the Company's by-laws, the legal and regulatory texts, the Internal Rules, the last annual report of the Company, the last non-consolidated and consolidated, annual and half-year accounts available).

Finally, each director may benefit from the Company, upon their appointment or throughout their term of office, of a training on the specificities of the Company, its subsidiaries, businesses and activity sector.

The Board of Directors met 11 times in 2005. The attendance rate of directors reached 77%.

16.1.2. Executive Management

The Company's by-laws provide that the Chairman of the Board of Directors assumes under his responsibility the general management of the Company; therefor there is no separation between the position of Chairman of the Board of Directors and the position of managing director (Article 14 of the by-laws).

Pursuant to Article 14 of the Company's by-laws, the Board of Directors may, upon proposal of the Chairman and Chief Executive Officer, appoint up to five Chief Operating Officers in charge of assisting the Chairman and Chief Executive Officer. In its meeting of October 27, 2005, the Board of Directors appointed Mr. François Rubichon as Chief Operating Officer.

On the date of registration hereof, the Group's executive management is exercised by Messrs. Pierre Graff and François Rubichon.

16.1.3. The Executive Committee

Goals

The executive committee is in charge of discussing and approving issues and decisions relating to the Group's strategy and general management, including its investment plans. The executive committee meets weekly.

Composition

The executive committee is chaired by the Chief Executive Officer and comprises the following permanent members as of the date of this document:

- The Chief Operating Officer;
- Executive Director of Development and Facilities;
- Executive Director of Finance and General Administration;
- The Director of Paris – Charles de Gaulle airport;
- The Director of Paris – Orly airport.

The executive committee also includes the following associated members:

- the director of marketing, commerce and communication (currently Pascal Bourgue); and
- the director of human resources (currently Gonzalve de Cordoue).

Any other director may be invited each time necessary. The executive committee meets weekly.

Biographical information for members of the Company's executive committee.

Mr. Pierre Graff, 58, is a graduate of the *Ecole Polytechnique* and General Engineer of the *Ecole des Ponts et Chaussées*. After occupying several engineering positions in French Departmental Infrastructure Directorates, Mr. Graff became, in 1986, a Technical Advisor for highway policy to the Office of the Ministry of Infrastructure, Housing, Territorial Development and Transport, and later, Interministerial Delegate for road safety from 1987 to 1990. Until 1993, he served as Departmental Infrastructure Director in Essonne before becoming Assistant Principal Private Secretary and finally Principal Private Secretary to the Minister of Infrastructure, Transport and Tourism. Mr. Graff then served as general director of the Civil Aviation Authority from 1995 to 2002, before returning as a cabinet member to the Minister of Infrastructure, Transport, Housing, Tourism and Maritime Affairs from June 2002 to September 2003. He was appointed President of Aéroports de Paris in September 2003. Mr. Graff is also a member of the Economic and Social Counsel, a Director of the RATP, an Officer of the Legion of Honor and an Officer of the National Order of Merit.

Mr. François Rubichon, 42, is a graduate of the *Institut d'Etudes Politiques de Paris* and of the *Ecole Nationale Supérieure des Postes et Télécommunications*. In June 1993, he was appointed as a Technical Advisor to the Office of the Ministry of Infrastructure, Transport and Tourism after having served as Head of the Management Control Section in the Financial Management Department of La Poste. In May 1995, he was appointed Managing Director of Sofipost (a holding company for La Poste subsidiaries), and then was entrusted with the Chairmanship of the Board of Publi-Trans (La Poste group) in September 1998. After having served as Chief Executive Officer of GeoPost Logistics starting in September 2000, Mr. Rubichon was appointed Assistant Secretary to the Minister of Infrastructure, Transport, Housing and the Maritime Affairs in July 2002. In April 2005, he was granted the position of social advisor to the French Prime Minister, Jean-Pierre Raffarin, before being named, in June 2005, as special advisor for social affairs to the Office of Dominique Perben, Minister of Infrastructure, Transport, Housing, Tourism and Maritime Affairs. Since October 2005, Mr. Rubichon has acted as Executive Vice President (*directeur général délégué*) of Aéroports de Paris.

Mr. Marc Noyelle, 61, is a graduate of the *Ecole Polytechnique* and Chief Engineer of the *Ecole des Ponts et Chaussées*. At the Ministry of Infrastructure and Transport, he participated in the launch of the *Centre d'études techniques de l'équipement de Lyon*, and then directed the Brest commercial port starting in 1974. An employee of EDF/GDF from 1981 to 2001, he directed the construction and the initial operations of the nuclear power plant of Saint-Alban Saint-Maurice in the Isère region and acted as Development Director for Gaz de France (general public, professionals, local municipalities and small and medium enterprises) starting in 1989. In 1993, he was named Chief Executive Officer of *Electricité de Strasbourg*, a publicly traded subsidiary

of EDF. Originally hired by Aéroports de Paris as a manager of infrastructure in 2002, Mr. Noyelle currently serves as the Executive Director of Development and Facilities for ADPi.

Mr. Laurent Galzy, 48, is a graduate of HEC School of Management and of the IEP (Institute of Political Studies) of Paris, and holds a Masters' Degree in Economics. He also attended the *Ecole Nationale d'Administration*. Since 1984, he has held several positions within budget management (Ministry of the Economy and Finance) relating to infrastructure, transport, and territorial or local authority development. In 1999, Mr. Galzy was named deputy director of the "Industry, transport, research" subdivision of the budget management department (Ministry of Economy and Finance). Hired by Aéroports de Paris in January 2002 as Director of Management Control and Financial and Legal Affairs, Mr. Galzy currently serves as Executive Director of Finance and General Administration.

Mr. René Brun, 59, is a graduate of the *Ecole Polytechnique* and of the *Ecole Nationale de l'Aviation Civile*. He held various positions at the DGAC, the French Civil Aviation Authority, from 1971 to 1979 before joining Aéroports de Paris where he was in charge of the Development Department (coordination of strategic policy), then the General Means Department (services and supplies to the Parisian airports). From 1991 to 1996, he served as Chief Executive Officer of Saresco, then Chairman and Chief Executive Officer of Alyzia Airport Services, two subsidiaries of Aéroports de Paris. Mr. Brun served as Director of Operations for Aéroports de Paris starting on January 1, 1997, before being appointed director of the Paris - Charles de Gaulle airport in July 2003. In addition, Mr. Brun is a Chevalier of the Legion of Honor, Officer of the National Order of Merit and has been awarded the Aeronautics medal.

Mr. Patrice Hardel, 60, is a graduate of the *Ecole Polytechnique* and the *Ecole Nationale de l'Aviation Civile*. After four years working at the French Civil Aviation Authority from 1969 to 1973, Mr. Hardel joined Aéroports de Paris where he acted as the Head of the Planning Department, Head of the Production-Maintenance Department and the Head of the General Operations Department. In 1989, he was appointed Project Manager for the Engineering and Architecture Division before taking charge, in 1997, of the Company Relations Department, where his work particularly concerned the development of the hub and the CDG 2 facilities. Mr. Hardel was then named head of the Beijing project in March 2000, before being appointed director of the Paris - Orly airport in July 2003. In addition, Mr. Hardel is an Officer of the National Order of Merit.

16.2. NO SERVICES AGREEMENTS

To the Company's knowledge, there is no services agreement binding the members of the Board of Directors or the Chief Operating Officer to the Company or any of its subsidiaries providing for the granting of benefits under such an agreement.

16.3. FUNCTIONING OF THE CORPORATE GOVERNANCE BODIES

Before the conversion of the Company into a *société anonyme*, the Board of Directors of Aéroports de Paris was relying upon three consultative committees: the strategy committee, the international commitment committee and the audit committee. This organization was modified when the status of public institution was suppressed.

The by-laws of Aéroports de Paris give the possibility to the Board of Directors to form specialized consultative committees within itself, the composition and attributions of which are set by the Board, and which must report to it of the exercise of their missions. The committees' mission is to contribute to the preparation of the Board of Directors' decisions by issuing opinions that are then submitted to the Board. The aim of such committees is, by improving the quality of the information made available to the Board, to favor the quality of discussions held therein. There can in no way substitute for the Board of Directors. The term of the mission of members of each committee is identical to their term of office as director.

Therefore, on September 9, 2005, the Company created, as part of the adoption of the Internal Rules, an audit committee, a strategy and investment committee and a pay and remuneration committee, the composition, attributions and terms of functioning of which are described below.

The chairmen of the committees report the discussions and recommendations of the committees to the Board of Directors. The members of the committees and all persons invited to meeting of a committee are submitted to a confidentiality obligation vis-à-vis all information they might be aware in the context of their mission and/or meetings.

To carry out their works, the committees may hear the members of departments of the Company and its subsidiaries or also resort to external experts if necessary. No committee may deal, on its own initiative, of issues that would exceed the specific context of its mission. The committees have no decision power.

16.3.1. The audit committee

16.3.1.1. Composition and Functioning

Pursuant to the Internal Rules, the audit committee has five members with right to vote. On the date of registration hereof, the members of the audit committee are Mrs. Françoise Malrieu and Mrs. Brigitte Recrosio and Messrs. Jean-Louis Girodolle, Bernard Irion and Marc Véron. Mr. Bernard Irion is chairman of the audit committee.

The audit committee holds at least three meetings a year. The audit committee, who substituted on September 9, 2005 for the former audit committee created with the public institution Aéroports de Paris, has met three times since such date (last meeting to-date: March 21, 2006) with an attendance rate of members of 64% in 2005. During its meetings, the Committee addressed the following subjects: preparation of half-year accounts complying with the French accounting standards and the IFRS, the conclusion of an audit, the budget for 2006, the program of the audit department for 2006 and the preparation of the close of accounts for the fiscal year 2005. The former audit committee met three times in 2005, in particular to prepare the close of the accounts for the fiscal year 2004, to review the options to be retained as part of the setting-up of the new accounting standards, to review the impact at accounting level of the accident of the CDG 2E terminal at Paris - Charles de Gaulle airport and to review the effect of a possible opening of capital of the Company on the cost of its debt.

16.3.1.2. Missions

Accounts

The mission of the audit committee is to:

- review the relevance and permanence of the accounting methods adopted for the preparation of the accounts; for such purpose, it draws specific attention to the perimeter and consolidation methods;
- ensure the proper accounting transcription of exceptional transactions or events having a significant impact at the Group's level;
- review, at the time of close of the annual and half-year accounts, the unconsolidated and consolidated accounts, and their notes, as well as the management reports before presentation to the Board of Directors;
- review, once a year, the financial position of the main subsidiaries and interests of the Group.

Risks

The mission of the audit committee is to:

- regularly review, with the executive management, the main risks incurred by the Group, in particular through a risk mapping;
- review significant off-balance sheet commitments;
- review the risk management policy in all fields (insurance policy, financial management, intervention on forward markets).

Control, Internal Audit, Statutory Auditors

The mission of the audit committee is to:

- check that the internal procedures for collection and control of information having been set up in order to ensure the reliability thereof;
- assess the internal control systems, review the program and results from the audit department's works and the recommendations and further actions given thereto;
- issue a recommendation to the Board of Directors on the choice of the statutory auditors, giving rise to competition and to give an opinion on their remuneration;
- be provided with details of fees paid by the Company and the Group to the firm and network of statutory auditors and make sure that such amount or the portion such fees represent in the turnover of the firm or network of statutory auditors are not such as undermining their independence;

- review the work program of statutory auditors, their findings and recommendations.

Financial Policy

The mission of the audit committee is:

- to review the corporate budget;
- to review the financial, accounting and general tax policy of the company and its implementation; this includes in particular the review of the Company's policy relating to the management of its debt (objectives, risk coverage, financial instruments used...);
- review the information, including forecast, to be provided as part of the financial communication of the Company.

16.3.2. Strategy and investment committee (*comité de la stratégie et des investissements*)

16.3.2.1. Composition and Functioning

Pursuant to the Internal Rules, the strategy and investment committee has six members with right to vote. On the date of registration hereof, the members of this committee are Messrs. Pierre Graff, Dominique Bureau, Jean-Louis Girodolle, Bernard Irion, Nicolas Golias and Jean-Luc Dauje. Mr. Pierre Graff is chairman of this committee.

The strategy and investment committee meets at least three times a year and as many times as necessary upon notice of its chairman, who defines the agenda. Created on September 9, 2005, the strategy and investment committee has met twice since such date (last meeting to-date: March 2, 2006) with an attendance rate of members of 78% in 2005. During its meetings, the committee has addressed the following subjects: designation of the chairman of the committee, presentation of the international strategy of the Group by a consultant, preparation of the investment program 2006-2010 and its financing and balance of the international operation activity and prospects for 2006.

Its predecessor, referred to as the strategy committee (*comité de la stratégie*), met three times in 2005, in particular to discuss the tools to be implemented to improve the quality perceived by users and the draft strategic plan of the Company for the 2006-2010 period.

16.3.2.2. Missions

The mission of the strategy and investment committee is to:

- provide the Board of Directors with opinions regarding the definition and implementation of the strategic orientations of the Group (in particular in view of the air traffic and air transport industry development prospects, the development of airport services and related activities, the development of the competitive context of the Group);

- provide the Board of Directors with opinions regarding the orientations of the Group regarding diversification (in particular: airport international management, real estate, etc.), and regulatory audit the results obtained in this respect;
- study and express opinions to the Board of Directors on issues relating to the transactions falling within the competences of the Board of Directors regarding internal or external growth transactions, carried out by the Company or its subsidiaries, either in France or internationally (significant investment and development projects, acquisition, extension or sale of interests or activities of the Group, proposed joint venture or completion of contributions), to issue an opinion on the economic and financial conditions of such projects (by studying, in particular, the conditions of profitability of projects and the financial exposure of the Group during the project), also to develop an exhaustive analysis of risks inherent to projects and their influence on the conditions of their profitability, and to assess the way such risks are covered and to propose measures enabling to manage them, if necessary;
- review the economic doctrine of the company (analysis of the economic performances of the company, analysis of the purchase and subcontracting policy, thoughts relating to the economic regulation, proposals regarding pricing policy...);
- review all issues relating to the definition and implementation of the Group's strategy that the Board of Directors is willing to submit it or which it will deem necessary to deal with; it being specified that the Board of Directors and the Chairman and Chief Executive Officer remain sole competent to decide to commit the companies of the Group in development projects.

16.3.3. The pay and remuneration committee

16.3.3.1. Composition and Functioning

Pursuant to the Internal Rules, the pay and remuneration committee has four members with right to vote. On the date of registration hereof, members of this Committee are Messrs. Olivier Andriès, François Mongin, Marc Véron and Mrs. Françoise Malrieu, who acts as chairwoman of such committee.

The pay and remuneration committee meets at least once a year and as many times as necessary upon notice of its chairwoman who defines the agenda. Created on September 9, 2005, the pay and remuneration committee has met twice since this date (last meeting to-date: February 15, 2006) with an attendance rate of members of 75% in 2005. During its meetings, the committee has addressed the following subjects: appointment of the chairman/woman of such committee, review of the conditions of remuneration of the Chairman and Chief Executive Officer and of the Chief Operating Officer with proposal to the Board of Directors, first draft work program on the evolution of remunerations of the executive management and proposed structure and amount of the remuneration for 2006.

The information communicated to the pay and remuneration committee or to which it will have access in the context of its mission having a confidential nature, the members of such Committee

are bound, vis-à-vis any third party to the Board of Directors or audit committee, to strict confidentiality, submitted to the same regime as that applicable to the Company's directors.

This Committee is composed of the following directors: Françoise Malrieu, who chairs the committee, Olivier Andriès, François Mongin, and Marc Véron.

16.3.3.2. Missions

The mission of the pay and remuneration committee is to:

- express proposals on the amount and evolution of the total remuneration of corporate officers, and on benefits in kind or any other remuneration method, if any, in particular by suggesting the amount of the fixed portion and variable portion of their remuneration, and the rules of determination of such variable portion, by ensuring that such rules are consistent with the assessment made each year of the Company's performances, and by controlling the annual application of such rules;
- give an opinion on the policy of remuneration of the main executive managers of the Company;
- where applicable, propose to the Board of Directors a global amount for the directors' fees to be proposed to the Company's shareholders' meeting, as well as rules of allocation of directors' fees (taking into account the attendance of directors at the Board of Directors and its committees);
- propose to the Board of Directors a policy for the repayment of costs related to the exercise of the office of directors;
- approve the information given to shareholders in the annual report on the remuneration of corporate officers.

16.4. REGIME OF CORPORATE GOVERNANCE

With a view to transparency and information of the public, and within the limit of the legislative and regulatory provisions applicable to it, in particular due to its belonging to the public sector, the Company is inspired by proposals from the Viénot reports of July 1995 and July 1999, recommendations of the report of the working group chaired by Mr. Daniel Bouton for the improvement of corporate governance (the findings of which were submitted to the public on September 23, 2002) and the Charter of relations with public corporations that sets forth the governance rules governing the relations between the *Agence de participations de l'Etat* and companies in which the French State holds interests. However, considering the legislative and regulatory provisions applicable to Aéroports de Paris, the Internal Rules of the Company's Board of Directors do not contain any definition of the notion of independent director.

CHAPTER 17

EMPLOYEES – HUMAN RESOURCES

17.1. SOCIAL POLICY

Aéroports de Paris, due to its conversion into a *société anonyme*, has to face a number of major challenges in the field of human resources as part of the implementation of a change policy valuing performance while preserving social cohesion of the company.

The human resource department is organized to fulfill the ambitions of Aéroports de Paris and to meet the strategic options of the Group. Regarding detection of potentials, it has started a transversal management process for executives of the Group. With a same concern of optimization of resources, it exercises a voluntarist policy regarding training, and guarantees continuous support to executive managers through the Company's internal management institute.

In order to carry on the policy implemented for purposes of staff commitment valuation and executive involvement, the human resource department is pursuing the reform of the remuneration policy initiated in 2005 by introducing a variable portion in the remuneration of executive managers based on the achievement of negotiated targets. The success of all such processes requiring the acceptance of all players of the Company's corporate life, this is why, aware of the stakes related to the success of initiated actions, it endeavors to maintain active and constructive social dialogue with the staff representative bodies materialized each year by the signature of several company agreements and the maintenance of a low conflict rate.

17.2. SOCIAL INFORMATION

17.2.1. Employees

At December 31, 2005, the Group had 10,688 employees, the vast majority of which were in France. Among these employees, 7,955, or 74% of the Group's total workforce, worked at Aéroports de Paris (the parent company) at December 31, 2005.

The following table shows the evolution of the number of employees of the Group over the past three years by segment:

	At December 31		
	2003	2004	2005
Airport Services	4,105	4,228	4,278
Real Estate	326	328	345
Ground Handling	2,806	2,467	2,915
Other Activities	414	583	682
Headquarters and other control functions, including:	2,651	2,615	2,468
<i>Development and engineering</i>	783	750	759
<i>Other</i>	1,868	1,865	1,709
Total¹³	10,302	10,221	10,688

¹³ Employees of all companies included in the consolidated Group (including 49% of the total number of employees of Société de Distribution Aéroportuaire, included in the "other activities" segment).

The number of employees of the Group grew by 3.7% over 3 years, due to the rise in employee numbers at Alyzia (+22.2%), mostly in 2005, and the rise in employee numbers at Hub telecom (+86.7%). The number of employees of Aéroports de Paris itself went down by 3.0% during this period (8,203 to 7,955).

Only the “Headquarters and other control functions” segment had employee numbers go down: it represents 23.1% of Group employees in 2005, as compared to 25.7% in 2003.

At December 31, 2005, 3,949 employees of Aéroports de Paris worked at the Paris - Charles de Gaulle airport, 3,535 at the Paris - Orly airport, 158 at the Paris - Le Bourget airport and 313 at other locations, including the Company headquarters. 98% of employees had open-ended contracts as at December 31, 2005. Of the 7,955 employees, 15% are management, 24% highly-skilled workers, 37% skilled workers, and 24% other workers.

17.2.2. Human Resources Policy

Employment contracts of the personnel of Aéroports de Paris are governed by private law and the French Labour Code. Subject to limited exception, the Company’s employees benefit from a special regime implemented on January 1st 1955 by an order issued on July 10, 1955 by the Minister in charge of public works, transports and tourism and the secretary of state in charge of economic affairs, whereas employees of the Group’s subsidiaries are exclusively subject to the Labour Code. Provisions set forth by the status of the personnel substitute those of the Labour code, which however apply in the absence of a particular provision set forth by such status.

The status differs from the legal rules on the following matters:

Aéroports de Paris’s human resources policy is governed by Article R. 251-3 of the French Civil Aviation Code. This article provides that while Aéroports de Paris’s board of directors is responsible for defining the human resources policy, including the range of benefits, salaries, and indemnities for employees, the policy and any amendments to it must be approved by the Ministry of Civil Aviation and the Ministry of Economy and Finance. Such approval is deemed granted if no explicit decision has been rendered within the two-month period following the reception of the board’s decision. The current human resources policy also provides that before any amendments to it are made, the union representatives of Aéroports de Paris’s employees must be consulted.

In accordance with article L.134-1 of the French Labour Code, the provisions of the status may be completed and the rules governing their implementation may be defined by company-wide agreements, within boundaries set forth by the status.

In addition, article 1 of the law no. 2005-357 of April 20, 2005 provides that the transformation of Aéroports de Paris into a *société anonyme* would not affect the employees’ legal rights, which include:

- A formal procedure of announcing available positions to all employees to encourage candidates;

- In addition to their base salaries, the employees have the right to: (i) increase in salary of 1% for each year of seniority, capped at 21%; (ii) a 13th-month bonus (monthly base salary increased by 10% plus a percentage for seniority); (iii) an additional June bonus equal to 95% of monthly base salary increased by a percentage for seniority; (iv) attendance bonus for non-management employees or a year-end bonus for management employees; (v) hardship bonuses, if applicable; (vi) employees with at least two dependant children receive a family supplemental stipend; (vii) retirement or departure bonuses calculated as follows: a stipend of the monthly base salary for each year of seniority up to ten years, a stipend of half the monthly base salary for each year of seniority between ten and 20, and a stipend of a quarter of the monthly base salary for each year of seniority over 20; and (viii) additional benefits for illness, workplace accidents or death;
- Employees have the option to work part-time for personal reasons: half-time is paid at 60% and three-quarters' time is paid at 80%; and
- Additional time is given for family events, including moving.

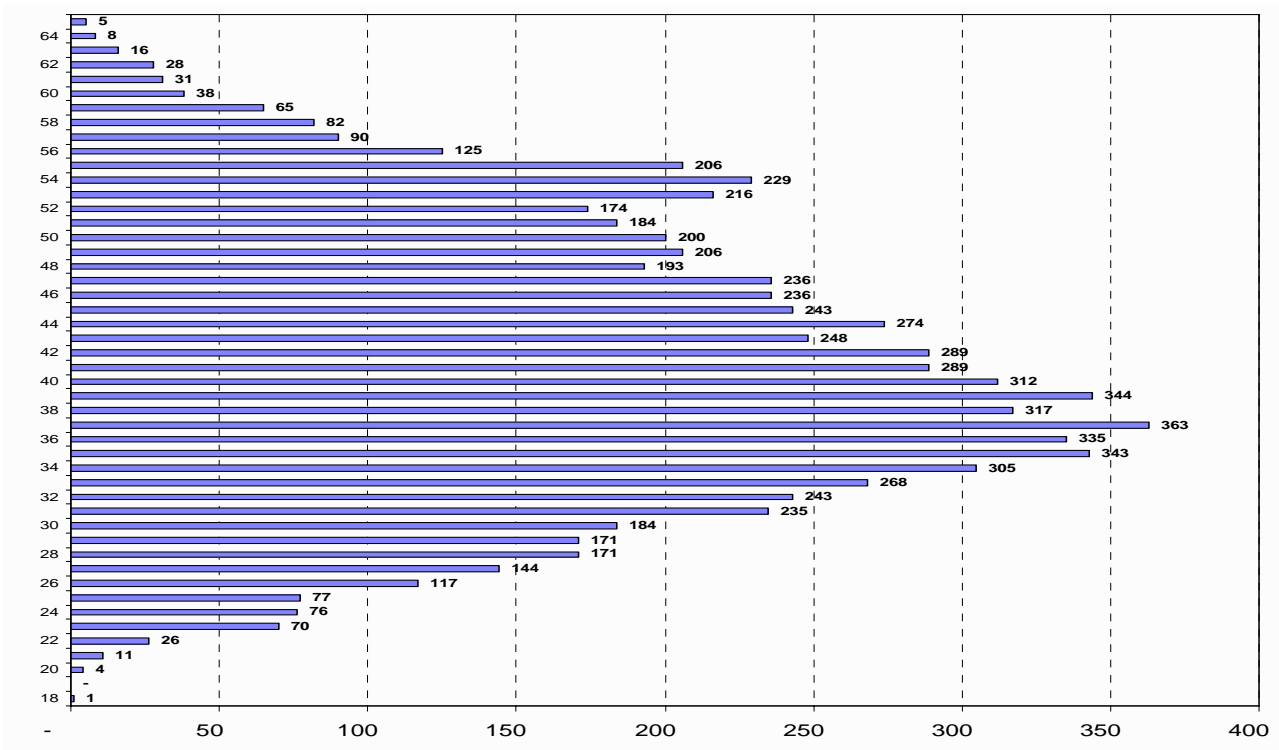
Employees of other companies within the Group are subject to collective bargaining agreements specific to their activities. For example, Hub telecom is subject to the national collective bargaining agreement for telecommunications, Société de Distribution Aéroportuaire is subject to the collective bargaining agreement for predominantly food-related retail and wholesale business and the Alyzia group is subject to different collective bargaining agreements depending on the business sector.

17.2.3. Hiring

Aéroports de Paris hired 697 employees in 2005 (including 35.7% in indefinite-term contracts as compared with 34.5% in 2004 and 30.8% in 2003). Such hiring represents a turnover rate of staff under indefinite-term contracts of 4.3% in 2003, 4.1% in 2004 and 3.9% in 2005.

Over three years, hiring under indefinite-term contracts decreased by 18.1% (304 to 249) and hiring under fixed-term contracts decreased by 34.3% (682 to 448); *i.e.* a global decrease in hiring of 29.3% (986 to 697).

Staff pyramid as at 12/31/2005



17.2.4. Departures, dismissals and early retirement

In 2005, 871 employees left the Company, including, in particular, 453 expirations of fixed-term contracts, 270 voluntary retirements (under *PARDA*) and 25 dismissals. In 2004, this figure amounted to 858, including, in particular, 509 expirations of contracts, 172 voluntary retirements and 32 dismissals. In 2003, 879 employees left the Company and had comparable grounds for departure.

Aéroports de Paris has entered into a number of memoranda of understanding with social partners regarding Early Retirement (*Retraite Anticipée (PARDA)*). Sums corresponding to the difference between contributions directly paid by employees and those due by the latter to be able to receive full pension benefits are assumed by the Company. Two regimes have co-existed within the Company:

- a specific MOU for employees of the rescue and aircraft fire on airfield department (*service du sauvetage et de lutte contre l'incendie des aéronefs sur les aérodromes (SSLIA)*) referred to as "*PARDA Pompiers*" signed on October 18, 1991. Under certain conditions, it enables this category of employees to benefit from early retirement when reaching 55. This agreement still applies with no limitation as to duration; it enabled the early retirement of 88 employees in the 1991-2005 period.
- a *PARDA IV* MOU dated February 26, 1996 that applied to the other employees of Aéroports de Paris. Its regime has been modified by two amendments of May 23, 1997, setting the retirement age at 55 years at the soonest and of February 28, 2000, extending its term of application to February 28, 2005. This MOU enabled the early retirement of 1,467 employees in the 1996-2005 period.

17.2.5. Overtime

During the modulation year, from April 1, 2004 to March 31, 2005, 24,989 overtimes were worked within Aéroports de Paris, for an amount of € 81,537 paid as increases, excluding employers' contributions.

17.2.6. Staff External to the Company

In 2005, the average monthly number of interim workers was 251, *i.e.* 3.28% of the average monthly number of statutory employees. The average term of interim employment contracts was 9.6 days. Resorting to external staff concerns, within Aéroports de Paris, the administrative, survey, ground handling and car and engine driving staff.

17.2.7. Information on staff cutback and employment preservation plans, reclassification efforts, re-hiring and accompanying measures

The Staff Status provides for terms of decrease in the number of employees when such number exceeds the employment charts and that the bringing down of such excess is not possible through mutations or promotions.

The Ground Handling business experienced a restructuring plan in July 2003. In order to meet the requirement of a more and more competitive market, Aéroports de Paris management has indeed been forced to implement a staff cutback of 209 permanent jobs (including 84 % for the Paris - Charles de Gaulle airport) on a total of 962 jobs.

The reorganizations in the other business sectors have been made at constant number of staff through internal redisplay.

17.2.8. Organization, Working Time and Absenteeism

Thanks to a constructive social dialogue, an agreement on adjustment and reduction of working time was signed with the trade union representatives on January 31, 2000. Two amendments to the ARTT agreement (September 21, 2001 and January 30, 2002) have been set up on a time savings account (*compte épargne temps* (CET)). This may be supplied with paid vacation days or *RTT*, and with remunerations (13th month, additional indemnity in June, executive bonus, profit-sharing) converted into days. Amendments govern the specific situations of certain employees, in particular agents of the rescue and aircraft fire on airfield department (SSLIA, agreement of April 6, 2001) and those of the Emergency Medical Services (*Services Médicaux d'Urgence* (SMUR, agreement of January 30, 2002). Reduction to 35 hours of weekly working time was made with a salary reduction, over the 2000-2002 period, for all the employees of Aéroports de Paris.

The number of hours of absence (excluding paid vacations) for the years 2004/2005 significantly decreased compared with the years 2002/2003: 5.46% in 2002, 5.41% in 2003, 5.16% in 2004 and 5.21% in 2005. Most frequent causes of absence still are disease (3.62% in 2005) and maternity (0.70% in 2005).

17.2.9. Compensation and Social Charges

Compensation paid by Aéroports de Paris is determined by the human resources policy, which also defines the criteria for employees' promotions (see paragraph 17.2.2 "Human Resources Policy").

The average net taxable monthly compensation¹⁴ was 2,758 euros in 2005, 2,716 euros in 2004 and 2,603 euros in 2003. The distribution by type of employee in 2005 was 4,454 euros for management, 3,018 euros for highly-skilled workers, 2,369 euros for skilled workers, and 1,951 euros for other workers.

The following table shows the breakdown of employees by compensation level:

Net annual compensation level	Employee breakdown		
	2003	2004	2005
Over 40,000 euros	15.6 %	18.2%	19.1%
20,000 to 40,000 euros	76.2 %	76.7 %	76.3%

¹⁴ Net taxable monthly compensation was calculated from the amount of net compensation actually paid during the year for full-time employees employed for the entire year.

Less than 20,000 euros

8.2 %

5.1 %

4.6%

Salary agreements are negotiated annually between management and the unions. The most recent agreement was entered into on May 27, 2005 and increased base salaries by 1% on July 1, 2005, by 0.5% on November 1, 2005 and allotted an additional amount of 0.3% on November 1, 2005.

The Company's costs for mandatory retirement plans were 27.4 million euros in 2005 and 25.9 million euros in 2004, an increase of 5.8%.

The Company paid 4.38 million euros in 2005 and 4.10 million euros in 2004 for supplemental insurance (AXA health and welfare benefit plan).

A collective bargaining agreement is under discussion with a view to reaching agreement by the end of 2006 on a plan to implement a mandatory policy for supplemental health insurance.

17.2.10. Men-Woman Equality

The feminization rate within Aéroports de Paris staff has slightly decreased for the last three years. It was 40.3% in 2003, 40.0% in 2004 and 39.6% in 2005. On the contrary, the difference between the average monthly taxable salary of men and women has progressively decreased: in 2005, it was 14.2% in favor of men (€ 2,876 in average for a man, € 2,518 in average for a woman). But this difference was 15.6% in 2004 and 16.0% in 2003. A company-wide agreement on men/women equality was entered into for 3 years on June 30, 2003, providing, in particular, for measures favoring the integration of women in the technical and airport channels and facilitating the conciliation of professional life and child education by establishing, among other things, chosen part-time until the sixth anniversary [birthday?] of the child. Negotiations for entering into a new agreement are on-going.

17.2.11. Professional Relations and Collective Agreements

Various collective agreements were negotiated and signed between Aéroports de Paris and trade unions in 2004, in particular regarding the right unionization (January 6, 2004), remuneration (October 8, 2004), PEE (December 17, 2004). In 2005, three agreements were signed regarding the solidarity day (March 29, 2005), salaries (May 27, 2005) and training for the 2006-2008 period (October 21, 2005) including the new provisions of the Law of March 4, 2004 on professional training ("DIF").

17.2.12. Employee Representation and Unions

Aéroports de Paris's employees are represented by:

- Seven unions within Aéroports de Paris: SICTAM-CGT, SPE-CGT, UNSA-SAPAP, CGE-CGC, FO, SPASAP-CFDT et CFTC;
- A workers' committee (*comité d'entreprise*); and

- Seven health, safety, and working conditions committees (*comités d'hygiène, de sécurité et des conditions de travail* – CHSCT) and an additional committee to coordinate the seven CHSCTs.

The most recent professional elections were held on November 16 and 18, 2004. Because the quorum requirements were not met, the elections were held again on December 14 and 16, 2004. 45.63% of the employee delegates and 44.42% of the members of *comité d'entreprise* participated. The unions received the following votes:

Employee delegates		Comité d'entreprise	
Union	Percentage of votes	Union	Percentage of votes
SICTAM/CGT	25.8%	SICTAM/CGT	27.3%
CFE-CGC	13.1%	CFE-CGC	13.4%
UNSA-SAPAP	18.2%	UNSA-SAPAP	19.0%
FO	17.7%	FO	18.1%
SPASAP-CFDT	8.7%	SPASAP-CFDT	9.6%
SPE-CGT	9.2%	SPE-CGT	9.1%
CFTC	3.3%	CFTC	3.5%
C. LIBRE & INDPEND.	4.0%		

17.2.13. Hygiene, Safety and Working Conditions

Aéroports de Paris has given for many years specific importance to working, safety and health conditions. Therefore reflecting the results of an ambitious policy, the safety balance 2005 indicates a decrease in the frequency rate of industrial accidents of 4.2% as compared with 2003.

The number of industrial accidents with leave was 215 in 2005 (229 in 2004 and 226 in 2003). Lost days (including those for industrial accidents having occurred the previous years) also decreased in number from 12,102 in 2003, 11,591 in 2004 to 9,672 in 2005. Frequency rates (number of accidents with sick leave by millions of worked hours) and the seriousness rates (number of lost days by thousands of worked hours) of such accidents also decreased (respectively 17.73 in 2005, 17.6 in 2004 as compared with 18.50 in 2003 and 0.80 in 2005, 0.93 in 2004 as compared with 0.99 in 2003).

Engaged in a process of modernization and rationalization of the hygiene and safety mechanism, the human resource department has wished to multiply the hygiene and work safety bodies to bring them closer to agents allocated between the various sites of the company.

Despite the validation by the labor inspection of the division in 7 hygiene and safety committees, a disagreement is continuing with trade unions (a trade union having in particular referred the matter to the *tribunal d'instance* in July 2005, this case is currently in litigation). Since then, the human resource department devotes to correct this situation, both through court proceedings and through the search for a company agreement.

17.2.14. Training

Professional training is particularly important in accompanying the evolutions of d'Aéroports de Paris and in developing its employees' skills. In October 2005, a new memorandum of

understanding on training integrating all the provisions of the Law of May 4, 2004 was signed between the management and trade unions.

In 2005, Aéroports de Paris invested € 19.1 million for training (€ 18.3 million in 2004 and € 17.7 million in 2003) and the percentage of aggregate employment earnings devoted to training amounted to 6.28% in 2005 as compared with 6.22% in 2004 and 6.30% in 2003.

The average number of training hours per agent was 30 in 2005 (28 in 2004 and 30 in 2003).

17.2.15. Hiring and Insertion of Disabled Workers

Aéroports de Paris has shown since 1991 specific interest to professional insertion of disabled workers. The management and trade unions entered into, on December 1, 2003, a fifth agreement aimed at facilitating the integration of such disabled workers. In 2005, Aéroports de Paris had 223 disabled employees, as compared to 240 in 2004 and 226 in 2003.

17.2.16. Social Welfare

The subsidy paid by Aéroports de Paris to the workers' committee amounted to € 5.66 million in 2005 (€ 5.43 million in 2004 and € 5.13 million in 2003).

The subsidy of restaurants amounted to € 5.59 million in 2005, € 5.25 million in 2004 and € 5.13 million in 2003.

Besides, Aéroports de Paris contributed an amount of € 5.69 million in 2005 (€ 5.19 million in 2004 and € 4.58 million in 2003) to employees' mutual insurance.

Aéroports de Paris also bears a part of the costs related to employees' meals taken in inter-company restaurants in the two airport platforms.

17.2.17. Subcontracting

In order to comply with its traditional quality and performance commitments, Aéroports de Paris carries out a reactive arbitrage between subcontracting and using its own means. The Company has been conciliating for several years a continuously more competitive economic environment and social dialogue requirements.

The portion of subcontracted activities in the field of surety has increased significantly in 2002 and 2003. This share is now stabilized. The shares of other missions such as ground handling or airport authority services carried out by subcontractors are also increasing due to the development of demand for services and renewal of implemented means (for example for aircraft de-icing).

Establishing a true dialogue with its subcontractors, Aéroports de Paris deeply focuses on the satisfaction of its international clientele's needs.

17.3. STOCK OPTIONS

The Company has never granted any stock option plans nor any employee stock incentive ownership plan.

17.4. EMPLOYEE PARTICIPATION

17.4.1. Profit Sharing and Incentive Agreements

17.4.1.1. Profit Sharing

Since 1988, all employees of Aéroports de Paris have received a profit-sharing bonus based on gains in productivity, financial results and the achievement of goals by segment.

In 2005, a total of 13.1 million euros is to be paid, which represents an average of 1,729 euros per employee. By way of comparison, the total amount paid was 12.2 million euros in 2004 and 12.4 million euros in 2003. The average amounts paid per employee were 1,615 euros in 2004 and 1,625 in 2003 (these figures also encompass the sectoring of activities which often results in addenda being entered into with unions to maximize the profit-sharing bonus, depending on the achievement of goals by segment).

The employees may choose to pool the amounts received under this program in a company savings plan (see below) and earn an additional amount from the Company.

The sixth agreement, dated June 27, 2003, covers the period 2003-2004-2005. This contract is scheduled to be renegotiated before the end of June 2006.

17.4.1.2. Compulsory Profit Sharing Mechanism

Since the Decree of December 27, 2005, Aéroports de Paris must set up a profit-sharing mechanism for its employees. The agreement was signed by three trade unions on March 3, 2006. The amount for 2005, prepared in accordance with the legal formula, will amount to € 12,184,517. The individual amount is calculated, up to 30%, according to a uniform basis and up to 70% according to the employee's base salary. It is proportional to attendance time.

17.4.2. Employee Savings Plan and Employee Share-Ownership Policy

The employee savings plan (*Plan d'Epargne Entreprise* – PEE) implemented in 1986 allows employees to own a portfolio of securities.

In addition to the profit-sharing plan, employees may make supplemental payments to their PPE, which can be increased by the Company. The maximum additional amount per employee was 800 euros in both 2004 and 2005. The total additional amount added in 2005 was 2.32 million euros, compared to 2.3 million euros in 2004.

The PEE was extended for a five-year period (i.e., until the end of 2009) by a new agreement entered into on December 17, 2004 and effective as from January 1, 2005.

**17.5. INTERESTS OF CORPORATE OFFICERS AND TRANSACTIONS BY MEMBERS OF THE
BOARD OF DIRECTORS ON SECURITIES OF THE COMPANY**

No corporate officer of the Company holds shares in the Company.

CHAPTER 18

MAIN SHAREHOLDERS

18.1. SHAREHOLDING OF THE COMPANY

On the date of registration hereof, the State holds 85,361,500 shares, representing the aggregate share capital and voting rights of the Company. No other individual or legal entity exercises or may exercise, directly or indirectly, jointly or alone, any control over the Company.

To the Company's best knowledge, on the date of registration hereof, no share has been pledged.

18.2. EVOLUTION OF THE COMPANY'S SHAREHOLDING

Aéroports de Paris, incorporated under form of public institution, was converted into a *société anonyme* on July 22, 2005 by Decree no. 2005-828 of July 20, 2005 on Aéroports de Paris.

Since its conversion into a *société anonyme*, its capital has always been fully held by the French State.

18.3. CONTROL OVER THE COMPANY

On the date of registration hereof, the State holds the aggregate share capital and voting right of the Company and consequently controls the Company.

The application of corporate governance rules as described in Chapter 16 is in particular aimed at avoiding an abusive exercise of control by the majority shareholder.

18.4. CHANGE OF CONTROL OF THE COMPANY

To the Company's knowledge, there is not agreement the implementation of which could, on a subsequent date, result in a change of control of the Company. Article L. 251-1, paragraph 2, of the French Code of Civil Aviation provides that the majority of the Company's share capital is held by the State and, pursuant to Article 7 of the Company's by-laws, "the changes in the capital ownership cannot result in having the State lose the majority of the share capital".

18.5. RELATIONS WITH THE STATE AND THE ADMINISTRATIVE AUTHORITIES

The public authorities supervise the activities of Aéroports de Paris by virtue of its public corporation status, in particular its public service activities. This last feature of the relations existing between Aéroports de Paris and the administrative authorities is described in paragraph 6.6 – "Legal and Regulatory Environment".

Economic and Financial Monitoring

The Decree no. 53-707 of August 9, 1953 on the State's control over government corporations and certain corporate bodies having an economic and social purpose, which provides in particular for an approval procedure by the State of divestitures, acquisitions or extensions of financial interests by certain bodies, does not apply to Aéroports de Paris. On the contrary, the

Decree no. 55-733 of May 26, 1955 as amended, relating to economic and financial control of the State applies to the Company.

Cour des comptes

In addition to the control exercised by the two statutory auditors, the Company's accounts and management and those of its direct majority subsidiaries, as the case may be, fall within the control of the *Cour des comptes* in accordance with Articles L. 133-1 and L. 133-2 of the French Code of Financial Courts. Therefore, after verification of the accounts, the *Cour des comptes* may also ask for communication of all documents necessary to carry out its mission of control, and hear any person of its choice.

Inspection générale des finances

The Law-Decree of October 30, 1935 organizing the State's control on companies, trade unions and associations or corporations of any nature having resorted to the financial support of the State, enables the Minister in charge of the Economy to submit Aéroports de Paris to verifications of the *inspection générale des finances*.

Conseil général des ponts et chaussées

In accordance with the Decree no. 2005-470 of May 16, 2005 relating to the *conseil général des ponts et chaussées*, the *conseil général des ponts et chaussées* may carry out the surveys and investigations required by the Minister in charge of the infrastructure.

CHAPTER 19

TRANSACTIONS WITH RELATED PARTIES

The statutory auditors' report on agreements with related parties for the fiscal year ended December 31, 2005 is attached as Exhibit 7 hereto¹⁵. Aéroports de Paris being a *société anonyme* only since July 22, 2005, it was not submitted to the provisions of the French Commercial Code on agreements with related parties for the previous fiscal years.

Material agreements entered into by Aéroports de Paris with related companies as defined in the EC Regulation No. 1606/2002 for the last three fiscal years are described below.

- Economic regulation agreement (*Contrat de Régulation Economique* – CRE) entered into on February 6, 2006 between the State and Aéroports de Paris the purpose of which is to set, for the 2006-2010 period, the maximum average rate of evolution of the main fees for services, to present the investment program planned by Aéroports de Paris and to determine the service quality targets of Aéroports de Paris (see paragraph 6.3.2.6 – “Revenues from the operation of airports”).
- Pursuant to Article 2 of the Law of April 20, 2005, a financial agreement between the State and Aéroports de Paris was entered into on February 10, 2006 in order to set the amounts and terms payment of sums owed by the State in connection with the retrocession of properties necessary to its public service missions (see paragraph 8.1 – “Real Estate Properties and Equipments of Aéroports de Paris”).
- Pursuant to Article 3 of the Law of April 20, 2005, an agreement was entered into on March 30, 2006 between the State and Aéroports de Paris setting forth the terms and conditions of retrocession by Aéroports de Paris to the State of a portion of the real estate capital gain in case of shutting-down to public air traffic of all or part of an airfield operated by Aéroports de Paris (see paragraph 6.6.2.4 – “Ownership of assets; obligation to pay a share of capital gains on the sale of closed airport sites to the French Republic”).

¹⁵ **Note:** Please refer to Index to Financial Statements Page F-1. Please note that the information attached to the present document is limited to the Statutory Auditors' Report on the consolidated financial statements for the year ended December 31, 2005; the Consolidated Financial Statements as of and for the Year Ended December 31, 2005 (IFRS), the Statutory Auditors' Report on the consolidated financial statements for the year ended December 31, 2004 and Consolidated Financial Statements as of and for the Year Ended December 31, 2004 (French GAAP). For the other Exhibits to the Document de Base, please refer to the Document de Base registered on April 21, 2006 under the number I. 06-036.

CHAPTER 20

FINANCIAL INFORMATION ON THE ASSETS, FINANCIAL POSITION AND RESULTS OF THE ISSUER

20.1. HISTORICAL FINANCIAL DATA

The consolidated accounts of Aéroports de Paris for the fiscal years ended December 31, 2003, 2004 and 2005 are attached as Exhibits 1, 2 and 3 hereto.¹⁶

20.2. PRO FORMA FINANCIAL DATA

Not applicable.

20.3. CORPORATE FINANCIAL STATEMENTS

Not applicable.

20.4. VERIFICATION OF ANNUAL HISTORICAL FINANCIAL DATA

The statutory auditors' general reports on the consolidated accounts of Aéroports de Paris for the fiscal years ended December 31, 2003, 2004 and 2005 are attached as Exhibit 4, 5, and 6 hereto.¹⁷

20.5. DATE OF LAST FINANCIAL DATA

Not applicable.

20.6. INTERIM FINANCIAL DATA

Not applicable.

20.7. DIVIDEND DISTRIBUTION POLICY

20.7.1. Dividends Paid for the Last Three Fiscal Years

¹⁶ **Note:** Please refer to Index to Financial Statements Page F-1. Please note that the information attached to the present document is limited to the Statutory Auditors' Report on the consolidated financial statements for the year ended December 31, 2005; the Consolidated Financial Statements as of and for the Year Ended December 31, 2005 (IFRS), the Statutory Auditors' Report on the consolidated financial statements for the year ended December 31, 2004 and Consolidated Financial Statements as of and for the Year Ended December 31, 2004 (French GAAP). For the other Exhibits to the Document de Base, please refer to the Document de Base registered on April 21, 2006 under the number I. 06-036.

¹⁷ **Note:** Please refer to Index to Financial Statements Page F-1. Please note that the information attached to the present document is limited to the Statutory Auditors' Report on the consolidated financial statements for the year ended December 31, 2005; the Consolidated Financial Statements as of and for the Year Ended December 31, 2005 (IFRS), the Statutory Auditors' Report on the consolidated financial statements for the year ended December 31, 2004 and Consolidated Financial Statements as of and for the Year Ended December 31, 2004 (French GAAP). For the other Exhibits to the Document de Base, please refer to the Document de Base registered on April 21, 2006 under the number I. 06-036.

Remuneration of the State and Dividends Paid Prior to the Conversion of Aéroports de Paris into a société anonyme

Pursuant to article 79 of the Correcting Finances Law No. 2001-1276 of December 28, 2001 as amended by Article 88 of the Correcting Finances Law No. 2003-1312 of December 30, 2003, the State was authorized to receive a dividend based on the results of operations of the public institutions placed under its supervision, including Aéroports de Paris until its conversion into a *société anonyme*. The Minister in charge of the Economy and the Minister in charge of Budget were therefore empowered to set the amount of the dividend to be withdrawn each year on the distributable profit of Aéroports de Paris. In such context, Aéroports de Paris paid the State a dividend of € 12.0 million for the fiscal year 2003 and € 25.1 million for the fiscal year 2004 (order of July 22, 2005).

Dividends Paid Subsequently to the Conversion of Aéroports de Paris into a société anonyme

Since the conversion of Aéroports de Paris into a *société anonyme*, the determination and payment of dividends are made in accordance with rules applicable to *sociétés anonymes*. For the fiscal year ended December 31, 2005, the annual shareholders' meeting dated April 18, 2006 decided to grant a dividend of € 63.2 million.

20.7.2. Distribution Policy

The objective of Aéroports de Paris is to apply a dividend distribution policy representing 50% of its consolidated net income, Group's portion, as from the fiscal year 2006; it being specified that future dividends will be assessed for each fiscal year, according to the Company's results, its financial position and any other factor deemed relevant.

20.7.3. Statute of Limitation

Unclaimed dividends shall be barred in favor of the State at the end of a five-year period as from their date of payment.

20.8. LEGAL PROCEEDINGS

Aéroports de Paris is involved in a certain number of legal proceedings as part of the ordinary conduct of its business. Neither Aéroports de Paris nor any of its subsidiaries have been in the past or are currently party to any legal action, claim or arbitration procedure that could give rise in future, or has given rise in the recent past, to a material adverse impact on the financial position, assets or results of operations of Aéroports de Paris. Aéroports de Paris is not aware of any such case or claim against it being prepared or planned by a third party.

The aggregate amount claimed against Aéroports de Paris and its subsidiaries in legal actions and arbitrations is less than 110 million euros.

The principal cases and claims against Aéroports de Paris are listed below:

Collapse of part of the boarding area of terminal CDG 2E – On May 23, 2004, part of the roof of the boarding area of terminal CDG 2E collapsed, killing four people and wounding four

others. This area was then closed for an indefinite period. A criminal and technical investigation was initiated soon after the incident and is still ongoing. At the civil law level, an initial expert report was ordered by the Paris *Tribunal de grande instance* on June 4, 2004 at the request of Aéroports de Paris, and a second expert report was ordered by the *Tribunal Administratif* of Cergy Pontoise on June 8, 2005 at the request of the Vinci group. An expert panel, consisting of the same three expert witnesses, all with building expertise, has been appointed by each of these courts. As a result, on the registration date hereof, no action in tort has been brought in connection with the collapse of terminal CDG 2. Within the framework of the expert report to the civil courts, the main purposes of which include the determination of the cause of the accident and the division of responsibility between the various parties involved in construction, the following claims for alleged damages have been made by certain parties (but without any claim as to which party is liable for the alleged damages): (i) Air France claims damages resulting from the closure of terminal CDG 2E of a total of 246 million euros, due to additional operating costs (198.6 million euros), operating losses (43.6 million euros), and damage to its reputation (20 million euros), with 17.4 million euros of cost savings deducted from its claim; (ii) ELIOR and Société de Distribution Aéroportuaire (a company in which Aéroports de Paris holds a 49% stake) have also claimed for losses as yet unquantified; and (iii) the first statement of expenditures made by Aéroports de Paris is 27 million euros. Aéroports de Paris is currently assessing its damages other than those relating to physical assets. As of the date of this document, the expert panel was still conducting its review. Aéroports de Paris is not in a position to assess the financial impact of this accident on its accounts. The cost of repairs and reconstruction of CDG 2E is estimated at 125 million euros (excluding design costs and supervision of construction), nearly all of which is covered by the Group's insurers. On the advice of its lawyers, Aéroports de Paris has brought a claim before the *Tribunal Administratif* of Paris against AIG, underwriter of the "Damage to Property" policy covering this incident, contesting its refusal, which Aéroports de Paris believes is groundless, to provide coverage for the indemnification of material damages that are not covered under the Construction Project Policy (around 2 million euros before tax) and the loss of rental income over 24 months (around 7.8 million euros before tax).

Motions against the CRE and the signature of the CRE by the Ministers - Between April 4 and April 6, 2006, the airline union, the National Federation for Merchant Aviation and the Association of Airline Representatives in France filed three summary motions with the *Conseil d'Etat* against the Economic Regulation Agreement –(CRE), proposing that the contract be voided due to various alleged external and internal legal defects. The CRE is a five-year period that governs changes in airport fees (which represent one third of the Group's revenues in 2005). The capped rate for changes is 3.25% per year over inflation, with a cap set at 5% for 2006. The motions also sought to void the decisions of the Ministry of the Economy, Finance and Industry and of the Ministry of Transportation, Infrastructure, Tourism and Maritime Affairs to sign the CRE. The motions are a preliminary stage to legal proceedings, and must be supplemented with full legal briefs within four months. The complainants allege that the manner in which the contract was negotiated was irregular because the file submitted by Aéroports de Paris was incomplete. The complainants also allege that the annual cap of 3.25% over inflation of the average rise in tariffs shows manifest error in valuation given the principle of proportionality (a direct link between the amount of fees and the cost of services rendered), particularly in that it was based on an excessively high rate of return for invested capital and on a manifest overvaluation of the costs of equipment. Currently, Aéroports de Paris is not aware of all the

arguments that will be put forward by the complainants and therefore cannot evaluate their merits. Nevertheless, Aéroports de Paris believes, regardless, that the manner in which the fees were set did not involve any manifest error in valuation as required by applicable legislation, and that the CRE entered into with the Republic of France was negotiated in compliance with the provisions of Article R. 224-4 of the Civil Aviation Code. In addition, after having read the motions, Aéroports de Paris believes that the proceedings will not have a significant impact on the operations of the Group. If the complainant's arguments are accepted, the annulment of the CRE or a part of the CRE could prohibit Aéroports de Paris from raising fees. The first fee period under the CRE will begin on May 15, 2006. The fees applicable from that date must be approved and will be published and would therefore also be subject to challenge within two months following their publication date. Nevertheless, the principles of collection and determination of airport fees, which hold that the fee amount may take into account the reimbursement of capital invested, cannot be challenged because they are set forth in article L. 224-2 of the Civil Aviation Code. The French State and Aéroports de Paris can enter into a new regulation agreement. If there is no regulation agreement, fees will be set each year by an administrative procedure set forth in the Civil Aviation Code (see section 6.3.2.6 – "Revenues from the operation of airports"). Aéroports de Paris is not in a position to evaluate the risk posed by the motions before the *Conseil d'Etat* requesting the annulment of the CRE.

Aéroport de Paris - Le Bourget – crash on January 20, 1995 – On January 20, 1995, birds were sucked into the engine of a Falcon plane, causing it to crash at Paris - Le Bourget airport. The seven passengers and three crew members were killed. Direct charges against the Chief Executive Officer of Aéroports de Paris in a criminal case were rejected by the Correctional Court on January 13, 1999, a decision confirmed by the Court of Appeals on June 9, 2000; a challenge to this decision was rejected by the Cour de Cassation on September 11, 2001. The legal assigns of five of the seven passengers brought six claims for damages against Aéroports de Paris and the Republic of France in 1999 and 2000 before the *Tribunal Administratif de Paris*. On October 15, 2003, this court, in six different judgments, rejected the responsibility of Aéroports de Paris, and at this stage in the case ordered the Republic of France to pay to the beneficiaries, including the *Caisse de Retraite du Personnel Naviguant Professionnel de l'Aéronautique Civile* ("CRPNAC"), compensatory and actual damages of a total of approximately 800,000 euros. The beneficiaries of the passengers and/or the Republic of France appealed against the rulings of October 15, 2003 in December 2003. The appeal procedures are currently awaiting a hearing in the Administrative Court of Appeals in Paris. The main claims of the appellants amount to a total of approximately 8.2 million euros. Although Aéroports de Paris was found to be not responsible in the ruling of the court of first instance, some of the beneficiaries are seeking to establish its responsibility on appeal. This claim is covered by Aéroports de Paris' insurers.

Alpha Flight Services – On May 21, 1992, Aéroports de Paris and Alpha Flight Services signed an agreement for the temporary occupation of the public domain in connection with a plot of land located at Paris - Orly airport for a 25-year period, with retroactive effect to February 1, 1990. On June 22, 1995, Alpha Flight Services filed a complaint with the Commission of the European Union, on which the Commission ruled on June 11, 1998 that there was an abuse of a dominant position leading to discriminatory practices in the setting of fees. The Commission's ruling was confirmed on December 12, 2000 by the Court of First Instance, and then by the European Court of Justice on October 24, 2002. On May 28, 2004, Alpha Flight Services filed a

claim against Aéroports de Paris with the Paris Commercial Court on the grounds of loss of revenues, losses relating to excessive fees and excessive structural costs in relation to damages suffered from alleged anti-competitive practices for an amount (to be more precisely assessed afterwards) of 15 million euros. The Commercial Court declined to rule on November 25, 2005 pending the decision of the special court (*Tribunal des conflits*) to which the conflict was taken on March 25, 2005.

Air Liberté (relocation to Paris - Orly) – On August 25, 1996, Air Liberté asked the Paris Administrative Court to appoint an expert to examine the conditions of the re-allocation of airlines, including Air Liberté, from the Orly Ouest terminal to the Orly Sud terminal. On July 15, 1997, the expert report concluded that the transfer of Air Liberté to Orly Sud had created a “significant handicap” for the company. On March 31, 2000, Air Liberté filed a claim with the Paris Administrative Court against Aéroports de Paris and the Republic of France for damages of 41.16 million euros arising from the discriminatory transfer of the company to Orly sud. The damages claimed included a loss of market share (11.891 million euros) and increases in direct costs (29.27 million euros). In a judgment dated January 27, 2006, the Paris Administrative Court rejected Air Liberté’s claim.

Beijing Opera – Following the submission of an anonymous complaint, a criminal enquiry was launched by the Finance section of the Tribunal de Grande Instance in Paris in July 2003 concerning the conditions of the award of the contract for the construction of the Beijing Opera to Aéroports de Paris and Mr. Andreu in 1999. The investigation will examine allegations of abuse of privileged information, the illegal acquisition of interests and the bribery of foreign public agents.

Potential sanctions for individuals are up to three years’ imprisonment and 375,000 euros in fines for abuse of privileged information, five years and 75,000 euros for the illegal acquisition of interests and 10 years and 150,000 euros for bribery of foreign public agents. For legal entities the fines could be up to 1,875,000 euros for abuse of privileged information and 750,000 euros for bribery of foreign public agents (at the time of the alleged events, the crime of illegal acquisition of interests was not applicable to legal entities). The criminal investigation is ongoing.

Air France (heavy snow) – On July 26, 2004, Air France submitted a claim for damages to the Administrative Court of Cergy Pontoise claiming that Aéroports de Paris was responsible for failure to adequately maintain runways and other airport facilities at Paris - Charles de Gaulle following substantial snowfalls on January 4 and 5, 2003. Air France claims a total of 6.8 million euros. Aéroports de Paris has impleaded Météo France. This claim is covered by Aéroports de Paris’ insurers.

Trabet/Valerian SNC/SRTP/SIORAT and CEGELEC/EI IDF/AMEC (repair of runway 1 at Paris - Charles de Gaulle) – In 2003, two government procurement contracts were awarded to consortia consisting of Trabet/Valerian SNC/SRTP/SIORAT and CEGELEC/EI IDF/AMEC for the civil engineering and signaling beacons on runway 1 at Paris - Charles de Gaulle. In summer 2004, having observed defects on runway 1 at Paris - Charles de Gaulle, Aéroports de Paris asked the Administrative Court in Cergy Pontoise to appoint an expert to produce an urgent report. The report on the nature and development of the defects was submitted on December 31,

2004. On November 4, 2004, Aéroports de Paris also submitted a request to the same court for the appointment of a legal expert. The Court appointed the same expert. The legal expert report is ongoing. The cost of remedial measures to the runway has been estimated by Aéroports de Paris to be 10 million euros. Construction is expected to take place during the summer of 2006 over a period of between three and five weeks. It will result in the closure of runway 1 and the distribution of traffic on other runways. Costs related to the construction should be reduced by indemnities to be received from the contractors listed above and/or of their insurers, up to their respective limitations of liability.

Service Médical d'Urgence – Service Médical d'Urgences d'Aéroports de Paris (or “SMU”) has provided emergency medical services within the airport sites through the date of this document, but Decrees No. 97-615, 97-616, 97-619 and 97-620 of May 30, 1997 and Decree No. 2005-840 of July 20, 2005 no longer authorize it to do so. Pending the resolution of the situation, which could result in the full transfer of emergency services to hospital authorities, Aéroports de Paris has instructed that the SMU must act in coordination with emergency call centers and the SAMU emergency services, and limit its actions to those areas of the airport not accessible to the SAMU emergency services. During this transitional period, Aéroports de Paris cannot ascertain that it will not be held responsible for a failure to respect the legal and regulatory provisions applicable to the SMU.

20.9. MATERIAL CHANGE IN THE FINANCIAL OR COMMERCIAL POSITION

No material change in the financial or commercial position of the Company has occurred since the end of the fiscal year 2005.

CHAPTER 21

ADDITIONAL INFORMATION ON THE SHARE CAPITAL AND PROVISIONS OF THE BY-LAWS

21.1. INFORMATION ON THE SHARE CAPITAL

21.1.1. Share Capital

Pursuant to Article 6 of its by-laws, the Company's capital amounts to € 256,084,500, divided into 85,361,500 shares of par value three euros each, fully paid up.

21.1.2. Acquisition by the Company of Treasury Shares

On the date of registration hereof, the Company does not hold any treasury shares.

21.1.3. Authorized and Non-Issued Capital

On the date of registration hereof, there is no authorized capital that is not issued nor any commitment to increase the capital. However, the ordinary and extraordinary shareholders' meeting to be held on May 22, 2006 is asked to grant the Board of Directors the authorizations below:

Securities Concerned	Term of authorization and expiration	Maximum nominal amount of capital increase / Maximum amount to be allocated to the repurchase program
Issuances with preferred right	26 months July 2008	€ 150 million ¹⁸ (this global maximum amount being charged to the global maximum amount of € 150 million)
Capital increase all securities taken into account		
Issuances without preferred right	26 months July 2008	€ 150 million ¹³ (this global maximum amount being charged to the global maximum amount of € 150 million)
Capital increase all securities taken into account		

¹⁸ It is suggested to the ordinary and extraordinary shareholders' meeting of May 22, 2006 to delegate to the Board of Directors the authority to increase the number of securities to be issued in case of capital increase with or without preferred subscription right. It is also suggested to the ordinary and extraordinary shareholders' meeting of May 22, 2006 to delegate to the Board of Directors the authority to decide an issuance of warrants (*bons de souscription d'actions*) reserved for financial institutions included among the underwriters of the offer of shares of the Company intervening in the context of the initial public offering of the Company and the listing of its shares on Eurolist by Euronext Paris. This last issuance could be decided up to 15% of the total number of shares offered as part of the offer of shares of the Company to be made as par the initial public offering of the Company and the listing of its shares on Eurolist by Euronext Paris and up to the amount of the over-allotment option (that the Company would grant for purposes of covering possible over-allotments, to such same institutions, in the underwriting agreement to be signed between the Company and said institutions) that would not be covered, as the case may be, by the use by the Board of directors of the first delegation referred to in the first paragraph.

Capital increase by capitalization of premiums, reserves, profits or others ¹⁹	26 months July 2008	€ 51.2 million (this global maximum amount being charged to the global maximum amount of 150 million)
Issuances reserved for staff	26 months July 2008	€ 5.2 million ¹³ (this global maximum amount being charged to the global maximum amount of € 150 million)
Members of savings plans		
Share repurchase program ¹⁴²⁰	18 months November 2007	€ 400 million or 5% of the share capital

21.1.4. Other Securities Granting Access to the Capital

There is currently no security granting access to the Company's capital.

21.1.5. Capital Evolution Chart

The Company's share capital as it appears in Article 6 of the by-laws was initially set by Decree no. 2005-828 of July 20, 2005 and has not evolved since then.

21.1.6. Options on the Company's Capital

No stock option plan has been set up by the Company.

For a description of the contractual agreement entered into between Aéroports de Paris and Aélia, a subsidiary of the Hachette Distribution Services group, see paragraph 6.3.5.3 – “Commercial Distribution: *Société de Distribution Aéroportuaire*”.

21.1.7. Non-Capital Securities

Aéroports de Paris regularly uses debt financing. Over the last ten years, whereas it still was a public institution, Aéroports de Paris issued six international debenture loans in 1996, 1998, 2000, 2001, 2002 and 2003. Such bonds that were all listed on Eurolist by Euronext in Paris, bear annual interest at fixed rate and are fully redeemable at par *in fine*. The net proceed from the issuance of each of those loans has been used for the purposes of funding the investments of Aéroports de Paris.

Since its conversion into a *société anonyme*, Aéroports de Paris issued, on December 6, 2005, a private debenture loan bearing interest at a variable rate for an amount of € 200 million. This

¹⁹ Under the condition precedent of listing and initial public offering of the shares of the Company on the Eurolist by Euronext Paris.

²⁰ It is suggested to the ordinary and extraordinary shareholders' meeting of May 22, 2006 to authorize, under the condition precedent of listing and initial public offering of the Company on Eurolist by Euronext Paris, the Board of directors to decrease the Company's share capital by canceling any quantity of treasury shares (the maximum number of shares that may be cancelled by the Company pursuant to this authorization, for a 24-month period, would be 10% of the shares forming the capital).

loan, issued pursuant to an authorization of the Company's Board of directors of October 27, 2005, has been subject to an underwriting by a bank of international standing. This debenture loan, which was not listed, can be repaid at par in 2008.

The outstanding debenture loan of Aéroports de Paris amounted to € 2.0 billion as at December 31, 2005. The chart below sets out the main features of the debenture loans issued by Aéroports de Paris and not yet repaid:

Issuance	Currency	Coupon rate	Expiry date	Amount issued (in currencies) (in million)	Listing place	ISIN Code
October 28, 1996	Euros (issuance in French francs)	6.00%	November 12, 2006	700 (106.714 in €)	Euronext Paris	FR0000583668
July 06, 1998	Euros (issuance in French francs)	4.95%	October 25, 2008	1,000 (152.449 en €)	Euronext Paris	FR0000583676
February 15, 2000	Euros	5.875%	February 15, 2010	450	Euronext Paris	FR0000498230
March 15, 2001	Euros	5.25%	March 15, 2011	400	Euronext Paris	FR0000485831
March 25, 2002	Euros	5.25%	March 25, 2012	350	Euronext Paris	FR0000488611
March 11, 2003	Euros	4.10%	March 11, 2013	300	Euronext Paris	FR0000472987
December 6, 2005	Euros	Variable rate based on Euribor 3 months	December 6, 2008	200	None	FR0010255323

For further information on debenture loans issued by Aéroports de Paris, see Exhibit 1 – “Notes to Consolidated Accounts for the Fiscal Year ended December 31, 2005 (note 29)”.²¹

Finally, on the date of registration hereof, Aéroports de Paris does not have any other outstanding non-capital financial instrument.

21.2. PROVISIONS OF THE BY-LAWS

See also information in paragraph 5.1 – “History and Development of the Company”.

21.2.1. Corporate Purpose (Article 2 of the by-laws)

The purpose of the Company, in France and abroad, is to:

- perform the construction, laying-out, operation and development of airport facilities;

²¹ **Note:** Please refer to Index to Financial Statements Page F-1. Please note that the information attached to the present document is limited to the Statutory Auditors' Report on the consolidated financial statements for the year ended December 31, 2005; the Consolidated Financial Statements as of and for the Year Ended December 31, 2005 (IFRS), the Statutory Auditors' Report on the consolidated financial statements for the year ended December 31, 2004 and Consolidated Financial Statements as of and for the Year Ended December 31, 2004 (French GAAP). For the other Exhibits to the Document de Base, please refer to the Document de Base registered on April 21, 2006 under the number I. 06-036.

- develop any industrial or service activity in the airport area for any category of clients;
- value all the movable and real estate assets it holds or uses;
- take, acquire, operate or sell any processes and patents concerning activities that are related to the aforementioned purposes;
- directly or indirectly take part in any transactions that could relate to any of such purposes, through the incorporation of new companies or corporations, contribution, subscription or purchase of securities or corporate rights, acquisition of interest, merger, association or otherwise; and
- generally, carrying out any industrial, commercial, financial, movable or real estate transactions directly or indirectly related to any of the aforementioned purposes.

21.2.2. Provisions relating to Administration, Management and Supervision Bodies

The provisions relating to administration, management and supervision bodies are detailed in Chapters 14 and 16.

21.2.3. Modification of the Share Capital and Rights Attached to the Shares

Any change in the capital or voting rights attached to the securities forming it shall be submitted to general law rules, since the by-laws do not include any specific provisions.

21.2.4. Fiscal Year (Article 22 of the by-laws)

The Company's fiscal year shall have a 12-month term; it shall start on January 1 and end on December 31 of each year.

21.2.5. Shareholders' meetings (Article 20 of the by-laws)

21.2.5.1. Calling of Meetings

The ordinary and extraordinary shareholders' meetings and special meetings, if any, are called, are held and rule under the conditions provided for by the Law. They are held at the registered office or in any other place mentioned in the notice of meeting.

21.2.5.2. Participation in Meetings

All shareholders, regardless of the number of shares they hold, are entitled to attend shareholders' meetings and to take part in deliberations, provided that all payments required on their shares are made and subject:

- for holders of shares registered on an account held by the Company, to their registration in an account on the Company's registers; and

- for owners of bearer securities or holders of managed registered shares (*actions au nominatif administré*), to the filing, at the places mentioned in the notice of meeting, of a certificate from the account keeper intermediary noticing the unavailability of the shares registered in an account between the date of file and the date of the meeting.

These formalities must be carried out five days at least before the meeting. The Board of Directors may reduce or suppress this time-period in favor of all shareholders.

The Board of Directors may, if it deems it useful, deliver to shareholders the named and personal passes and require the presentation of such passes to have access to the shareholders' meeting.

If the Board of Directors so decides at the time of the calling of the meeting, shareholders may attend the meeting by videoconference or through any telecommunication means enabling their identification under the terms and conditions set by applicable regulation.

Any shareholder may be represented by his/her spouse or by another shareholder in all meetings. He/she may also vote by mail under legal conditions, after having brought evidence of his/her capacity as shareholder, five days at least before the meeting, to the depositary of the certificates of registration or immobilization of his/her securities. As from such certification, the shareholder may choose another method of participation to the shareholders' meeting. To be validly accepted, the vote form must be received by the Company no later than three days before the date of the meeting.

Owners of securities mentioned in the third paragraph of Article L. 228-1 of the French Commercial Code (owners whose domicile is located outside of the French territory, as defined in Article 102 of the French Civil Code) may be represented, under the conditions provided for by the law, by a registered intermediary.

21.2.5.3. Voting Right (Article 11 of the by-laws)

In all shareholders' meetings, each shareholder has as many votes as the number of paid up shares he/she owns or represents, without limitations other than those that could result from legal provisions. There is no clause of the by-laws providing for a double or multiple voting right in favor of shareholders of Aéroports de Paris.

21.2.6. Provisions of the By-Laws resulting in delaying, deferring or preventing a change of control

Pursuant to Article 7 of the Company's by-laws, and in accordance with the provisions of Article L. 251-1, paragraph 2 of the French Code of Civil Aviation, "changes in the share capital cannot result in having the State lose the majority of the share capital".

21.2.7. Identification of Shareholders (Article 9 of the By-Laws and French Commercial Code)

On the date of registration hereof, the shares are registered shares. In case of listing of the Company's shares on a regulated market, they will be registered or bearer shares, at the shareholder's choice, subject to legal and regulatory provisions.

Shares may be registered in the name of an intermediary under the conditions set forth by Articles L. 228-1 *et seq.* of the French Commercial Code. The intermediary shall be bound to disclose its capacity as intermediary holding securities on behalf of someone else, under legal and regulatory conditions.

The provisions of the above paragraphs shall also apply to other securities issued by the Company.

In case of listing of the shares on a regulated market, the Company will be entitled, subject to applicable legal and regulatory conditions, to ask from time to time, against remuneration borne by it, the central depository in charge of keeping the security issuance account, as the case may be, to give the name or corporate name, nationality, birth date or year of incorporation, and address of holders of bearer securities granting, immediately or in the future, the right to vote at its own shareholders' meeting, and the quantity of securities held by each of them and restriction, if any, imposed on the securities. The Company, in view of the list forwarded by the aforementioned body, shall have the possibility to ask to the persons appearing on this list and whom the Company considers that they could be registered on behalf of third parties, the above information regarding the owners of securities.

In case of registered form giving immediate or future access to the capital, the intermediary registered under the conditions provided for in Article L. 228-1 of the French Commercial Code shall be bound, within ten business days as from the request, to disclose the identity of owners of securities, and the quantity of securities held by each of them upon simple request of the Company or its agent, request that can be submitted at any time.

21.2.8. Threshold Excess (Article 9 of the by-laws)

The Company's shares may be freely transferred subject to legal and regulatory provisions.

Article 9 of the Company's by-laws provides that, as from the listing of the Company's shares on a regulated market, any individual or legal entity, acting alone or in concert, who would hold, directly or indirectly, a portion of capital or voting rights of securities granting future access to the Company corresponding to 1%, must inform the Company thereof by registered letter with return receipt requested within five trading days as from the day this 1% threshold is exceeded. This information shall indicate the identity of the person concerned and that of persons acting in concert with him/her and the total number of shares, voting rights or securities granting future access to the capital that this person owns. This information obligation shall also relate to the holding of each additional 1% portion of capital or voting rights or securities granting access to the Company's capital in the future; it being specified that in the event that any of the thresholds referred to in the seventh paragraph of Article L. 233-7 of the French Commercial Code is exceeded (see below), the information shall mention to the Company the intention of the holder(s). As soon as this threshold is exceeded, a statement shall be made under conditions identical to those mentioned above, each time a new 0.5% threshold is reached or exceeded, upward and downward, for any reason whatsoever.

The intermediary registered as holder of shares in accordance with the third paragraph of Article L. 228-1 of the French Commercial Code shall be bound, without prejudice to the obligations of owners of shares, to make the above statements for all the shares for which it is registered.

Moreover, pursuant to the provisions of Article L. 233-7 of the French Commercial Code, when shares of a company having its registered office on the territory of the Republic are listed on a regulated market, any individual or legal entity, acting alone or in concert, who would own a number of shares representing more than 5%, 10%, 15%, 20%, 25%, 33^{1/3}%, 50%, 66^{2/3}%, 90% or 95% of the capital or voting rights of the Company, shall inform the Company within five trading days as soon as the participation threshold is exceeded, of the total number of shares or voting rights it/he/she owns. Such person shall also inform the Autorité des marchés financiers thereof within five trading days as soon as the participation threshold is exceeded. Such information obligations shall apply within the same time-periods in the event that the above-mentioned thresholds are exceeded downward.

Pursuant to the provisions of Article L. 233-14 of the French Commercial Code, failing to have been regularly declared, the shares exceeding the portion that should have been declared in accordance with the above-mentioned provisions of the by-laws and/or the law shall be deprived of voting right for all shareholders' meeting to be held until the expiration of a two-year period following the date of regularization of the notification. In case of non-compliance with the provisions of the by-laws, this suspension must be included in a request from one or more shareholders holding a portion at least equal to 3% of the capital or voting rights in the Company and must be entered in the minutes of the shareholders' meeting.

21.2.9. Statutory Allocation of Profits and Payment of Dividends (Articles 11, 24 and 25 of the by-laws)

Each share shall entitle to profits and corporate assets in proportion to the portion of capital it represents.

5% at least shall be withdrawn from the profit of the fiscal year, less previous losses, if any, to form the legal reserve. Such withdrawal shall no longer be required in the event that the reserve reaches one-tenth of the share capital; it is required once again when, for any reason whatsoever, the legal reserve is below one-tenth.

The distributable profit is formed by the profit for the fiscal year, less previous losses, and amounts to constitute the reserves pursuant to the law or the by-laws, and increased by the beneficiary carry-forward. On such profit, the shareholders' meeting may withdraw all amounts it deems appropriate to allocate to any facultative reserves or to carry forward.

The shareholders' meeting may decide to distribute sums withdrawn from the reserves, by expressly indicating the reserve items on which withdrawals are made. However, dividends are withdrawn in priority on the distributable profit for the fiscal year.

The terms and conditions of payment of dividends voted by the shareholders' meeting are set by it or, failing it, by the Board of Directors.

The shareholders' meeting shall have the possibility to grant shareholders, for all or part of the distributed dividend, an option between payment in cash, in new shares of the Company or payment in kind, under legal conditions. When a balance sheet, prepared during or at the end of the fiscal year and certified by a statutory auditor, shows that the Company, since the end of the previous fiscal year, after constitution of necessary amortization and reserves, and after deduction of previous losses, if any, and reserved sums pursuant to the law or the by-laws, and considering the carry forward, has made a profit, interim dividends may be distributed before the approval of the accounts for the fiscal year. The amounts of such interim dividends cannot exceed the amount of the profit so defined.

CHAPTER 22

MATERIAL CONTRACTS

Material contracts other than those entered into in the ordinary course of business to which Aéroports de Paris or any other member of the Group is a party are the following:

- The Economic Regulation Agreement entered into on February 6, 2006 between the State and Aéroports de Paris, the purpose of which is to set, for the 2006-2010 period, the maximum average rate of evolution of the main fees for services, to present the investment program planned by Aéroports de Paris and to determine the service quality targets of Aéroports de Paris (see paragraph 6.3.2.6 – “Revenues from the operation of airports”).
- Pursuant to Article 3 of the Law of April 20, 2005 an agreement was entered into on March 30, 2006 between the State and Aéroports de Paris setting forth the terms and conditions of retrocession by Aéroports de Paris to the State of a portion of the real estate gain in case of shutting-down to public air traffic of all or part of an airfield operated by Aéroports de Paris (see paragraph 6.6.2.4 – “Ownership of assets; obligation to pay a share of capital gains on the sale of closed airport sites to the French Republic”).

CHAPTER 23
INFORMATION FROM THIRD PARTIES, EXPERTS' STATEMENTS AND
STATEMENTS OF INTEREST

Not applicable.

CHAPTER 24

DOCUMENTS AVAILABLE FOR THE PUBLIC

The Company's press releases and annual reports including, in particular, historical financial data on the Company are available on the Company website at the following address: www.aeroportsdeparis.fr, and a copy may be obtained thereof at the Company's registered office, 291 boulevard Raspail, 75014 Paris (see also Exhibit 11 hereof).²²

The Company's by-laws and the minutes of the shareholders' meetings, the unconsolidated and consolidated accounts, the statutory auditors' reports and all other corporate documents are available, in hard copy, at the Company's registered office.

Investor Contact

Benoît Trochu

Responsable relations investisseurs

Phone: 01 43 35 73 43

Address: 291 boulevard Raspail, 75014 Paris (registered office).

²²

Note: Please refer to Index to Financial Statements Page F-1. Please note that the information attached to the present document is limited to the Statutory Auditors' Report on the consolidated financial statements for the year ended December 31, 2005; the Consolidated Financial Statements as of and for the Year Ended December 31, 2005 (IFRS), the Statutory Auditors' Report on the consolidated financial statements for the year ended December 31, 2004 and Consolidated Financial Statements as of and for the Year Ended December 31, 2004 (French GAAP). For the other Exhibits to the Document de Base, please refer to the Document de Base registered on April 21, 2006 under the number I. 06-036.

CHAPTER 25

INFORMATIONS ON INTERESTS

Information regarding companies in which the Company holds a portion of the capital that might have a significant impact on the assessment of its assets, financial position or results appears in Chapter 6 (see paragraph 6.3 – “Activities of Aéroports de Paris”).

INDEX TO FINANCIAL STATEMENTS

	<u>Page</u>
Statutory Auditors' Report on the consolidated financial statements for the year ended December 31, 2005	F-2
Consolidated Financial Statements as of and for the Year Ended December 31, 2005 (IFRS)	F-4
Statutory Auditors' Report on the consolidated financial statements for the year ended December 31, 2004	F-62
Consolidated Financial Statements as of and for the Year Ended December 31, 2004 (French GAAP)	F-64

Statutory Auditors' Report on the consolidated financial statements for the year ended December 31, 2005

This is a free translation into English of the statutory auditors' report issued in French and is provided solely for the convenience of English speaking users. The statutory auditors' report includes information specifically required by French law in all audit reports, whether qualified or not, and this is presented below in the opinion on the consolidated financial statements. This information includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

In accordance with our appointment as Statutory Auditors by the French Minister for the Economy, Finance and the Budget, we have audited the accompanying consolidated financial statements of Aéroports de Paris for the year ended 31 December 2005.

The consolidated financial statements have been approved by your shareholders' meeting. Our role is to express an opinion on these financial statements based on our audit. These financial statements have been prepared for the first time in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union. They include comparative information restated in accordance with the same standards in respect of financial year 2004 except for IAS 32 and IAS 39 which have been applied as from 1 January 2005.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

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 31 December 2005 and of the results of its operations for the year then ended in accordance with the International Financial Reporting Standards as adopted by the European Union.

Without qualifying our opinion, we draw your attention to:

Note 3.1.1 to the consolidated financial statements, which describes the accident that took place on 23 May 2004 in Terminal 2E of Roissy Airport, and the associated accounting principles used by the Group and the financial consequences of the accident for Aéroports de Paris.

II. Justification of our assessments

In accordance with the requirements of Article L.823-9 of the French Commercial Law (Code de Commerce) relating to the justification of our assessments, we draw to your attention the following matters:

- Notes 4.5, 4.7 and 20 to the consolidated financial statements describe the accounting policies used to measure Property, plant and equipment. Note 3.1.1 sets out the principle used to account for the assets concerned by the accident that took place on 23 May 2004 in Terminal 2E of Roissy Airport. Notes 4.6 and 21 describe the valuation method used for investment property. Investment properties are presented on a separate line in the consolidated balance sheet, and are measured at historical cost, as provided for in IAS 40. The fair value of investment property disclosed in note 21 to the consolidated financial

statements is measured using a combined method based on market value and discounted estimated future cash flows. We have assessed the methods used by the group for these evaluations and have verified, on the basis of the information available, that they are reasonable.

- Note 4.22.3 to the consolidated financial statements, which describes the principles used to account for airport security tax as revenue in the consolidated income statement. When we assessed the accounting principles used by the Group, we verified that the principles mentioned in note 4. 22.3 and the information provided in the notes were appropriate and had been applied correctly.

These assessments were made in the context of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed, which is expressed in the first part of this report.

III. Specific verifications

In accordance with professional standards applicable in France, we have also verified the information provided in the group's management report. We have no matters to report as to its fair presentation and consistency with the consolidated financial statements.

Paris-La-Defense, 30 March 2006

The Statutory Auditors

Salustro Reydel
Member of KPMG International

Philippe Arnaud

Ernst & Young Audit

Francis Gidoïn

Consolidated Financial Statements as of and for the Year Ended December 31, 2005 (IFRS)
Consolidated income statement

<i>(in thousands of euro)</i>	<i>Notes</i>	2005	2004
Revenue	8	1,914,580	1,811,726
Other ordinary operating income	9	12,258	17,846
Own work capitalized	10	47,116	46,580
Changes in finished goods inventories		205	(330)
Raw materials and consumables used		(106,206)	(100,584)
Employee benefits costs	11	(611,498)	(549,575)
Other ordinary operating expenses	12	(685,555)	(693,483)
Depreciation and amortization	13	(262,171)	(252,446)
Impairment of assets, net	13	17,792	20,708
Net allowances to provisions	13	4,715	(9,489)
Operating income from ordinary activities		331,237	290,953
Other operating income and expenses	14	23,462	(16,199)
Operating income		354,699	274,754
Finance income	15	61,217	126,018
Finance expenses	15	(143,756)	(195,345)
Net finance costs		(82,539)	(69,326)
Share in earnings of associates	16	2,868	9,225
Income before tax		275,029	214,653
Income tax expense	17	(95,092)	(64,527)
Net income for the period		179,937	150,126
<i>Net income attributable to minority interests</i>		-	6,068
<i>Net income attributable to equity holders of the parent</i>		179,937	144,058
Earnings per share (EPS) attributable to holders of ordinary shares of the parent (*):			
<i>Basic EPS (in euros)</i>	18	2.11	-
<i>Diluted EPS (in euros)</i>	18	2.11	-

(*) Net income per share was not applicable at December 31, 2004, as the share capital of Aéroports de Paris was not divided into shares at that date

Consolidated balance sheet

ASSETS (in thousands of euro)	Notes	At	At
		31.12.2005	31.12.2004
Intangible assets	19	30,325	20,871
Property, plant and equipment	20	4,423,613	4,230,764
Investment property	21	305,648	306,633
Investments in associates	16	19,401	29,324
Other non-current financial assets	22	167,316	144,992
Deferred tax assets	17	1,620	1,466
Non-current assets		4,947,923	4,734,050
Inventories	23	5,981	4,794
Trade receivables	24	345,001	336,492
Other receivables and prepaid expenses	25	146,658	188,578
Other current financial assets	22	233,093	45,664
Current tax assets	17	1,777	35,467
Cash and cash equivalents	26	388,348	173,474
Current assets		1,120,858	784,468
TOTAL ASSETS		6,068,781	5,518,519
EQUITY AND LIABILITIES (in thousands of euro)	Notes	At	At
		31.12.2005	31.12.2004
Share capital	27	256,085	256,085
Translation reserve	27	1,008	(977)
Fair value reserve	27	19,302	-
Retained earnings	27	1,574,396	1,449,614
Net income for the period		179,937	144,058
Equity		2,030,727	1,848,780
Non-current debt	29	2,571,380	2,304,475
Provisions for employee benefit obligations (more than one year) . .	28	374,985	361,265
Other non-current provisions	28	802	1,532
Deferred tax liabilities	17	56,703	56,402
Other non-current liabilities	30	33,918	36,367
Non-current liabilities		3,037,788	2,760,041
Trade payables	31	434,719	405,517
Other liabilities and deferred income	32	262,316	231,629
Current debt	29	207,532	202,779
Provisions for employee benefit obligations (less than one year)	28	26,747	28,191
Other current provisions	28	33,295	38,671
Current tax payables	17	35,657	2,912
Current liabilities		1,000,266	909,697
TOTAL EQUITY AND LIABILITIES		6,068,781	5,518,519

Consolidated cash flow statement

<i>(in thousands of euro)</i>	<i>Notes</i>	2005	2004
Operating income		354,699	274,754
Adjustment for non-cash income and expenses:			
- Depreciation, amortization, impairment and net allowances to provisions		261,056	351,035
- Capital losses (gains) on disposals		5,594	(1,073)
- Other		(1,774)	(696)
Time lag in receipt of insurance payments for Terminal 2E		38,589	(80,000)
Interest expense other than cost of net debt		(513)	(543)
Operating cash flow before changes in working capital and tax		657,652	543,477
Decrease (increase) in inventories		(1,187)	449
Increase in trade and other receivables		(11,329)	(62,600)
Increase in trade and other payables		31,027	53,148
Change in working capital		18,510	(9,003)
Income taxes paid		(28,875)	(145,219)
Cash flows from operating activities		647,287	389,255
Disposals of subsidiaries (net of cash sold) and associates	33	11,050	424
Acquisitions of subsidiaries (net of cash acquired)		4	(1,207)
Purchase of property, plant & equipment and intangible assets ..	33	(578,925)	(551,916)
Change in other financial assets		8,139	8,025
Proceeds from sale of property, plant & equipment		387	709
Proceeds from sale of non-consolidated investments		68	1,108
Dividends received		2,971	3,302
Increase in capital investment payables		29,916	65,413
Cash flows from investing activities		(526,390)	(474,142)
Capital grants received (repaid) in the period		(237)	670
Proceeds from issue of shares or other equity instruments		-	141
Dividends paid to shareholders of the parent company		(25,174)	(12,036)
Proceeds on issuance of long-term debt	29	332,461	253,506
Repayment of long-term debt	29	(115,832)	(143,768)
Change in other financial liabilities		-	(1,889)
Interest paid		(145,268)	(143,469)
Interest received		50,088	56,463
Cash flows from financing activities		96,038	9,618
Impact of first time application of IAS 32 & 39		418	-
Change in cash and cash equivalents		217,353	(75,269)
Net cash and cash equivalents at beginning of period	33	163,975	239,244
Net cash and cash equivalents at end of period	33	381,328	163,975

Cash flows have been restated to take account of the time lag between booking expected insurance indemnities in connection with the accident at Terminal CDG 2E and the effective crediting of such amounts.

Statement of changes in equity

<i>(in thousands of euro)</i>	Share capital	Translation Reserve	Fair value reserve	Retained earnings	Attributable to equity holders of the parent	Minority interests	Total Equity
As at 1 January 2004	255,943	-	-	1,461,650	1,717,593	45,172	1,762,765
Translation adjustments . . .	-	(977)			(977)	-	(977)
Income and expenses recognized directly in equity	-	(977)	-	-	(977)	-	(977)
Net income for 2004	-	-		144,058	144,058	6,068	150,126
Total income and expenses recognized for the period	-	(977)	-	144,058	143,081	6,068	149,149
Buyback of minority interests	-	-		-	-	(51,240)	(51,240)
Change in share capital . . .	142	-		-	142	-	142
Dividends	-	-		(12,036)	(12,036)	-	(12,036)
As at 31 December 2004	256,085	(977)	-	1,593,672	1,848,780	-	1,848,780
First time application of IAS 32 & 39			(77)	5,898	5,821		5,821
As at 1 January 2005	256,085	(977)	(77)	1,599,570	1,854,601	-	1,854,601
Translation adjustments . . .		1,985			1,985		1,985
Change in fair value of available-for-sale investments			19,379		19,379		19,379
Income and expenses recognized directly in equity	-	1,985	19,379	-	21,364	-	21,364
Net income for 2005				179,937	179,937	-	179,937
Total income and expenses recognized for the period	-	1,985	+19,379	179,937	201,300	-	201,300
Dividends				(25,174)	(25,174)		(25,174)
As at 31 December 2005 . .	256,085	1,008	19,302	1,754,333	2,030,727	-	2,030,727

See note 27.

Note 1 - Statement of compliance

Pursuant to EU regulation 1606 / 2002 dated 19 July 2002, the Group's consolidated financial statements for 2005 have been drawn up in compliance with the International Financial Reporting Standards (IFRS) as adopted by the European Union. This is the first time that the consolidated financial statements have been prepared according to IFRS.

In order to be comparable with the 2005 financial statements, the 2004 financial statements have been restated so as to conform with IFRS.

In addition, in accordance with the options under IFRS 1 - *First-time adoption of international financial reporting standards*:

- all accumulated actuarial gains and losses at 1 January 2004 were recognized at that date;
- all cumulative translation adjustments at 1 January 2004 were transferred to Retained earnings;
- previous legal asset revaluations were used as the deemed cost of the non-current assets in question;
- prior business combinations were not restated retrospectively in the opening balance sheet;
- IAS 32 and IAS 39 were applied as from 1 January 2005.

The impact of the transition to IFRS on the Group's equity, financial performance and cash flows is analyzed in note 5.

In accordance with IAS 8.30, AÉROPORTS DE PARIS has opted not to apply certain standards and interpretations approved by the European Union but not made mandatory in 2005, notably IFRS 7, IFRIC 4 and the amendments to IAS 19. AÉROPORTS DE PARIS does not anticipate any material impacts will result from application of such standards and interpretations.

Note 2 - Preliminaries

The financial statements of the AÉROPORTS DE PARIS Group at 31 December 2005 were approved by the Board of Directors on 30 March 2006. AÉROPORTS DE PARIS ("the company") is a company domiciled in France.

Parent company: AÉROPORTS DE PARIS
Headquarters: 291, boulevard Raspail – 75014 Paris
A French "Société Anonyme" (public limited company) with share capital of 256,084,500 euros
SIREN 552 016 628, Trade and Companies Registry of Paris

The consolidated financial statements are presented in euros.

All companies consolidated within the Group prepared their annual individual financial statements at 31 December 2005.

Note 3 - Comparability of financial years

3.1. Significant events

3.1.1. Consequences of the accident in 2004 at Terminal 2E

On 17 March 2005, the Board of Directors at AÉROPORTS DE PARIS upheld the Chairman's proposal to disassemble and rebuild the roof of the terminal, considering that this was the only solution that satisfied the safety requirements for passengers and employees.

At the present time, the civil expert study whose conclusions will enable the extent of the responsibilities of the companies that took part in the construction of the terminal to be assessed is not yet concluded.

The impairment loss of 75,520 thousand euros recorded at 31 December 2004, concerning the part of the terminal roof that remained standing, was reversed in its entirety and depreciation of 67,877 thousand euros was recognized in respect for the corresponding property, plant and equipment taking account of the new assumptions for reconstruction of the terminal roof.

A settlement agreement was signed with the sole insurers of the construction works on 22 December 2005, setting the indemnity amount at 112 million euros, of which 80 million euros had been recognized in the 2004 financial statements.

In addition, in July 2005, Air France - KLM submitted a claim to the court-appointed experts in charge of determining the cause of the accident and any damages incurred by the parties.

Because, firstly, no claim has been submitted against AÉROPORTS DE PARIS, as no right to compensation for any damages has yet been demonstrated and, secondly, the final burden of any indemnification for damages remains contingent on the sharing of liability that will be determined by the courts, there is at this time no basis upon which to determine a provision in respect of this matter.

3.1.2. Transformation into a “Société Anonyme” (public limited company)

Pursuant to the Act of 20 April 2005 concerning airports, the public sector corporation ADP (AÉROPORTS DE PARIS) was transformed into a “Société Anonyme” (public limited company) on 22 July 2005, following official publication of the principal application decrees for that Act in the French official gazette.

This change in corporate status, which set the company's share capital at 256,084,500 euros divided into 85,361,500 shares at 3 euros per share, entirely paid up, had no impact on the presentation of the consolidated financial statements.

Pierre Graff was appointed Chairman and Chief Executive Officer of AÉROPORTS DE PARIS.

3.1.3. Dividend payout

In accordance with an order dated 22 July 2005, a dividend of 25,174 thousand euros was paid to the French State in August 2005.

3.1.4. Employee profit sharing

Pursuant to decree 2005-1650 dated 27 December 2005, the parent company AÉROPORTS DE PARIS is henceforth subject to provisions in the French Labor Code concerning employee profit sharing, starting from the end of the 2005 financial year. The corresponding sum recorded in the income statement under employee benefits costs amounts to 12,185 thousand euros.

3.2. Changes in accounting policies

The accounting policies applied are identical to those used for the previous financial years with the exception of new or revised standards which are mandatory starting from 1 January 2005 and which the Group has adopted.

The main effects of application of IAS 32 – *Financial Instruments: Disclosure and Presentation* and IAS 39 – *Financial Instruments: recognition and measurement* as from 1 January 2005 are as follows:

- BCIA shares (China), categorized as available-for-sale financial assets, are henceforth recorded at fair value on the basis of the share price as listed on the Hong Kong stock market. The impact of this change on equity at 1 January 2005 amounts to 4,791 thousand euros, broken down between “Retained earnings” (+4,868 thousand euros) and the “Fair Value Reserve” (-77 thousand euros);
- Bonds are recognized at amortized cost and derivative financial instruments and other financial assets are recognized at fair value; the impact on equity at 1 January 2005 amounted to 1,030 thousand euros after deferred taxes.

3.3. Changes in the scope of consolidation

Changes in the scope of consolidation during the 2005 financial year were as follows:

- Entry of the following companies into the scope:
 - AVIANCE FRANCE as from 1 January 2005;
 - ALYZIA RAMP ASSISTANCE set up in March 2005.These changes in scope did not have a material effect on the consolidated balance sheet.
- The exit of FRANCE HANDLING, following the sale of the previously held 34.06% minority stake to VINCI in August 2005. This disposal generated a consolidated capital gain in 2005 of 1,778 thousand euros before tax;
- SERTA was absorbed by HUB TÉLÉCOM (previously ADP TÉLÉCOM) in December 2005 with retroactive effect to 1 January 2005. The transaction has no impact on the consolidated financial statements.

Note 4 - Accounting policies

4.1. Basis of preparation of the financial statements

The financial statements are mainly prepared on a historical cost basis, except for derivative financial instruments, assets held for trading and assets qualified as available-for-sale which are accounted for at fair value.

The preparation of the financial statements in conformity 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. The underlying estimates and assumptions are based on historical experience and other various factors considered as reasonable under the circumstances. They therefore serve as the basis for the exercise of the judgment required in determining the carrying values of assets and liabilities which cannot be obtained directly from other sources. Actual results can be different from these estimates. The estimates and the underlying assumptions are continuously reviewed. The impact of the changes in accounting estimates is recognized in the period in which the change is made if it affects only that period or in the period of the change and in future periods if both are affected by the change. Such estimates concern essentially IAS 36 and IAS 40.

The accounting policies set out below have been applied on a consistent basis for all financial periods presented in the consolidated financial statements. The opening IFRS balance sheet at 1 January 2004 was prepared in accordance with IFRS 1.

4.2. Consolidation policies

4.2.1. Consolidation methods

The consolidated financial statements include those of AÉROPORTS DE PARIS and its subsidiaries, associates and joint ventures:

- Subsidiaries under the sole control of the Group, notably those in which the parent company holds more than 50% of the voting rights, directly or indirectly, are included in the consolidated financial statements by aggregating, line by line, assets, liabilities, revenue and expenses. The share attributable to minority interests is recorded separately in the income statement and in equity in the balance sheet. Subsidiaries are consolidated as from their date of acquisition, namely the date at which the Group obtained control, up to the date at which such control ceases to be exercised;
- Joint ventures under contractual joint control with other entities are consolidated according to the proportionate method, which involves only recognizing the Group's share (equal to its share in the joint venture's equity) of the corresponding assets, liabilities, revenues and expenses in the financial statements. Where the Group contributes or sells an asset to an entity under joint

control, the share of the gain or loss resulting from the transaction is accounted for on the basis of the substance of the transaction. Where the Group acquires assets from a jointly-controlled entity, it only recognizes its share of the profit generated by this entity in respect of the transaction when the assets in question are sold to an outside party. The joint venture is consolidated up to the date when the Group ceases to have joint control of the entity;

- Associates, being companies over which the Group has significant influence without having either sole or joint control, are accounted for according to the equity method. Significant influence is assumed where the Group holds at least 20% of the voting rights. Under the equity method, the book value of the shares held is replaced by the share they represent in the associate's equity, including net income or loss for the period. Goodwill in connection with an associate is included in the book value of the investment and is not amortized. After applying the equity method, the Group decides whether it is necessary to recognize any additional impairment in respect of the Group's net investment in the associate. The income statement reflects the Group's share of income of the associate. Where a change is recorded directly in the equity of associates, the Group accounts for its share of such change and discloses it in the statement of changes in equity, when applicable. If the Group's share of an associate's losses is greater than its investment in the entity, the book value of the investment in the associate is recognized at nil and the Group ceases to record its share of future losses, unless it is under a legal or implicit obligation to share the losses or make payments on behalf of the associate.

All intercompany accounts and transactions among consolidated companies are eliminated pro rata to the Group's equity interest in associates and joint ventures, as are all intercompany profits and losses (dividends, capital gains on disposals, provisions against investments and receivables, etc.), except in the case of unrealized losses which reflect impaired asset values.

4.2.2. Business combinations

All business combinations are accounted for by applying the purchase method. Goodwill on acquisitions of shares in subsidiaries, associates and joint ventures represents the difference, at acquisition date, between the cost of acquisition and the share of assets, liabilities and contingent liabilities acquired, measured at fair value. Where such goodwill is positive it is recorded in the balance sheet under intangibles in the case of subsidiaries and joint ventures and under "Investments in associates" for associates. Negative goodwill is posted directly to the consolidated income statement under "Other operating income".

The results of companies acquired or sold in the year are included in the consolidated income statement for the period subsequent to the date at which the Group obtains control, or comes to exercise joint control or significant influence, up until the date at which such control, joint control or significant influence ceases.

4.3. Effects of fluctuations in foreign currencies

4.3.1. Translation of financial statements of foreign subsidiaries, joint ventures or associates

The financial statements of foreign companies whose functional currency is not the euro are translated into euros as set out below:

- Assets and liabilities of each balance sheet are translated at foreign exchange rates ruling at balance sheet date;
- Income and expenses in the income statement, and cash flows, are translated at rates approximating the exchange rates ruling at the dates of the transactions;
- The resulting gains and losses on currency translation are recognized in the balance sheet as translation reserve in equity.

No company consolidated by the Group is located in a country experiencing hyperinflation.

4.3.2. Translation of transactions in foreign currencies

Transactions in foreign currencies are accounted for as follows:

- On initial recognition, foreign currency transactions are recognized at the exchange rate at the date of the transaction;

- At each balance sheet date, monetary items are translated at the rate ruling at that date, while non- monetary items measured at historical cost remain translated at the initial rate and those measured at fair value are translated at the exchange rate ruling at the dates the fair value was determined;
- Differences arising on settlement, or on translation of monetary items, are recognized in the income statement under net finance costs.

4.4. Intangible assets

Intangible assets include:

- Goodwill arising on acquisition of shares of subsidiaries and joint ventures, determined according to the method set out in note 4.2.2 above, less any accumulated impairment losses. On an annual basis, or whenever any indicator of possible impairment is observed, goodwill is subject to an impairment test. Impairment is recognized if the recoverable amount of the goodwill falls below its carrying amount. Recoverable amount is the higher of fair value less selling costs and value in use. Value in use is determined on the basis of projected future cash flows discounted to present value, based on the business plans of the companies concerned. Fair value corresponds to the sale price for the company, net of selling costs, that the Group could obtain in a transaction carried out under normal market conditions;
- Software recognized at acquisition cost or production cost and amortized on a straight-line basis over its normal useful life, between one and seven years on a case-by-case basis;
- Rights of use amortized on a straight-line basis over 15 years.

4.5. Property, plant and equipment

Property, plant and equipment is recognized at cost, excluding the cost of normal maintenance, less accumulated depreciation and impairment losses. Where applicable, such cost takes account of revaluations made in 1959 and 1976, which were considered to represent deemed cost in accordance with the option available under IFRS 1.17. The cost of self-constructed assets includes, in particular, the cost of raw materials and direct labour.

Property under construction or development for future use as investment property is classified as property, plant and equipment and recognized at cost until completion of construction or development, at which time it is reclassified as investment property.

Interest on borrowings taken out to finance property, plant and equipment is excluded from the acquisition cost of such assets.

The Group recognizes, within the carrying amount of an item of property, plant and equipment, the replacement cost of components of the asset at the time that this cost is incurred, if it is probable that the future economic benefits related to the asset will flow to the Group and its cost can be measured reliably. All maintenance and repair costs are recognized as expenses at the time they are incurred.

Items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives:

• Improvements to land	20 years
• Terminals	50 years
• Other buildings	40 to 50 years
• Refurbishments of terminals and other buildings	10 to 20 years
• Safety equipment	10 to 20 years
• Terminals operating equipment:	
- Baggage handling	10 years
- Telescopic ramps	20 years
- Stairs, elevators and escalators	25 years
• Tunnels and bridges	45 years
• Landing strips	10 and 50 years
• Roads and signals	10 to 50 years

• Technical installations	5 to 50 years
• Parking facilities	50 years
• Railways	10 to 50 years
• Vehicles	5 years
• Office furniture	7 years
• IT hardware	5 to 7 years
• Transport equipment	7 to 10 years

For calculating depreciation, items of property, plant and equipment are grouped by components which have identical depreciation methods and useful lives.

Land is not depreciated.

The carrying amount of property, plant and equipment is reviewed for impairment whenever events or new circumstances indicate that the carrying amount may not be recoverable, in accordance with the policy described in note 4.7. below.

Property, plant and equipment does not include investment property, which is recorded on a separate line in the balance sheet (see note 4.6 below).

Property, plant and equipment is derecognized when it is disposed of or when no future economic benefits are anticipated from its use or disposal. Any gain or loss resulting from derecognition (calculated as the difference between the net sale proceeds and the carrying amount of the asset) is recognized in the income statement in the year of derecognition.

4.6. Investment property

Investment property are properties (land or buildings — or part of a building) held (under full ownership or under a finance lease) to earn rental income and/or for capital appreciation.

Conversely, buildings occupied by AÉROPORTS DE PARIS for its own use (headquarters, administrative buildings or operating buildings) are not investment property but rather are operating properties which are recognized in the balance sheet under “Property, plant and equipment”.

Vacant buildings not intended for its own use by AÉROPORTS DE PARIS are deemed to be investment property.

Buildings subject to mixed use, in which over 50 percent of the surface area corresponds to the definition of an investment property, are recognized as an investment property for their entire amount.

Investment property is thus recognized on a separate line in the balance sheet and is valued, in accordance with the option provided under IAS 40, at historical cost, i.e., at cost less accumulated depreciation and impairment.

Buildings classified as investment property are amortized on a straight-line basis over useful lives from 20 to 50 years.

The fair value of such buildings, whose amount is shown in note 21, is based on a combined approach using market data and the discounted cash flow generated by the assets.

Rented investment property buildings and lands were valued by discounting their future cash flows to present value, determined on the basis of the current operating conditions of AÉROPORTS DE PARIS.

Land reserves are valued based on an estimated selling price in light of current market conditions. A discount is applied to this valuation to reflect market capacity, over the effective valuation period applicable to such land reserves.

The discount rate applied to the cash flows corresponds to the cost of capital observed for a highly diversified real estate activity. In parallel, a discount for the specific nature of the assets and their geographical concentration is applied to the results.

The various factors used for this approach were estimated according to current market practices. The Group did not deem it necessary to retain an independent expert to perform the valuations.

4.7. Asset impairment

Excepting investment property, inventories and deferred tax assets, the carrying amounts of the Group's assets are reviewed at each balance sheet date for potential impairment. If there is any indication of such impairment, the recoverable amount of the asset is estimated.

With regard to goodwill, intangibles with indefinite useful lives or intangibles which are not yet available for use, the recoverable amount is estimated at each balance sheet date.

An impairment loss is recognized whenever the carrying amount of an asset, or its cash generating unit, is greater than its recoverable amount. Impairment losses are recognized in the income statement.

Impairment losses recognized in respect of cash-generating units are first allocated as a reduction in the carrying amount of any goodwill related to the cash-generating units. Any remaining amount reduces the carrying amounts of the cash-generating unit's other assets on a pro rata basis.

Each cash-generating unit is reviewed for impairment. Such units are aligned with the segments defined in the section on segment information (see note 4.24), i.e.:

- Airport services
- Ground handling and related services
- Real estate
- Other activities

Goodwill and intangible assets with indefinite useful lives were tested for impairment at 1 January 2004, the date of transition to IFRS. In the light of this test, no cash-generating unit's assets were identified as being impaired.

4.7.1 Calculation of recoverable amount

The recoverable amount of the Group's investments in held-to-maturity securities and receivables recognized at amortized cost is equal to the present value of the related estimated future cash flows discounted to present value at the effective interest rate at the date of origination of the financial assets (being the effective interest rate calculated on initial recognition). Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their fair value less selling costs and their value in use. To determine value in use, estimated future cash flows are discounted at a pre-tax rate which reflects the current market perception of the time value of money and the specific risks related to the asset. For assets which do not generate cash independently of other assets, the recoverable amount is calculated for the cash generating unit to which the asset belongs.

4.7.2 Reversals of impairment

An impairment loss on loans and receivables or investments in held-to-maturity securities at amortized cost is reversed if the subsequent increase in recoverable amount can be objectively linked to an event occurring after the recognition of such impairment. Impairment on equity instruments classified as available-for-sale is not written back through the income statement. If the fair value of a debt instrument classified as available-for-sale increases, and the increase can objectively be linked to an event occurring after recognition of the impairment, such impairment is reversed through the income statement.

Impairment recognized in respect of goodwill cannot be reversed. Impairment recognized in respect of other assets is reversed if there is a change in the estimates used to calculate their recoverable amount.

The carrying amount of an asset, increased as a result of reversal of impairment, cannot be greater than the carrying amount which the asset would have had, net of depreciation and amortization, had impairment not been recognized in the first place.

4.8. Investments in associates

In accordance with the policy set out in note 4.2.1, this caption corresponds to the Group's share in the restated equity of associates, as increased by any goodwill on such investments.

4.9 Current and non-current financial assets

Financial assets are recognized at transaction date at their fair value plus directly attributable acquisition costs (except for financial assets that are recognized at fair value through the income statement).

Financial assets are removed from the balance sheet upon expiration of rights to future cash flows or when these rights are transferred to a third party, where the Group has transferred most of the risk and rewards and no longer controls such assets.

On initial recognition, the Group determines how to classify the financial assets, based on the purpose of the acquisition, in one of the four following categories provided for by IAS 39:

4.9.1. Financial assets recognized at fair value through the income statement

As concerns the Group this includes:

- Cash and cash equivalents made up of cash, short-term investments and other liquid or readily convertible instruments with negligible risk of change in value and with maximum maturities of three months at date of acquisition. Investments with maturities of more than three months, as well as frozen or pledged bank accounts are not included in cash. Bank overdrafts are recognized as debt in liabilities;
- Derivative financial instruments not qualified for hedge accounting and with positive fair values

Such financial assets are recognized at fair value through the income statement.

4.9.2. Loans and receivables

For the Group, these are other non-current financial assets including mainly long-term receivables in connection with non-consolidated investments, loans to associates, long-term loans to employees and security deposits.

Such loans and receivables are recognized at amortized cost using the effective rate method. An impairment loss is recognized where their estimated recoverable amount falls below their carrying amount.

4.9.3. Held-to-maturity investments

Such investments are non-derivative financial assets with fixed-rate or determinable payments and maturities set at issue, which the Group intends and is able to hold to maturity. After initial recognition at fair value, they are recognized at amortized cost under the effective interest rate method. Investments held to maturity are monitored objectively for impairment. A financial asset is written down for impairment if its carrying amount is greater than its estimated recoverable amount when an impairment test is performed. The resulting impairment is recognized in the income statement.

At the present time, the Group holds no financial instrument that fits this definition.

4.9.4. Available-for-sale financial assets

These are, for the Group's purposes, non-consolidated investments. At each balance sheet date, they are remeasured at fair value and changes in fair value are recognized in equity. When such investments are derecognized, the cumulative gains and losses previously recognized directly in equity are taken to the income statement.

Fair value for listed shares corresponds to quoted bid price, while unlisted shares are valued by reference to recent transactions or on the basis of a technical valuation using reliable and objective criteria consistent with estimates used by other market players. However, where it is not possible to reasonably estimate the fair value of an investment, it is maintained at historical cost.

4.10. Treasury shares

Treasury shares are recognized at acquisition cost as a deduction from equity. Gains or losses on disposal of such shares are recognized directly through equity without affecting net income. However, the Group holds no treasury shares at this date.

4.11. Debt

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

The effective rate corresponds to the rate which, when used to discount future cash flows related to the instrument, will enable the initial carrying amount of the instrument to be obtained.

Debt maturities due after more than one year are recognized as non-current debt. Debt due for repayment within less than one year is recognized as current debt.

4.12. Derivative financial instruments

In managing interest rate risk on its mid to long-term liabilities, the Group uses derivative financial instruments. These consist mainly 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 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 IAS 39:

- If the derivative is designated as a cash flow hedge, changes in the value of the effective part of the derivative are recorded in equity. 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.

At this time, the Group holds no financial instrument corresponding to this definition.

- 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.

At this time, the Group holds no financial instrument corresponding to this definition.

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 date of origination and at each subsequent balance sheet date.

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.

4.13. Measuring the fair value of financial instruments

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 derivative instruments:

- Quoted prices on an organized market for listed bonds and non-consolidated 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.

4.14. Income taxes

Income tax expense includes current tax expense or income and deferred tax expense or income. Income tax is recognized in the income statement unless it concerns items recognized directly in equity, in which case the tax is recognized in equity.

Deferred tax is determined using the balance sheet liability method, at the most recent tax rates applicable, for all temporary differences between the carrying amounts of assets and liabilities and their tax bases.

The following items do not give rise to deferred taxes:

- taxable temporary differences related to initial recognition of goodwill;
- taxable or deductible temporary differences in connection with initial recognition of an asset or liability in a transaction which does not qualify as a business combination and which affects neither accounting income nor taxable income;
- taxable temporary differences in connection with investments in subsidiaries, where it is probable that they will not be reversed in the foreseeable future, and deductible temporary differences linked to investments in subsidiaries, joint ventures or associates if it is not probable that such differences will be reversed in the foreseeable future or that they can be deducted from any taxable income in the future.

However, restatements of finance leases give rise to deferred tax, even though they affect neither accounting income nor taxable income when initially recognized.

Deferred tax assets and liabilities are measured on the basis of the tax rate anticipated for the periods when the assets will be realized or the liabilities paid, on the basis of tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognized, as applicable, in respect of tax loss carryforwards 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 carryforwards or tax credits can be offset.

Deferred taxes are not discounted to present value.

The tax consolidation group encompassing the parent company AÉROPORTS DE PARIS and four French subsidiaries held at over 95% - ALYZIA AIRPORT SERVICES, SAPSER, LOCMAFER and FINANCIÈRE ASSISTANCE - constitutes a single fiscal entity for the purposes of the above policies.

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.

4.15. Capital grants

Capital grants are recognized under the "Other non-current liabilities" caption.

Amortization of grants through the income statement is over the same period as the depreciation period of the assets in respect of which the grants were received. This amortization is recognized in the income statement under the "Other ordinary operating income" caption.

4.16. Inventories

The initial cost of goods and supplies includes their purchase price and related expenses. Internal and external financing expenses are not included nor are distribution expenses and warehousing costs. Inventories are valued on disposal on the basis of the weighted average cost method.

An impairment loss is recognized when the net realizable value of inventory is less than its initial cost. Net realizable value is the estimated selling price in the normal course of operations, less estimated costs necessary for the sale.

4.17. Trade receivables

Trade receivables are classified under loans and receivables and are recognized at fair value on initial recognition and, subsequently, at amortized cost. Fair value is the nominal value when the period to maturity/settlement is not of material length.

Trade receivables which have not been recovered by more than six months at the balance sheet date (12 months for public sector entities) are transferred to doubtful receivables. The same applies for any receivables remaining unpaid at the date a customer enters receivership or court-ordered liquidation procedures. Impairment is recognized in respect of the non-recoverable portion of such receivables.

Receivables outstanding for less than six months are also taken into account in calculating impairment of trade receivables where the risk of not recovering them is substantial (foreseeable liquidation, foreign customers going out of business, etc.).

Since 1 July 2004, AÉROPORTS DE PARIS no longer enjoys public-sector prerogatives and therefore no longer has access to government enforcement procedures. As a consequence, the only recourse possible is recovery on an amicable basis or court litigation.

4.18. Trade payables

Trade payables are recognized at fair value on initial recognition. They are subsequently recognized at amortized cost.

4.19. Employee benefit obligations

The following employee benefits give rise to provisions for employee benefit commitments recognized in liabilities:

- Post-employment benefits (defined benefit plans):
 - End-of-career bonuses paid at the time of retirement or redundancy for reasons of disability;
 - Pre-retirement benefits as provided by the early retirement plan (PARDA) set up in 1977. Beneficiaries of this plan receive 65% of the remuneration they earned in their last year of active service;
 - Additional pension annuities paid to firefighters under an agreement providing for their retirement at 55;
 - Contributions paid by AÉROPORTS DE PARIS for health insurance for current and future retirees and their heirs and assigns;
- Other long-term benefits:
 - Aeronautics industry long-service awards payable to employees of AÉROPORTS DE PARIS, and the corresponding distinguished service bonuses;

The Group's net obligation with respect to defined benefit plans is measured separately for each plan by estimating the amount of future benefits acquired by staff in exchange for services rendered in the current and prior periods. This amount is discounted to present value and reduced by the fair value of plan's assets. The discount rate used at the balance sheet date is based on first-class bonds the maturity date of which is close to that of the Group's commitments. These calculations are made by a qualified actuary based on the Projected Unit Credit Method.

All actuarial gains and losses, as at 1 January 2004, the date of transition to IFRS, have been recognized. As for actuarial gains and losses arising since that date, in order to determine the Group's obligation under a plan, the fraction of cumulative unrecognized actuarial gains and losses in excess of 10% of the greater of: 1) the present value of the obligation under the defined benefit plan and 2) the fair value of the plan's assets, is amortized through the income statement over the expected average remaining working lives of employees entitled to the plan's benefits. Where the net obligation represents an asset for the Group, the amount recognized for such an asset cannot exceed the net total amount of:

- Cumulative net unrecognized actuarial losses and unrecognized past service cost, and
- The present value of all future reimbursements to be made by the plan or decreases in future contributions to be made to the plan.

Actuarial assumptions used are set out in note 11.

4.20. Provisions

A provision is recognized where the AÉROPORTS DE PARIS Group has a present legal or constructive obligation resulting from a past event, when it is probable that an outflow of resources embodying financial benefits will be necessary to extinguish the obligation and the amount of the obligation can be reliably estimated.

Provisions are estimated on the basis of the most probable assumptions at the balance sheet date. When the time value of money is a significant factor, the provision is determined by discounting future cash flows at a pre-tax rate reflecting the market's perception of the time value of money, and where appropriate by factoring in the specific risk relating to the liability.

4.21. Lease agreements

The existence of a lease within an agreement is evidenced on the basis of the substance of the agreement. It must be determined whether the performance of the agreement depends on the use of one or several specific assets and whether the agreement grants the right to use such asset(s).

4.21.1. Lease agreements in the financial statements where the Group is lessee

Finance lease agreements, which transfer to the Group substantially all the risks and rewards inherent 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 apportioned between financial expenses and the reduction of the outstanding liability to obtain a constant periodic interest rate on the outstanding balance. Financial expenses are recorded directly in the income statement. Assets under finance lease agreements are depreciated over the shorter of two periods: their useful life, or the length of the lease agreement if the Group is not reasonably certain to obtain full ownership of the asset at the end of the lease. Payments for operating leases are recognized as expenses on a straight-line basis until their termination dates.

4.21.2. Lease agreements in the financial statements where the Group is lessor

In accordance with IAS 17, an asset made available to a third party under a finance lease (unlike an operating lease) is not recognized in the balance sheet as property, plant and equipment. It is recognized as a receivable and valued by discounting the future cash flows generated by the asset.

An asset is recognized as being held under a finance lease where the lease transfers to the lessee substantially all the risks and rewards inherent to ownership. The following criteria enter into this definition:

- the leased assets are of such a specialised nature that only the lessee can use them without major modifications;
- the lease term is for the major part of the economic life of the asset even if title is not transferred;
- at the inception of the lease the present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased asset;
- the lessee's implicit obligation to renew the lease at the end of the lease period.

Other lease agreements under which the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Indirect costs initially disbursed when negotiating the operating leases are added to the book value of the leased asset and accounted for over the lease period on the same basis as lease income.

4.22. Revenue recognition

4.22.1. Sales of goods and services rendered

Revenue from the sale of goods is recognized in the income statement when the significant risks and rewards related to ownership of the assets are transferred to the buyer.

Revenues from services rendered are recognized in the income statement on the basis of the percentage of completion of the service at the balance sheet date. The percentage of completion is assessed by reference to the work performed.

No revenue is recognized where there is significant uncertainty as to the following:

- Recovery of the consideration due,
- Costs incurred or to be incurred in respect of the service, or
- The possibility of returned goods if the buyer has the right to cancel the order, and where the Group remains involved in managing the goods.

4.22.2. Rental income

Rental income from investment property is recognized on a straight-line basis over the entire duration of the lease.

4.22.3. Airport taxes

The conditions for determining the tax base and collection of airport taxes are laid down in the 1999 Finance Act in sections 51 and 136 (General Tax Code, sections 302 bis K and 1609 *quater*). Section 1609 states in particular (free translation from French original text) “the proceeds of the tax are allocated to each airport for financing security-firefighting-rescue services, bird hazard prevention, safety and environmental control measures”.

Sections L251-2 and L282-8 of the Civil Aviation Code defines the role of AÉROPORTS DE PARIS as regards safety and security, and the corresponding operating expenses are recorded as they arise, while the proceeds are recognized as revenues.

When the cumulative amount of the tax received is greater than the cumulative amount of expenses recognized, the surplus amount received is recognized as deferred income.

4.23. Net finance costs

Net financial costs include interest payable on borrowings, calculated using the effective interest rate method, interest receivable on investments, other dividend income, and gains and losses on foreign exchange and on hedging instruments which are recognized in the income statement.

Interest income is recognized in the income statement, when earned, using the effective interest rate method.

Dividend income is recognized in the income statement when the Group acquires the right to receive such payments. For listed shares, this corresponds to the coupon date.

Interest expense included in payments made under a finance lease is recognized using the effective interest rate method.

4.24. Segment reporting

The AÉROPORTS DE PARIS Group has defined its primary reporting segments as being business segments. Each segment is a distinct part of the Group operating either in the supply of goods and related services (business segment), or the supply of goods and services in a specific economic environment (geographical segment), where the margins and risk exposure are different from other sectors.

The reporting business segments are the following:

- **Airport services:** this segment includes all goods and services provided by the Group, either necessary or related to handling aircraft on airport grounds or passenger flows and accompanying employees within the Group's operating areas. Airport services encompasses airport fees, rental income related to aircraft and passengers, shop income, and airport taxes;
- **Ground handling and related services:** this includes all goods and services provided to airline companies in the context of on-the-ground assistance, as listed in the appendix to EU directive 96/67CE relating to ground handling services in airports within the European Union, which provisions are reiterated in sections R 216-1 *et seq.* of the Civil Aviation Code, and certain other services;
- **Real estate:** this segment includes all the Group's goods and services related to property leasing with the exclusion of operating leases within airport terminals, which are related to aircraft and passenger handling, and therefore part of "Airport services";
- **Other activities:** these are all goods and services provided mainly by subsidiaries of the AÉROPORTS DE PARIS Group and which are not part of the above segments, as well as certain diversified activities.

The performance of each of these segments is assessed with regard to their operating income, their assets and their investments. Segment operating income is calculated before headquarters expenses, as stipulated in paragraph 16 of IAS 14.

When reporting segment information, the AÉROPORTS DE PARIS Group does not present secondary segment reporting in respect of geographical segments because the Group's business is concentrated in the greater Paris region. It does however provide additional information concerning operating income, assets and investments relating to the Paris airports, Orly and Paris-Charles de Gaulle, where the Group's operations are carried out.

The prices applied for transfers among different business segments reflect the prices in a normal competitive operating environment, as for transactions among third parties. Each segment's revenue, expenses and operating income include transfers among business segments, and such transfers are eliminated on consolidation.

4.25. Tax on airport noise (TNSA)

As part of the preventive measures against airport noise pollution, the Civil Aviation Authorities collect this tax from airline companies and passes it on to AÉROPORTS DE PARIS.

Since 1 January 2004, AÉROPORTS DE PARIS has been in charge of managing these subsidies and, on behalf of the French State, pays the allocated financial assistance to the citizens of the outlying areas. For this service, AÉROPORTS DE PARIS is compensated for the expenses incurred in managing this tax.

Note 5 - First-time adoption of IFRS

Impact on equity:

<i>(in thousands of euro)</i>	01/01/04	31/12/04	01/01/05
French standards	1,477,205	1,544,899	1,833,664
Impact of IFRS:			
-IAS 16 - Property, Plant and Equipment (a)	423,227	435,091	-
-IAS 17 - Finance Leases (b)	45,208	45,714	45,714
-IAS 19 - Employee benefits (c)	(1,404)	(1,078)	(1,078)
-IAS 28 - Investments in associates (d)	1,014	1,804	1,804
-IAS 38 - Intangible assets (e)	6,500	9,571	-
-IAS 32 & 39 - Financial instruments (h)	-	-	6,362
-IFRS 1 - First-time adoption of IFRS (f)	(26,840)	(24,189)	(24,189)
-IFRS 3 - Business combinations (g)	-	60	60
Effect of deferred tax	(162,146)	(163,092)	(7,736)
IFRS	1,762,764	1,848,780	1,854,601

Impact on net income for the period:

<i>(in thousands of euro)</i>	2004
French standards	131,940
Impact of IFRS:	
-IAS 16 - Property, Plant and Equipment (a)	11,863
-IAS 17 - Finance Leases (b)	507
-IAS 19 - Employee benefits (c)	326
-IAS 28 - Investments in associates (d)	935
-IAS 38 - Intangible assets (e)	3,070
-IFRS 1 - First-time adoption of IFRS (f)	2,371
-IFRS 3 - Business combinations (g)	60
Effect of deferred tax	(946)
IFRS	150,126

All figures mentioned below are before tax.

(a) IAS 16 – Property, plant & equipment

Retrospective application of IAS 16 gave rise mainly to the separate identification of new components of infrastructure (surfacing for landing strips and roads) and networks (electrical and thermal) as well as the lengthening of useful lives of property, plant and equipment (terminal infrastructure and parking facilities). The Group considers that these new lives reflect better the pace of consumption of the future benefits related to these assets.

The impact of longer useful lives amounts to a 423,227 thousand euro increase in opening equity at the beginning of the 2004 and a 11,863 thousand euro increase in net income for 2004. The impact on equity at the beginning of the year can be broken down as follows:

- Decrease in accumulated depreciation of assets	+426,783 thousand euros
- Increase of capital grants in liabilities	-3,395 thousand euros
- Other increases in liabilities	-160 thousand euros

(b) IAS 17 – Leases

In its capacity as lessee, AÉROPORTS DE PARIS already recognized certain assets as items of property, plant and equipment held under finance leases. As lessor, two agreements were reclassified as finance leases (Air France Hangars H4 Charles de Gaulle and Orly H6) and have now been reclassified into financial receivables. The impact on equity at 1 January 2004 amounted to 45,208 thousand euros, while the effect on net income for that year was 507 thousand euros.

(c) IAS 19 – Employee benefits

Application of IAS 19 led to recognizing some additional employee benefits in respect of obligations of subsidiaries (a negative 1,404 thousand euro impact on opening equity, and a positive 326 thousand euro impact on net income for 2004).

(d) IAS 28 – Investments in associates

In accordance with IAS 28, accounting for 25.5% of SETA (Mexico) by the equity method henceforth takes account the latter's 15% holding in GACN, over which it has substantial influence.

(e) IAS 38 – Intangible assets

Application of IAS 38 led to derecognition of AÉROPORTS DE PARIS's contribution of its clientele to its subsidiary Hub Telecom (3,709 thousand euros reduction in opening equity and an increase of 3,709 thousand euros in 2004 net income).

In addition, the lengthening of the useful lives of intangible assets to better match their actual lives led to a 10,210 thousand euro increase in opening equity and 639 thousand euros of additional amortization in 2004.

(f) IFRS 1 – First-time adoption of International Financial Reporting Standards

Under the option available to first-time adopters under IFRS 1, cumulative actuarial gains and losses were recognized as at 1 January 2004 and the amortization thereof as from 1 January 2004 will be in respect of actuarial gains and losses arising after that date.

(g) IFRS 3 – Business combinations

According to IFRS 3, goodwill is not amortized but is subject to an annual impairment test.

The Group chose to retain, at 1 January 2004, the exception offered under IFRS 1 to retrospective restatement of previous amortizations. On this basis only amortization of goodwill recognized in 2004 was cancelled, and the results of the financial years presented no longer contain amortization.

(h) IAS 32 & 39 – Financial instruments

Applying IAS 32 & 39 concerning financial instruments, the Group carried out the following restatements with effect at 1 January 2005:

- accounting for BCIA shares at fair value (positive impact of 4,791 thousand euros on equity)
- accounting for debt at amortized cost (positive impact of 555 thousand euros on equity);
- valuing derivative instruments at fair value, mainly swaps (positive impact of 598 thousand euros on equity);
- valuing financial assets at fair value, mainly investments in SICAV mutual funds (positive impact of 418 thousand euros on equity).

The impact of the new standards on the financial statements is presented in the following transitions tables:

Transition to IFRS: 2004 consolidated income statement

Notes		5(a) & 5(e)	5(b)	5(e)	5(f)			
(in thousands of euro)	2004	Reclassifications and restatements						2004
	French standards	Reclassifications	Restate-ments IAS 16 & 38 (Deprec & amort periods)	Restate-ments IAS 17 (Finance leases)	Restate-ments IAS 38 (Intang-ible assets)	Restate-ments IFRS 1	Restate-ments Other	IFRS
INCOME STATEMENT								
<i>Caption under French standards / IFRS</i>								
Sales/ Revenue	1,820,857	-		(9,131)			-	1,811,726
Other operating income /								
Other ordinary operating								
income	132,992	(114,153)			(712)	(280)	(1)	17,846
Own work capitalized	-	46,580					-	46,580
Changes in finished goods								
inventories	-	(330)					-	(330)
Raw materials and								
consumables used	(100,576)	(8)					-	(100,584)
Personnel expenses /								
Employee benefits costs . . .	(549,785)	(2,767)				2,651	326	(549,575)
Other operating expenses /								
Other ordinary operating								
expenses	(571,671)	(127,748)		1,455	4,421		60	(693,483)
Taxes other than income								
taxes	(95,133)	95,133					-	-
Depreciation, amortization								
and provisions /								
Depreciation and								
amortization	(329,472)	64,093	11,224	1,706			3	(252,446)
Impairment of assets,								
net	-	20,708					-	20,708
Net allowances to								
provisions	-	(9,489)					-	(9,489)
Operating income/								
Operating income from								
ordinary activities	307,212	(27,981)	11,224	(5,970)	3,709	2,371	388	290,953
Other operating revenues								
and expenses	-	(16,199)					-	(16,199)
Operating income	307,212	(44,180)	11,224	(5,970)	3,709	2,371	388	274,754
Net finance costs	(94,044)	18,242		6,477			(1)	(69,326)
Share in earnings of								
associates	-	8,290					935	9,225
Non-recurring income and								
expenses	(25,878)	25,878					-	-
Income before tax	187,290	8,230	11,224	507	3,709	2,371	1,322	214,653
Income tax expense	(63,580)	-	537	(174)		(1,180)	(130)	(64,527)
Share in earnings of								
associates	8,290	(8,290)					-	-
Amortization of goodwill . . .	(60)	60					-	-
Net income for the								
period	131,940	-	11,761	333	3,709	1,191	1,192	150,126
Net income attributable to								
minority interests	6,069	-					(1)	6,068
Net income attributable to								
equity holders of the								
parent	125,871	-	11,761	333	3,709	1,191	1,193	144,058

Transition to IFRS: consolidated balance sheet at 31 December 2004:

Notes		5(a) & 5(e)	5(b)	5(e)	5(f)			
ASSETS	At 31.12.2004 French standards	Reclassifications and restatements						At 31.12.2004 IFRS
Caption under French standards / IFRS		Reclass- ifications	Restate- ments	Restate- ments	Restate- ments	Restate- ments	Restate- ments	
			IAS 16 & 38	IAS 17	IAS 38	IFRS 1	Other	
			(Deprec & amortiz Periods	(Finance leases)	(Intang- ible assets)			
(in thousands of euro)								
Goodwill	37	(37)					-	-
Intangible assets	11,289	(49)	9,571				60	20,871
Property, plant and equipment ..	4,116,448	(324,330)	438,646				-	4,230,764
Investment property		324,419		(17,786)			-	306,633
Investments in associates	27,522	(2)					1,804	29,324
Non-consolidated investments ..	75,320	(75,320)					-	-
Other financial fixed assets / Other non-current financial assets	49,719	38,973		56,300			-	144,992
Deferred tax assets		(7,079)				8,329	216	1,466
Non-current assets	4,280,335	(43,425)	448,217	38,514	-	8,329	2,080	4,734,050
Inventories	4,793	1					-	4,794
Trade receivables	336,493	(1)					-	336,492
Other receivables and prepaid expenses	336,971	(148,393)					-	188,578
Other current financial assets ...		38,464		7,200			-	45,664
Current tax assets		35,467					-	35,467
Marketable securities	148,786	(148,786)					-	-
Cash / Cash and cash equivalents	24,688	148,786					-	173,474
Current assets	851,731	(74,462)	-	7,200	-	-	-	784,469
TOTAL ASSETS	5,132,066	(117,887)	448,217	45,714	-	8,329	2,080	5,518,519

Notes		5(a) & 5(e)	5(b)	5(e)	5(f)			
EQUITY AND LIABILITIES	At 31.12.2004 French standards	Reclassifications and restatements						At 31.12.2004 IFRS
Caption under French standards / IFRS		Reclass- ifications	Restate- ments	Restate- ments	Restate- ments	Restate- ments	Restate- ments	
			IAS 16 & 38	IAS 17	IAS 38	IFRS 1	Other	
			(Deprec & amortiz Periods	(Finance leases)	(Intang- ible assets)			
(in thousands of euro)								
Share capital	256,085							256,085
Translation reserve	(5,297)	4,465					(145)	(977)
Consolidated reserves / Retained earnings	1,168,240	(4,464)	277,004	29,640	(3,709)	(17,051)	(46)	1,449,614
Net income for the period	125,871		11,761	333	3,709	1,191	1,193	144,058
Equity	1,544,899	1	288,765	29,973	-	(15,860)	1,002	1,848,780
Provisions for risk and charges	404,394	(404,394)					-	-
Long-term debt / non-current debt	2,507,140	(202,665)					-	2,304,475
Provisions for employee benefit obligations (more than one year)		335,998				24,189	1,078	361,265
Other non-current provisions ...		1,532					-	1,532
Deferred tax liabilities		(115,236)	155,897	15,741			-	56,402
Other non-current liabilities		32,812	3,555				-	36,367
Non-current liabilities	2,911,534	(351,953)	159,452	15,741	-	24,189	1,078	2,760,041
Trade payables	216,557	188,960					-	405,517
Other liabilities and deferred income	459,076	(227,448)					-	231,628
Short-term debt / current debt ...		202,779					-	202,779
Provisions for employee benefit obligations (less than one year)		28,191					-	28,191
Other current provisions		38,671					-	38,671
Current tax payables		2,912					-	2,912
Current liabilities	675,633	234,065	-	-	-	-	-	909,698
TOTAL EQUITY AND LIABILITIES	5,132,066	(117,887)	448,217	45,714	-	8,329	2,080	5,518,519

The following reconciliation summarizes the main impacts on the consolidated balance sheet of application of IAS 32 & IAS 39 at 1 January 2005:

Notes		(h-1)	(h-2)	(h-3)		
ASSETS				Restatement of derivatives		
(in thousands of euro)	At 31.12.04 without IAS 32/39	Restatement of assets	Restatement of debt	Derivatives which do not qualify as hedges	Derivatives which qualify as fair value hedges	At 01.01.05 including impact of IAS 32/39
Intangible assets	20,871	-	-	-	-	20,871
Property, plant and equipment	4,230,764	-	-	-	-	4,230,764
Investment property	306,633	-	-	-	-	306,633
Investments in associates	29,324	-	-	-	-	29,324
Other non-current financial assets	144,992	4,791	-	-	-	149,783
Deferred tax assets	1,466	-	-	-	-	1,466
Non-current assets	4,734,050	4,791	-	-	-	4,738,841
Inventories	4,794	-	-	-	-	4,794
Trade receivables	336,492	-	-	-	-	336,492
Other receivables and prepaid expenses	188,578	-	(7,910)	-	-	180,668
Other current financial assets	45,664	-	-	442	77,653	123,759
Current tax assets	35,467	-	-	-	-	35,467
Cash and cash equivalents	173,474	418	-	-	-	173,892
Current assets	784,468	418	(7,910)	442	77,653	855,071
TOTAL ASSETS	5,518,519	5,209	(7,910)	442	77,653	5,593,913

Notes		(h-1)	(h-2)	(h-3)		
EQUITY AND LIABILITIES				Restatement of derivatives		
(in thousands of euro)	At 31.12.04 without IAS 32/39	Restatement of assets	Restatement of debt	Derivatives which do not qualify as hedges	Derivatives which qualify as fair value hedges	At 01.01.05 including impact of IAS 32/39
Share capital	256,085	-	-	-	-	256,085
Translation reserve	(977)	-	-	-	-	(977)
Fair value reserve	-	(77)	-	-	-	(77)
Retained earnings	1,449,614	5,142	365	391	-	1,455,512
Net income for the period . . .	144,058	-	-	-	-	144,058
Equity	1,848,780	5,065	365	391	-	1,854,601
Non-current debt	2,304,475	-	(7,137)	(9,705)	73,158	2,360,791
Provisions for employee benefit obligations (more than one year)	361,265	-	-	-	-	361,265
Other non-current provisions	1,532	-	-	-	-	1,532
Deferred tax liabilities	56,402	144	191	206	-	56,943
Other non-current liabilities	36,367	-	-	-	-	36,367
Non-current liabilities	2,760,041	144	(6,946)	(9,499)	73,158	2,816,898
Trade payables	405,517	-	-	-	-	405,517
Other liabilities and deferred income	231,629	-	(1,329)	-	(2,794)	227,506
Current debt	202,779	-	-	9,550	7,289	219,618
Provisions for employee benefit obligations (less than one year)	28,191	-	-	-	-	28,191
Other current provisions	38,671	-	-	-	-	38,671
Current tax payables	2,912	-	-	-	-	2,912
Current liabilities	909,697	-	(1,329)	9,550	4,495	922,413
TOTAL EQUITY AND LIABILITIES	5,518,519	5,209	(7,910)	442	77,653	5,593,913

(h-1) Restatement of assets

BCIA shares classified as available-for-sale financial assets were valued at fair value as compared to acquisition cost; this gave rise to a loss of 77 thousand euros in the fair value reserve. The provision for impairment of the shares, recognized on the basis of value in use under French GAAP, was reversed through “Retained earnings” for an amount of 4,868 thousand euros.

Money-market UCITS classified under “Cash and cash equivalents” were measured at fair value. The revaluation of 418 thousand euros at 1 January 2005 was recognized in “Retained earnings”.

(h-2) Restatement of bonds at amortized cost

Under IFRS, transaction costs and issue premiums directly linked to issues of financial liabilities are initially recognized as a reduction in the liability in the context of their recognition at amortized cost using the effective interest rate method. At 1 January 2005, the impact of this restatement led to a decrease in debt of 7,137 thousand euros.

(h-3) Derivatives which qualify, and which do not qualify, as hedging instruments

The Group uses derivatives, namely interest rate swaps and cross-currency swaps, to hedge part of its debt. These derivatives are eligible for hedge accounting at fair value because they are matched with

an identifiable fixed-rate debt. The change in fair value of the derivative recognized in net finance costs is thus offset by the change in value of the hedged debt, which is also recognized in net finance costs. Under hedge accounting at fair value, debt was revalued by 73,158 thousand euros at 1 January 2005.

At 1 January 2005, the fair value of the swaps was recorded at 78,095 thousand euros in assets and 16,839 thousand euros in liabilities.

A cross-currency swap (variable-rate lender in USD and variable-rate borrower in euros) is perfectly effective as a hedge against exchange rate risks on a variable-rate liability denominated in US dollars. Under French GAAP, the USD debt was accounted for at the hedged rate. Under IFRS, the USD debt is revalued at the closing rate through the income statement, the cross currency swap which does not qualify for recognition as a hedge, is recognized in the balance sheet at fair value through income. At 1 January 2005, the cross currency swap is recorded under liabilities at 9,550 thousand euros, while symmetrically, the debt was revalued at the closing rate, lowering it by 9,705 thousand euros.

In addition, the primary impact of transition to IFRS on the consolidated cash flow statement is the reclassification out of free cash flow from operating activities of the income tax expense and of net expenses on debt, which latter items are now classified under cash flows from financing activities. Therefore, in 2004, free cash flow from operating activities increased from 394,153 thousand euros under French GAAP to 543,477 thousand euros under IFRS.

Note 6 - Management accounting figures

<i>(in thousands of euro)</i>	<i>Notes</i>	2005	2004	% change 2005 / 2004
Revenue	8	1,914,580	1,811,726	+5.7%
Own work capitalized and changes in finished goods inventories		47,321	46,250	+2.3%
Gross activity for the year		1,961,901	1,857,976	+5.6%
Raw materials and consumables used		(106,206)	(100,584)	+5.6%
External services and charges	12	(522,766)	(519,979)	+0.5%
Value added		1,332,929	1,237,413	+7.7%
Employee benefits costs	11	(611,498)	(549,575)	+11.3%
Taxes other than income taxes	12	(114,807)	(94,269)	+21.8%
Other operating expenses	12	(47,982)	(79,234)	-39.4%
Other ordinary operating income	9	12,258	17,846	-31.3%
Impairment of receivables, net	13	16,745	20,093	-16.7%
Net allowances to provisions	13	4,715	(9,489)	-149.7%
EBITDA		592,361	542,784	+9.1%
Depreciation and amortization	13	(262,171)	(252,446)	+3.9%
Impairment of non-current assets, net	13	1,047	615	+70.2%
Operating income from ordinary activities		331,237	290,953	+13.8%
Other operating income and expenses	14	23,462	(16,199)	-244.8%
Operating income		354,699	274,754	+29.1%
Net finance costs	15	(82,539)	(69,326)	+19.1%
Share in earnings of associates	16	2,868	9,225	-68.9%
Income before tax		275,029	214,653	+28.1%
Income tax expense	17	(95,092)	(64,526)	+47.4%
Net income for the period		179,937	150,126	+19.9%
<i>Net income attributable to minority interests</i>		-	6,068	-100.0%
<i>Net income attributable to equity holders of the parent</i>		179,937	144,058	+24.9%

Note 7 - Segment reporting

7.1 Primary segment

Revenue and income of the AÉROPORTS DE PARIS Group are broken down as follows:

<i>(in thousands of euro)</i>	2005					Total
	Airport services	Ground handling & other services	Real estate	Other activities	Inter-segment eliminations	
Revenue	1,600,606	167,851	162,124	199,846	(215,847)	1,914,580
- generated with third parties	1,502,707	128,168	118,356	165,349		1,914,580
- inter-segment revenues	97,899	39,683	43,768	34,497	(215,847)	0
Depreciation and amortization	(215,430)	(3,025)	(32,499)	(11,393)	321	(262,026)
Other non-cash income and expenses	13,281	1,125	3,843	2,971	(827)	20,393
Operating income from ordinary activities (excluding expenses which cannot be allocated by segment)	377,447	(10,945)	34,406	16,169	(480)	416,597
Operating income (excluding expenses which cannot be allocated by segment)	403,387	(12,154)	33,802	16,106	(480)	440,661
Share in earnings of associates		(286)	2,034	1,120		2,868
Head office expenses						(85,477)
Other expenses which cannot be allocated by segment						(484)
Net finance costs						(82,539)
Income tax expense						(95,092)
Net income for the period						179,937

<i>(in thousands of euro)</i>	2004					Total
	Airport services	Ground handling & other services	Real estate	Other activities	Inter-segment eliminations	
Revenue	1,498,321	168,445	158,289	170,663	(183,992)	1,811,726
- generated with third parties	1,399,829	144,390	115,584	151,923		1,811,726
- inter-segment revenues	98,492	24,055	42,705	18,740	(183,992)	0
Depreciation and amortization	(203,431)	(3,065)	(35,495)	(10,570)	321	(252,240)
Other non-cash income and expenses	1,506	52	4,407	5,547	(450)	11,062
Operating income from ordinary activities (excluding expenses which cannot be allocated by segment)	324,506	(4,678)	38,151	15,063	(1,229)	371,813
Operating income (excluding expenses which cannot be allocated by segment)	308,307	(4,678)	38,151	15,063	(129)	356,714
Share in earnings of associates	0	658	5,829	2,738	0	9,225
Head office expenses						(81,292)
Other expenses which cannot be allocated by segment						(669)
Net finance costs						(69,326)
Income tax expense						(64,526)
Net income for the period						150,126

The Group's assets and liabilities and its capital investment, can be broken down as follows by business segment:

<i>(in thousands of euro)</i>	At 31 December 2005					
	Airport services	Ground handling and other services	Real estate	Other activities	Inter-segment eliminations	Total
Assets allocated by segment	4,693,019	51,696	578,648	130,696	(45,743)	5,408,316
<i>(of which investments in associates)</i> . . .			5,674	13,737		19,411
Non-allocated assets						660,465
Total assets						6,068,781
Liabilities allocated by segment	868,254	120,748	98,109	58,206	(47,687)	1,097,630
<i>(of which investments in associates)</i> . . .			802			802
Non-allocated liabilities						2,940,424
Equity						2,030,727
Total equity and liabilities						6,068,781
Capital investments by segment	525,606	2,725	33,559	17,035	0	578,925

<i>(in thousands of euro)</i>	At 31 December 2004					
	Airport services	Ground handling & other services	Real estate	Other activities	Inter-segment eliminations	Total
Assets allocated by segment	4,364,395	64,792	584,754	165,615	(54,820)	5,124,736
<i>(of which investments in associates)</i>		9,565	4,370	15,391		29,326
Non-allocated assets						393,783
Total assets						5,518,519
Liabilities allocated by segment	818,828	103,688	96,380	67,632	(57,022)	1,029,506
<i>(of which investments in associates)</i>			1,531			1,531
Non-allocated liabilities						2,640,233
Equity						1,848,780
Total equity and liabilities						5,518,519
Capital investments by segment	511,376	473	23,593	16,474	0	551,916

7.2. Additional information

The table below sets out additional information regarding the results, assets and capital investment in the airport hubs that form an integral part of the Airport services segment:

<i>(in thousands of euro)</i>	2005				2004			
	CDG	Orly	Other	Total Segment	CDG	Orly	Other	Total Segment
Revenue	1,151,869	420,865	27,872	1,600,606	1,074,834	400,321	23,166	1,498,321
Depreciation and amortization	(160,739)	(49,636)	(5,055)	(215,430)	(156,288)	(43,763)	(3,381)	(203,431)
Other non-cash income and expenses	10,515	2,226	540	13,281	(8,807)	10,357	(44)	1,506
Operating income from ordinary activities (excluding expenses which cannot be allocated by segment)	312,947	70,297	(5,797)	377,447	255,166	72,130	(2,791)	324,506
Operating income (excluding expenses which cannot be allocated by segment)	341,943	67,476	(6,032)	403,387	238,967	72,130	(2,791)	308,307
Capital investment	450,963	65,090	9,553	525,606	427,386	79,240	4,750	511,376

Note 8 - Revenue

At 31 December 2005, the breakdown of the Group's revenue was as follows:

<i>(in thousands of euro)</i>	2005	2004
Principal airport fees	621,527	580,428
Special airport fees	90,250	75,337
Retail income	256,261	246,936
Car parks and access income	135,457	120,310
Industrial services revenue	60,959	58,220
Airport taxes	308,773	298,200
Rentals income	168,870	156,640
Ground-handling	128,106	144,381
Other revenue	144,377	131,275
Total	1,914,580	1,811,726

Revenue broken down by company were as follows:

<i>(in thousands of euro)</i>	Individual accounts revenues	Eliminations & restatements	Contributions 2005	Contributions 2004
AÉROPORTS DE PARIS	1,814,931	(62,529)	1,752,402	1,657,556
ADP INGÉNIERIE	27,460	(620)	26,840	26,107
ADP MANAGEMENT	7,867	(420)	7,447	2,691
HUB TÉLÉCOM / SERTA (1)	71,322	(31,439)	39,883	39,404
ALYZIA AIRPORT SERVICES	19,086	(19,051)	35	636
ALYZIA HANDLING	23,007	(19,281)	3,726	3,022
SAPSER	27,932	(25,260)	2,672	7,661
ALYZIA SURETE	27,475	(27,088)	387	14
LOCMASER	4,932	(4,069)	863	590
AVIANCE FRANCE	7,915	(7,915)	-	-
ALYZIA RAMP ASSISTANCE	7,219	(7,200)	19	-
SOCIÉTÉ DE DISTRIBUTION AÉROPORTUAIRE (2)	80,306		80,306	74,045
Total	2,119,452	(204,872)	1,914,580	1,811,726

(1) SERTA was absorbed by HUB TÉLÉCOM with effect from 1 January 2005

(2) As SOCIÉTÉ DE DISTRIBUTION AÉROPORTUAIRE is consolidated using the proportional method, the amounts shown on this line only represent 49% of this entity's revenue.

Note 9 - Other ordinary operating income

Other ordinary operating income is broken down as follows:

<i>(in thousands of euro)</i>	2005	2004
Capital grants recognized in the income statement	1,774	3,358
Capital gains on asset disposals	1,787	1,075
Other income	8,697	13,413
Total	12,258	17,846

Capital gains on asset disposals in 2005 were made up primarily of the capital gain on the sale of shares in FRANCE HANDLING, being 1,778 thousand euros before tax.

Note 10 - Own work capitalized

Own work capitalized is broken down as follows:

<i>(in thousands of euro)</i>	2005	2004
Costs of studies and supervision of works	42,372	44,346
Other	4,744	2,234
Total	47,116	46,580

The "Cost of studies and supervision of works" caption corresponds to the capitalization of internal expenses, mainly in respect of labour costs.

Note 11 - Employee benefits costs

11.1. Personnel expenses

Personnel expenses are broken down as follows:

<i>(in thousands of euro)</i>	2005	2004
Salaries and wages	397,001	372,322
Social security contributions	175,436	164,090
Employee profit sharing	26,784	13,372
Allowances to provisions for employee benefit obligations	36,482	31,800
Reversals of provisions for employee benefit obligations	(24,205)	(32,010)
Total	611,498	549,575

Changes in personnel expenses in comparison with the previous period, being an 11.3% increase, were due in particular to the following factors:

- Salary increases granted + 1.8 %
- Changes in GVT (increases related to seniority and technical level of employees) + 1.0 %
- Change in average number of employees on a like-for-like basis + 2.9 %
- Employee profit sharing due for the first time by the parent company (see note 3.1.4) + 2.2 %
- Entry of AVIANCE FRANCE and ALYZIA RAMP ASSISTANCE into the scope of consolidation + 3.8 %

The number of employees at the end of the period was as follows:

	2005	2004
Management	1,502	1,388
Supervisors	5,149	5,123
Other employees	4,037	3,710
Total number of employees	10,688	10,221
<i>Of which</i> ADP	7,955	8,172
ADP INGÉNIERIE	197	162
ADP MANAGEMENT	21	15
ALYZIA group	2,074	1,485
HUB TÉLÉCOM	239	203
SDA (49%)	202	184

The average number of employees over all categories was as follows:

	2005	2004
Average number of employees	10,294	9,652

11.2. Long-term employee benefits

11.2.1. Description of benefits

a. End-of-career bonuses (lump-sum retirement benefits)

In accordance with Article 32 of the by-laws applicable to personnel, a lump sum is paid to employees of AÉROPORTS DE PARIS upon retirement, and to staff members made redundant for disability reasons (by decision of the Social Security authorities).

Provisions for such benefits correspond to the cumulative sum of vested employee rights in this respect.

b. Agreement for early retirement (PARDA program)

A program for early retirement was put in place by AÉROPORTS DE PARIS on 1 January 1977.

The first agreement was entered into on 7 December 1976 for three years and subsequently renewed four times. The most recent agreement, "PARDA IV" came into force on 1 January 1996 for four years. It was first amended in 1997 and a second time on 18 February 2000, extending the program until 28 February 2005.

The following conditions must be met to benefit from the program:

- To be at least 55 years old at the desired time of departure,
- To have less than 20 remaining quarters to complete under French Social Security regulations in order to qualify for full retirement benefits.
- To have minimum seniority of 10 years service with AÉROPORTS DE PARIS.

Beneficiaries receive a pre-retirement annuity equal to 65% of their remuneration in their last year of service.

Persons wishing to benefit from the PARDA plan in 2005 made this known before the end of 2004, on account of the required notice period.

c. Firefighters' retirement plan

A permanent agreement provides for early retirement for firefighters at 55 years of age.

The plan is supplemented by an insurance policy that enables firefighters, after claiming their retirement benefits from the French Social Security system and their additional pension rights, to obtain total annual income equal to their pre-retirement benefits. This additional payment takes the form of a pension paid by an insurance company.

The provision for this plan corresponds to the valuation of the capital sum required to guarantee this pension for employees currently in active service.

d. Health insurance

Employees of AÉROPORTS DE PARIS can subscribe to four different mutual health insurance companies (two of them cover 90% of employees).

AÉROPORTS DE PARIS contributes 35% of the premiums for active employees. It also contributes 100% of the basic health insurance plan for retirees and those having opted for pre-retirement.

e. Aeronautics industry long-service award ("Médaille d'honneur")

AÉROPORTS DE PARIS finances long-service awards for its employees. The obligation is calculated, case-by-case, on the basis of the probability that the individual will reach the required seniority level before retirement.

f. Long-term benefits for employees of subsidiaries

Consolidated subsidiaries are concerned only by end-of-career bonuses and long-service awards, which are calculated on the same basis as for the parent company (see *points a and e above*).

11.2.2. *Calculation assumptions*

The principal actuarial assumptions are set out in the table below:

	Management	High-level Supervisors	Employees & other Supervisors	Overall ADP
Discount rate	-	-	-	4.15%
Expected rate of return on plan assets	-	-	-	4.50%
Future salary increases	4.80%	4.30%	4.30%	-
Future increase in health care expenses	-	-	-	4.00%
Average retirement age (*)	63	63	60	-

(*) *Retirement age is increased by 2 years as from 2011.*

11.2.3. *Change, breakdown and reconciliation of obligations, of assets and of liabilities recognized in the balance sheet and impacts on the income statement*

	2005					
	End of career bonuses	PARDA early retirement	Fire fighters' retirement	Health cover	Long-service awards	Total
Present value of obligation at beginning of year	196,318	89,094	2,412	152,656	1,538	442,018
Impact of entrants into consolidation scope	-	-	-	-	-	-
Actuarial gain/loss for the year	(649)	(3,418)	157	675	(39)	(3,274)
Unwinding of discount on obligation	7,950	3,287	101	6,420	65	17,823
Past service cost	373	-	-	-	-	373
Rights vested during the year	10,412	1,425	49	5,865	87	17,838
Benefits paid	(15,428)	(19,261)	(30)	(2,986)	(68)	(37,773)
Present value of obligation at end of year	198,975	71,127	2,689	162,630	1,583	437,004
Fair value of plan assets at end of year	(14,892)	(495)	(210)	-	-	(15,597)
Unrecognized actuarial gains/losses	1,296	(8,816)	39	(12,194)	-	(19,675)
Liabilities recognized in the balance sheet	185,379	61,816	2,518	150,436	1,583	401,732
Interest expense on unwinding of discount on obligation	7,950	3,287	101	6,420	65	17,823
Expected return on plan assets ...	(1,133)	(18)	(19)	-	-	(1,170)
Amortization of actuarial gains/losses	2	1,691	(36)	-	(39)	1,618
Past service cost	373	-	1	-	-	374
Service cost for the year	10,412	1,425	49	5,865	87	17,838
Expense for the year	17,603	6,385	96	12,285	113	36,482

The flows that explain the change in the provisions are set out below:

<i>(in thousands of euro)</i>	Present value of employee benefit obligation	Fair value of plan assets	Net employee benefit obligation	Deferred actuarial gains/losses	Net provision
At 1 January 2005	442,018	(27,666)	414,352	(24,893)	389,459
Impact of unwinding of discount on obligation	17,823	-	17,823	-	17,823
Past service cost	373	1	374	-	374
Rights vested during the year	17,838	-	17,838	-	17,838
Financial income	-	(1,170)	(1,170)	-	(1,170)
New actuarial gains/losses	(3,274)	(326)	(3,600)	3,600	-
Amortization of actuarial gains/losses ...	-	-	-	1,618	1,618
Cash flows:					
- Payments to beneficiaries	(37,773)	-	(37,773)	-	(37,773)
- Contributions paid	-	(788)	(788)	-	(788)
- Payment received from third parties ...	-	14,352	14,352	-	14,352
At 31 December 2005	437,004	(15,597)	421,407	(19,675)	401,732

11.2.4. Sensitivity to medical costs

The obligation in respect of health insurance cover for former employees at 31 December 2005 amounted to:

<i>(in thousands of euros)</i>	
- Active employees	79,660
- Former employees	82,970
- Total	162,630

The service cost and the interest expense in respect of 2005 amounted to:

<i>(in thousands of euros)</i>	
- Service cost	5,865
- Interest expense	6,420
- Total	12,285

The above figures are based on an assumed 4% increase in medical costs. The table below sets out the impact of a 1% change, upwards or downwards, in these expenses:

<i>(in thousands of euro)</i>	Increase of one percentage point	Decrease of one percentage point
Obligation	(30,140)	40,443
Service cost and interest expense	(2,969)	4,231

11.2.5. Experience related adjustments in respect of defined benefit plans

The tables below illustrate this information for each type of obligation which is separately identified in preparing the financial statements.

Paragraph 120A of IAS 19 prescribes reporting of items for the current period and the four prior periods. In this particular case, information is only available in respect of 2004 and 2005.

End-of-career benefits

<i>(in thousands of euro)</i>	2005	2004
Obligations under defined benefit plans	(198,975)	(196,318)
Plan assets	14,892	26,853
Surplus / (Deficit)	(184,083)	(169,465)
Adjustment of plan liabilities related to experience	3,599	693
Adjustment of plan assets related to experience	492	1,001

PARDA early retirement

<i>(in thousands of euro)</i>	2005	2004
Obligations under defined benefit plans	(71,127)	(89,094)
Plan assets	495	398
Surplus / (Deficit)	(70,632)	(88,696)
Adjustment of plan liabilities related to experience	(1,510)	14,449
Adjustment of plan assets related to experience	58	(22)

Additional firefighters' retirement benefits

<i>(in thousands of euro)</i>	2005	2004
Obligations under defined benefit plans	(2,689)	(2,412)
Plan assets	210	415
Surplus / (Deficit)	(2,479)	(1,997)
Adjustment of plan liabilities related to experience	(104)	88
Adjustment of plan assets related to experience	(224)	41

Retirees' health insurance

<i>(in thousands of euro)</i>	2005	2004
Obligations under defined benefit plans	(162,630)	(152,656)
Plan assets	-	-
Surplus / (Deficit)	(162,630)	(152,656)
Adjustment of plan liabilities related to experience	(3,202)	3,718
Adjustment of plan assets related to experience	-	-

11.2.6. Best estimate of contributions to be paid

The amount of contributions the Group considers it will have to pay in 2006 is not material.

Note 12 - Other ordinary operating expenses

12.1. Summary table

<i>(in thousands of euro)</i>	2005	2004
External services and expenses	(522,766)	(519,979)
Taxes other than income taxes	(114,807)	(94,269)
Other operating expenses	(47,982)	(79,234)
Total	(685,555)	(693,483)

12.2. Breakdown of other external services and expenses

<i>(in thousands of euro)</i>		
	2005	2004
Sub-contracting:		
- Security	(148,150)	(157,617)
- Cleaning	(51,488)	(50,212)
- Assistance	(6,612)	(28,865)
- Cooperatives	(22,164)	(18,831)
- Transportation	(18,045)	(16,879)
- Other	(52,558)	(48,594)
	(299,017)	(320,998)
Maintenance and repairs	(80,222)	(75,082)
Studies, research and remuneration of intermediaries	(30,113)	(26,324)
External works & services	(23,014)	(19,325)
External personnel	(21,462)	(17,580)
Insurance	(12,832)	(13,670)
Travel and entertainment	(11,981)	(12,648)
Advertising, publications & public relations	(15,538)	(10,887)
Other external expenses & services	(28,586)	(23,466)
Total	(522,766)	(519,979)

12.3. Taxes other than income taxes

<i>(in thousands of euro)</i>		
	2005	2004
"Taxe professionnelle"	(44,991)	(33,397)
Property tax	(33,150)	(32,809)
Other taxes other than income taxes	(36,665)	(28,063)
Total	(114,807)	(94,269)

12.4. Breakdown of other operating expenses

<i>(in thousands of euro)</i>		
	2005	2004
Losses on bad debts	(17,329)	(33,078)
Agreements with suppliers	(158)	(14,189)
Capital losses on fixed asset disposals	(7,384)	-
Other operating expenses	(23,111)	(31,967)
Total	(47,982)	(79,234)

In 2005, losses on bad debts mainly include 5,450 thousand euros of unpaid airport taxes, 2,270 thousand euros on the receivables due by a customer called Au Lys de France and 1,750 thousand euros due by a customer called Tower Air Inc.

Capital losses on asset disposals stem mainly from asset sales in 2005 to the Civil Aviation Authorities (DGAC) and to Police and Customs authorities.

**Note 13 - Depreciation and amortization, impairment and
net allowances to provisions**

Depreciation, amortization and asset impairment are broken down as follows:

<i>(in thousands of euro)</i>		
	2005	2004
Amortization of intangible assets	(8,637)	(8,536)
Depreciation of property, plant and equipment	(253,534)	(243,911)
Depreciation and amortization	(262,171)	(252,446)

<i>(in thousands of euro)</i>		
	2005	2004
Impairment of property, plant & equipment and intangible assets	(116)	254
Reversals of impairment of property, plant & equipment and intangible assets . .	1,163	361
Impairment of non-current assets	1,047	615
Impairment of receivables	(9,051)	(14,209)
Reversals of impairment of receivables	25,797	34,302
Impairment of receivables,	16,745	20,093
Impairment of assets, net	17,792	20,708

The provisions explained in note 28 have the following impact on the income statement:

<i>(in thousands of euro)</i>		
	2005	2004
Allowances to provisions for litigation, claims and other risks	(8,905)	(38,468)
Reversals in the period	13,620	28,979
Net allowances to provisions	4,715	(9,489)

Reversals in 2004 included an amount related to negative goodwill of 3,932 thousand euros arising on ADPM's buy back of its own shares formerly held by the VINCI Group, and HUB TÉLÉCOM's buyout of the minority interests in SERTA.

Note 14 - Other operating income and expenses

The items classified under this caption are as follows:

<i>(in thousands of euro)</i>		
	2005	2004
Impact of accident at Terminal 2E in 2004 (see note 3.1.1) :		
- Write-off of assets	-	(14,600)
- Depreciation and amortization	(67,877)	-
- Impairment of assets (net) and net allowances to provisions	76,369	(76,369)
- Insurance indemnities	31,840	80,478
- Other expenses	(6,717)	(5,708)
Subtotal	33,615	(16,199)
UNEDIC back payment	(10,153)	-
Total	23,462	(16,199)

Note 15 - Net finance costs

Net finance costs for 2005 can be analyzed as follows:

<i>(in thousands of euro)</i>	Finance income	Finance expenses	Net finance costs 2005
Gross interest expenses on debt	-	(106,230)	(106,230)
Net income (expense) on interest rate derivatives	47,613	(34,729)	12,884
Cost of gross debt	47,613	(140,959)	(93,346)
Income from cash and cash equivalents	2,415	-	2,415
Cost of net debt	50,028	(140,959)	(90,931)
Income from non-consolidated investments	2,452	-	2,452
Capital gains on disposals of non-consolidated investments	68	(428)	(360)
Net foreign exchange gains (losses)	2,861	(293)	2,568
Other	5,808	(2,076)	3,732
Other finance income and expenses	11,189	(2,797)	8,392
Net finance income (expense)	61,217	(143,756)	(82,539)

<i>(in thousands of euro)</i>	Finance income	Finance expenses	Net finance costs 2004
Gross interest expenses on debt	-	(114,809)	(114,809)
Net income (expense) on interest rate derivatives	50,585	(31,360)	19,225
Cost of gross debt	50,585	(146,169)	(95,584)
Income from cash and cash equivalents	5,275	-	5,275
Cost of net debt	55,860	(146,169)	(90,309)
Income from non-consolidated investments	2,624	-	2,624
Capital gains on disposals of non-consolidated investments	45,867	(40,900)	4,967
Net foreign exchange gains (losses)	3,233	(2,517)	716
Reversal of impairment of BCIA shares (China)	13,673	(4,868)	8,805
Other	4,762	(891)	3,871
Other finance income and expenses	70,158	(49,176)	20,983
Net finance income (expense)	126,018	(195,345)	(69,326)

Note 16 - Investments in associates

16.1. Share in earnings of associates

The amounts shown in the income statement break down as follows by entity:

<i>(in thousands of euro)</i>	% stake 2005	2005	2004
FRANCE HANDLING	34.06%	(286)	658
GIE ROISSYPÔLE	90.00%	730	4,835
SCI ROISSY SOGARIS	40.00%	1,304	994
SAB (Belgium)	25.60%	29	2,199
SETA (Mexico)	25.50%	1,091	539
Totals		2,868	9,225

16.2. Breakdown of balance sheet amounts

The balance sheet amount of investments in associates can be broken down as follows:

<i>(in thousands of euro)</i>	France Handling	GIE Roissypôle	SCI Roissy Sogaris	SAB (Belgium)	SETA (Mexico)	TOTAL
<i>Percentage of control held at</i>						
31 December 2005	-	49.00%	40.00%	25.60%	25.50%	
<i>Ownership interest at 31 December</i>						
2005	-	90.00%	40.00%	25.60%	25.50%	
Share of net assets	-	(802)	5,674	4,079	9,648	18,599
<i>Balance sheet at 31 December 2005:</i>						
- Assets	-		5,674	4,079	9,648	19,401
- Liabilities (in Provisions)	-	(802)				(802)
<i>Percentage of control held at</i>						
31 December 2004	34.06%	49.00%	40.00%	25.12%	25.50%	
<i>Ownership interest at 31 December</i>						
2004	34.06%	90.00%	40.00%	25.12%	25.50%	
Share of net assets	9,565	(1,531)	4,370	4,569	10,822	27,795
<i>Balance sheet at 31 December 2004:</i>						
- Assets	9,565		4,370	4,569	10,822	29,326
- Liabilities (in Provisions)		(1,531)				(1,531)

The Group's percentage of control and ownership interest in GIE ROISSYPÔLE, respectively 49% and 90%, result from the provisions of this entity's constitution and bylaws.

16.3. Changes in share of net assets

Changes in the Group's share of associates' net assets over 2004 and 2005 are presented below:

<i>(in thousands of euro)</i>	France Handling	GIE Roissypôle	SCI Roissy Sogaris	SAB (Belgium)	SETA (Mexico)	TOTAL
Share of net assets at 1 January						
2004	8,906	(3,467)	3,376	3,020	7,009	18,844
Group share of net income	658	4,835	994	2,199	539	9,225
Dividend payout				(678)		(678)
Translation adjustments					(534)	(534)
Transfers to provisions		(1,368)				(1,368)
Other changes				28	3,807	3,835
Share of net assets at						
31 December 2004	9,564	0	4,370	4,569	10,821	29,324
Group share of net income	(286)	730	1,304	29	1,091	2,868
Dividend payout				(519)		(519)
Translation adjustments					2,016	2,016
Transfers to provisions		(730)				(730)
Exit from consolidation scope	(9,278)					(9,278)
Other changes					(4,280)	(4,280)
Share of net assets at						
31 December 2005	0	0	5,674	4,079	9,648	19,401

16.4. Summarized financial information

The aggregate amounts of assets, liabilities, revenues and net income of associates, as stated in their respective individual financial statements, are presented below:

<i>(in thousands of euro)</i>	GIE Roissypôle	SCI Roissy Sogaris	SAB (Belgium)	SETA (Mexico)	At 31.12.2005
BALANCE SHEET:					
Non-current assets	7,366	23,218	15,697	69,916	116,197
Current assets	413	7,765	18,734	15,996	42,908
Total Assets	7,779	30,983	34,431	85,912	159,105
Equity	(5,691)	14,186	15,930	37,834	62,259
Non-current liabilities	9,670	11,751	9,750	45,718	76,889
Current liabilities	3,800	5,046	8,751	2,360	19,957
Total equity and liabilities	7,779	30,983	34,431	85,912	159,105
INCOME STATEMENT:					
Revenue	4,505	10,059	10,532	2,693	27,789
Net income	851	3,261	(225)	4,279	8,166

<i>(in thousands of euro)</i>	France Handling	GIE Roissypôle	SCI Roissy Sogaris	SAB (Belgium)	SETA (Mexico)	Au 31.12.2004
BALANCE SHEET:						
Non-current assets	32,283	9,551	24,699	16,023	53,692	136,248
Current assets	33,144	387	7,708	20,219	15,931	77,389
Total assets	65,427	9,938	32,407	36,242	69,623	213,637
Equity	25,770	(6,543)	10,925	19,428	27,507	77,087
Non-current liabilities	9,432	13,058	14,481	7,629	40,110	84,710
Current liabilities	30,225	3,423	7,001	9,185	2,006	51,840
Total equity and liabilities	65,427	9,938	32,407	36,242	69,623	213,637
INCOME STATEMENT						
Revenue	78,742	4,224	9,572	12,402	2,417	107,357
Net income	1,341	531	2,486	2,139	2,114	8,611

Note 17 - Income taxes

17.1. Tax rate

Pursuant to the accounting policy set out in note 4.14, deferred tax assets and liabilities are measured on the basis of the last known tax rates at the balance sheet date.

Reflecting the lowering of the tax rate pursuant to the 2005 Finance Act which became law in December 2004, the tax rate applicable to all deferred tax assets and liabilities at 31 December 2005 was 34.43%. At 31 December 2004, the applicable rates were 34.93% and 34.43% on temporary differences expected to reverse, respectively, in 2005 and in subsequent periods.

17.2. Analysis of the income tax expense

The income tax expense in the income statement is broken down as follows:

<i>(in thousands of euro)</i>		
	2005	2004
Current tax expense:		
- For the year	(94,295)	(58,844)
- Non-recurring tax on the special reserve for long-term capital gains	-	(2,086)
- Adjustments in respect of previous tax years	(1,191)	282
	(95,486)	(60,648)
Deferred tax expense:		
- Income (expense) in connection with origination and reversal of temporary differences	(1,104)	(13,498)
- Income (expense) arising from changes in tax rates	(8)	1,178
- Benefit from the use of previously unrecognized tax loss carryforwards and temporary differences	1,007	6,965
- Deferred tax expense arising from write downs of deferred tax assets or reversals of prior write downs	(938)	(2,832)
- Adjustments in respect of previous tax years	1,437	4,309
	394	(3,878)
Income tax expense	(95,092)	(64,526)

The above figures do not include tax expense in respect of the share in earnings of associates, as such amounts are recorded net of tax in the income statement.

17.3. Tax-proof

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

<i>(in thousands of euro)</i>		
	2005	2004
Net income for the period	179,937	150,126
Share in earnings of associates	(2,868)	(9,225)
Income tax expense	95,092	64,527
Income before tax and share in earnings of associates	272,161	205,428
<i>Theoretical tax rate applicable in France</i>	<i>34.93%</i>	<i>35.43%</i>
Theoretical tax expense	(95,075)	(72,790)
Impact on theoretical tax expense of:		
- Reduced tax rates applicable	1,026	70
- Previously unrecognized tax loss carryforwards used in the period	3,030	478
- Tax losses incurred in the period for which no deferred tax asset was recognized	(508)	(612)
- Changes in unrecognized temporary differences	(3,514)	4,195
- Change in tax rates	(9)	1,187
- Non-deductible expenses and non-taxable revenue	(817)	(182)
- Tax credits	530	623
- Special tax on reserves for long-term capital gains	-	(2,086)
- Adjustments in respect of previous tax years	245	4,590
Actual tax expense	(95,092)	(64,526)
<i>Effective tax rate</i>	<i>34.94%</i>	<i>31.41%</i>

17.4. Deferred tax assets and liabilities broken down by category

The balance sheet presentation of deferred tax assets and liabilities is as follows:

<i>(in thousands of euro)</i>	At 31.12.2005	At 31.12.2004
In respect of deductible temporary differences:		
- Employee benefit obligations	137,215	133,179
- Amortization of capitalized costs of studies and supervision of works	54,922	58,528
- Impact of component-based approach spread over five years	6,706	-
- Provisions and accrued liabilities	6,533	705
- Other	3,149	3,090
For taxable timing differences:		
- Tax-driven depreciation and other regulated provisions	(223,591)	(209,954)
- Finance leases	(28,778)	(29,413)
- Revaluation reserves	(8,330)	(8,348)
- Other	(2,909)	(2,723)
Net deferred tax assets (liabilities)	(55,083)	(54,936)

Amounts broken down as follows in balance sheet:

- in assets	1,620	1,466
- in liabilities	(56,703)	(56,402)

17.5. Unrecognized deferred tax assets and liabilities

Certain deferred tax assets were not recognized in respect of several subsidiaries, because of a lack of sufficient supporting evidence being available to justify their recognition. The corresponding tax bases are shown below:

<i>(in thousands of euro)</i>	At 31.12.2005	At 31.12.2004
- Tax losses which can be indefinitely carried forward at standard tax rates	9,456	15,172
- Long-term capital losses carried forward at a reduced tax rate	2,748	16,423

Long-term capital losses may only be used against long-term capital gains and only until 31 December 2006.

17.6. Changes in deferred tax assets and liabilities

The table below sets out the changes in deferred tax assets and liabilities between the beginning and the end of the financial year:

<i>(in thousands of euro)</i>	Assets	Liabilities	Net Amount
At 1 January 2004	1,185	52,227	(51,042)
Changes in consolidation scope	(15)	0	(15)
Amounts recognized in net income for the period	296	4,175	(3,879)
At 31 December 2004	1,466	56,402	(54,936)
Amount recognized directly through equity (*)	0	541	(541)
Amounts recognized through net income for the period	154	(240)	394
At 31 December 2005	1,620	56,703	(55,083)

(*) First-time adoption of IAS 32-39

17.7. Current tax assets and payables

Current tax assets are amounts of income tax recoverable from tax authorities. Current tax payables represent amounts payable to such authorities.

Current tax assets and payables are shown in the table below:

<i>(in thousands of euro)</i>	At 31.12.2005	At 31.12.2004
Current tax assets:		
- AÉROPORTS DE PARIS and tax-consolidated companies	-	35,467
- Other consolidated entities	1,777	-
Total	1,777	35,467
Current tax payables:		
- AÉROPORTS DE PARIS and tax-consolidated companies (1)	34,470	2,086
- Other consolidated entities	1,187	826
Total	35,657	2,912
<i>(1) of which due after more than one year</i>	<i>1,043</i>	<i>2,086</i>

The Group has no knowledge of any contingent tax assets or liabilities at 31 December 2005.

Note 18 - Earnings per share

Following the transformation of the parent company AÉROPORTS DE PARIS into a “société anonyme” (public limited company) in July 2005, earnings per share (EPS) at 31 December 2005 were as follows:

	At 31.12.2005
Net income attributable to equity holders of the parent company (in thousands of euro)	179,937
Number of shares	85,361,500
Basic earnings per share (EPS) (in euros)	2.11

EPS was not a relevant calculation at 31 December 2004, as the share capital of AÉROPORTS DE PARIS was not divided into shares at the time.

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

The number of shares is the weighted average number of common shares outstanding during the period.

There is no equity instrument in circulation which would dilute earnings.

Note 19 - Intangible assets

The following table sets out the Group's intangible assets:

<i>(in thousands of euro)</i>	Goodwill	Software	Intangible assets in progress & related advances	Total
At 31 December 2004:				
- Cost	97	76,253	4,841	81,191
- Accumulated amortization		(60,320)		(60,320)
Carrying amount	97	15,933	4,841	20,871
At 31 December 2005:				
- Cost	97	89,306	8,185	97,588
- Accumulated amortization	-	(67,263)	-	(67,263)
Carrying amount	97	22,043	8,185	30,325

Changes in the carrying amount of intangible assets were as follows:

<i>(in thousands of euro)</i>	Goodwill	Software	Intangible assets in progress & related advances	Total
Carrying amount at 31 December 2004	97	15,933	4,841	20,871
- Purchase	-	257	9,107	9,364
- Disposals and discontinuations	-	(806)	-	(806)
- Amortization	-	(8,639)	-	(8,639)
- Transfers to and from other captions		15,298	(5,763)	9,535
Carrying Amount at 31 December 2005	97	22,043	8,185	30,325

The net amount of transfers to and from other captions only relates to reclassifications of property, plant and equipment as intangibles.

Note 20 - Property, plant and equipment

Property, plant and equipment is comprised of the following:

<i>(in thousands of euro)</i>	Land and improvements to land	Buildings	Equipment	Other	PP&E in progress & related advances	Total
At 31 December 2004:						
- Cost	38,209	5,138,382	150,255	168,802	949,865	6,445,513
- Accumulated depreciation ...	(3,625)	(1,908,842)	(96,948)	(128,616)	-	(2,138,031)
- Accumulated impairment	-	(75,520)	(586)	(612)	-	(76,718)
Carrying amount	34,584	3,154,020	52,721	39,574	949,865	4,230,764
At 31 December 2005:						
- Cost	39,421	5,599,296	148,777	176,197	792,974	6,756,665
- Accumulated depreciation ...	(3,960)	(2,105,052)	(90,756)	(132,273)	-	(2,332,041)
- Accumulated impairment	-	-	(390)	(621)	-	(1,011)
Carrying amount	35,461	3,494,244	57,631	43,303	792,974	4,423,613

Changes in the carrying amount of such property, plant and equipment were as follows:

<i>(in thousands of euro)</i>	Land and improvements to land	Buildings	Equipment	Other	PP&E in progress & related advances	Total
Carrying amount at 31 December 2004	34,584	3,154,020	52,721	39,574	949,865	4,230,764
- Purchase	(1,354)	(1,939)	6,505	2,192	555,982	561,386
- Disposals and write-off	(90)	(118,337)	(2,043)	(1,874)	-	(122,344)
- Depreciation	(349)	(281,517)	(14,151)	(16,238)	-	(312,255)
- Impairment reversals	-	75,520	196	(9)	-	75,707
- Transfers to and from other captions	2,670	666,497	14,403	19,640	(712,873)	(9,663)
- Entry of AVIANCE FRANCE ...	-	-	-	18	-	18
Carrying amount at 31 December 2005	35,461	3,494,244	57,631	43,303	792,974	4,423,613

The net amount of transfers to and from other captions mainly relates to reclassifications of property, plant and equipment into intangibles.

As indicated in note 3.1.1, depreciation in the above table includes depreciation recognized in respect of Terminal 2E, being 67,877 thousand euros, which was offset by the reversal of the provision for impairment of 75,520 thousand euros recognized in this respect in the 2004 financial statements.

The above amounts include assets held under finance leases for the following amounts:

<i>(in thousands of euro)</i>	Land	Buildings	Equipment	Total
Carrying amount at 31 December 2004	7,698	28,156	3,586	39,440
- Depreciation		(3,107)	(1,133)	(4,240)
Carrying amount at 31 December 2005	7,698	25,049	2,453	35,200

Note 21 - Investment property

21.1. Analysis of investment property

The table below presents a breakdown of investment property:

<i>(in thousands of euro)</i>	Land and improvements to land	Buildings	Other	Total
At 31 December 2004:				
- Cost	37,906	365,158	196,470	599,534
- Accumulated depreciation	(4,236)	(200,443)	(88,222)	(292,901)
Carrying amount	33,670	164,715	108,248	306,633
At 31 December 2005:				
- Cost	39,259	370,429	198,277	607,965
- Accumulated depreciation	(4,498)	(207,778)	(90,041)	(302,317)
Carrying amount	34,761	162,651	108,236	305,648

Changes in the carrying amount of investment property were as follows:

<i>(in thousands of euro)</i>	Land and improvements to land	Buildings	Other	Total
Carrying amount at 31 December 2004	33,670	164,715	108,248	306,633
- Purchase	1,353	5,011	1,807	8,171
- Depreciation	(262)	(7,075)	(1,819)	(9,156)
Carrying amount at 31 December 2005	34,761	162,651	108,236	305,648

No significant change in the composition of investment property was observed in the period.

The above amounts include assets held under finance leases for the following amounts:

<i>(in thousands of euro)</i>	Land and improvements to land	Buildings	Other	Total
Carrying amount at 31 December 2004	-	27,560	-	27,560
- Depreciation		(1,951)	-	(1,951)
Carrying amount at 31 December 2005	-	25,609	-	25,609

21.2. Fair value of investment property

The fair value of investment property is shown below:

<i>(in thousands of euro)</i>	At 31.12.2005	At 31.12.2004
Land and buildings	982,600	884,800

The discount for liquidity was 20% for 2004 and 2005.

The discount rates used in cash flow calculations for each of the periods were:

- 5.87 % at 31.12.2004
- 5.38 % at 31.12.2005

21.3. Additional information

The Act dated 20 April 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, 70% of the capital gain on the difference between the market value of the assets and their book value must be paid to the French Government. This provision concerns primarily the General Aviation Aerodromes.

In addition, the amounts recognized in the income statement in respect of rental income on investment properties and in respect of direct operating expenses related to such properties (including depreciation) were, respectively, 110.2 million euros and 79.0 million euros in 2005.

Note 22 - Other financial assets

These amounts shown in the balance sheet can be analyzed as follows:

<i>(in thousands of euro)</i>	Total at 31.12.2005	Non-current	Current
Available-for-sale securities:			
- BCIA (China)	98,416	98,416	
- Other securities	1,070	1,070	-
	99,486	99,486	-
Loans and receivables:			
- Receivables from associates	9,284	3,747	5,537
- Other receivables related to investments	533	78	455
- Accrued interest on receivables related to investments	141	-	141
- Loans	9,282	8,922	360
- Current accounts with associates	572		572
- Other current accounts	2,701	-	2,701
- Security deposits	533	483	50
- Receivables, as lessor, in respect of finance leases	61,900	54,600	7,300
- Receivables from asset disposals	115,475	-	115,475
- Other financial assets	7,683	-	7,683
	208,103	67,830	140,274
Derivate financial instruments (interest rate swaps):	-	-	-
- Hedging swaps	53,981	-	53,981
- Trading swaps	38,838	-	38,838
	92,819	-	92,819
Total	400,408	167,316	233,093

<i>(in thousands of euro)</i>	Total at 31.12.2004	Non-current	Current
Non-consolidated investments:			
- BCIA (China)	74,246	74,246	
- Other securities	1,680	1,680	-
	75,926	75,926	-
Loans and receivables:			
- Receivables from associates	4,055	3,729	326
- Other receivables related to investments	80	-	80
- Accrued interest on receivables related to investments	171	-	171
- Loans	12,222	8,607	3,615
- Current accounts with associates	1,172	-	1,172
- Other current accounts	870	-	870
- Security deposits	97	94	3
- Receivables, as lessor, in respect of finance leases	63,500	56,300	7,200
- Receivables from asset disposals	76	-	76
- Other financial assets	32,486	336	32,150
	114,730	69,066	45,664
Total	190,656	144,992	45,664

As the Group applies of IAS 39 as from 1 January 2005, derivative financial instruments were not restated in 2004.

The increase in value of BCIA shares (China) owned by ADPM was a result of the application of IAS 32 and 39 at 1 January 2005 (+4,791 thousand euros) and of the increase in fair value of such shares over the period (+19,379 thousand euros). For further details regarding the fair value concept, see the accounting policies described in note 4 of these financial statements.

The maturity schedule of loans and receivables was as shown below at 31 December 2005:

<i>(in thousands of euro)</i>	Maturity < 1 year	Maturity between 1 & 2 yrs	Maturity between 2 & 3 yrs	Maturity between 3 & 4 yrs	Maturity between 4 & 5 yrs	Maturity > 5 yrs	Total at 31.12.2005
Receivables from associates	5,537	468	468	468	468	1,875	9,284
Receivables from joint ventures	-	-	-	-	-	-	-
Other receivables related to investments	455	78	-	-	-	-	533
Accrued interest on receivables related to investments	141	-	-	-	-	-	141
Loans	360	2,157	2,149	2,149	2,149	318	9,282
Current accounts with associates	572	-	-	-	-	-	572
Other current accounts	2,701	-	-	-	-	-	2,701
Security deposits	50	13	23	-	-	447	533
Receivables, as lessor, in respect of finance leases	7,300	6,692	6,807	6,923	7,039	27,139	61,900
Receivables from asset disposals	115,475						115,475
Other financial assets	7,683	-	-	-	-	-	7,683
Loans and receivables	140,274	9,408	9,447	9,540	9,656	29,779	208,103

Note 23 - Inventories

Inventories stood as follows at year end:

<i>(in thousands of euro)</i>	Gross value at 31.12.2005	Impairment at 31.12.2005	Net value at 31.12.2005	Net value at 31.12.2004
Raw materials	3,321	-	3,321	3,006
Work in progress	221	-	221	16
Goods for resale	2,531	(92)	2,439	1,772
Total	6,073	(92)	5,981	4,794

Note 24 - Trade receivables

Trade receivables and related accounts are broken down as follows:

<i>(in thousands of euro)</i>	At 31.12.2005	At 31.12.2004
Trade receivables	322,325	313,440
Doubtful receivables	69,092	86,092
Accumulated provisions for impairment	(46,416)	(63,040)
Net amount	345,001	336,492

Normal payment terms for client receivables stipulate payment at 30 days from the invoice date, except for commercial fees which are due and payable upon invoice date.

At 31 December 2004, doubtful receivables amounted to €86.1 million. At 31 December 2005, they totalled €69.1 million, showing a €17.0 million decrease.

This change was due mainly to:

- Cancellation of doubtful receivables:
 - the following client receivables were notably recognized as losses: various airport tax clients (- €5.5 million), Au Lys de France (- €3.7 million), Tower Air (- €1.8 million), IBM (- €1.1 million) and Istanbul Air Lines (- €0.7 million);
 - cancellation of the following client receivables on issuance of credit notes: AMEX (- €4 million), CCI de Nice (- €3.6 million), FEDEX (- €1.7 million in property tax);
- New additions to doubtful receivables including Air Horizons (+ €3.3 million).

Provisions for impairment of such receivables changed as follows:

<i>(in thousands of euro)</i>	At 31.12.2005	At 31.12.2004
Accumulated provisions for impairment at beginning of year	63,039	83,248
Increases	9,050	14,091
Decreases	(25,700)	(34,300)
Other changes	26	-
Accumulated provisions for impairment at year-end	46,416	63,039

Note 25 - Other receivables and prepaid expenses

The breakdown of other receivables and prepaid expenses is shown below:

<i>(in thousands of euro)</i>	At 31.12.2005	At 31.12.2004
Advances and prepayments paid on orders	8,151	5,481
Receivables from employees and social security bodies	2,160	2,872
Receivables from tax authorities (excl. income tax)	59,686	58,665
Other receivables	62,790	102,345
Bond issue expenses	-	7,910
Prepaid expenses	13,870	11,304
Total	146,658	188,578

Other receivables include in particular the balance of insurance indemnities still outstanding for the accident at Terminal 2E, i.e., 41,411 thousand euros (compared with 80,000 at 31 December 2004).

As from 1 January 2005, expenses on bond issues are deducted from non-current debt in liabilities and are taken into account when valuing bonds at amortized cost, in accordance with IAS 39.

Note 26 - Cash and cash equivalents

The following table sets out the Group's cash and cash equivalents:

<i>(in thousands of euro)</i>	At 31.12.2005	At 31.12.2004
Marketable securities	343,148	148,786
Cash	45,200	24,688
Total	388,348	173,474

As part of its cash management policies, AÉROPORTS DE PARIS Group has invested exclusively in short-term money-market UCITS denominated in euros (less than three months).

Note 27 - Equity

27.1. Share capital

In the context of its transformation into a “société anonyme” (public limited company) in July 2005, the share capital of AÉROPORTS DE PARIS was set at 256,084,500 euros, divided into 85,361,500 shares at 3 euros each, entirely paid up.

At 31 December 2005, the share capital was held entirely by the French State.

27.2. Translation reserve

These adjustments are solely comprised of adjustments arising since 1 January 2004 on the translation of the Mexican Peso-denominated financial statements of SETA into euros. All cumulative translation adjustments prior to that date were transferred to Retained earnings in accordance with the option provided under IFRS 1 for first-time adopters of IFRS.

27.3. Retained earnings

Retained earnings are broken down as follows:

<i>(in thousands of euro)</i>	At 31.12.2005	At 31.12.2004
Reserves of parent company AÉROPORTS DE PARIS:		
- Special reserve for net long-term capital gains	-	83,921
- Other reserves	862,995	779,129
- Retained earnings	16,134	14,818
Consolidated reserves	695,267	571,746
Total	1,574,396	1,449,614

27.4. Minority interests

Following the buyback of minority interests in 2004 (see note 27.5 below), equity no longer includes any minority interests at either 31 December 2004 or 31 December 2005.

27.5. Comments on the statement of changes in equity

- Principal changes in 2004:
 - The change in capital in the amount of 142 thousand euros is due to:
 - a land contribution from the State amounting to 151 thousand euros, mainly at Le Bourget airport;
 - a withdrawal of a contribution in the municipality of Wissous, for a total value of 11 thousand euros;
 - appropriation of 2004 net income gave rise to a 12,036 thousand euro dividend paid to the French State, pursuant to the order dated 10 November 2004 published in the *Journal Officiel* on 26 November 2004;
 - negative translation adjustments, amounting to 977 thousand euros, result from translating the Mexican Peso-denominated financial statements of SETA into euros;
 - Buyback of minority interests:
 - The Group's interest in ADPM increased from 66% to 100% following ADPM's buyout, in December 2004, of its own shares previously held by the Vinci Group. In parallel, ADPM's interest in SAB (Belgium) increased from 16.5% to 25.1%;
 - In addition, following HUB TÉLÉCOM'S (formerly ADPT) purchase of the 49% stake in SERTA held by DOLPHIN TELECOM, when the latter company was liquidated, the Group's interest in SERTA, increased from 51% TO 100%.

- Principal changes in 2005:
 - The fair value of the shares of BCIA (China), based on their stock market price and now classified as available-for-sale financial assets according to IAS 32 and 39, increased by 19,379 thousand euros between the beginning and the end of the financial period;
 - Gains on translation adjustments in an amount of 1,985 thousand euros were recognized as a result of the translation of the SETA (Mexico) financial statements from pesos into euros;
 - Pursuant to an order dated 22 July 2005, a dividend of 25,174 thousand euros was paid to the French State in August 2005.

27.6. Proposed dividends

The amount of the dividend proposed prior to authorization of publication of the financial statements, which has not been recognized as a distribution to equity holders in the 2005 accounts, amounted to 63,168 thousand euros, or 0.74 euros per share.

Note 28 - Provisions

Provisions moved as follows between the beginning and end of the year:

<i>(in thousands of euro)</i>	Employee benefit obligations	Litigation and claims	Other provisions	Total
Provisions at 1 January 2005	389,456	26,155	14,048	40,203
Increases:				
- Additions	36,482	3,291	5,614	8,905
- Increase due to changes in consolidation scope	-		325	325
- Other increases	(1)		731	731
Total increases	36,481	3,291	6,670	9,961
Decreases:				
- Provisions used	(24,205)	(1,383)	(3,290)	(4,673)
- Provisions no longer required		(5,332)	(4,600)	(9,932)
- Other decreases		(1,462)		(1,462)
Total decreases	(24,205)	(8,177)	(7,890)	(16,067)
Provisions at 31 December 2005	401,732	21,269	12,828	34,097

Detailed information on employee benefit obligations is provided in note 11.2.3.

Provisions for litigation and claims at 31 December 2005 can be analyzed as follows:

- Provisions for supplier litigation and claims (7.2 million euros)
- Provisions for employee litigation and claims (3.2 million euros)
- Provisions for commercial litigation and claims (10.8 million euros)

Other noteworthy provisions at 31 December 2005 included:

- Provision for “noise management” - decree dated 29/12/2004 (3.2 million euros)
- Provisions in respect of property, plant and equipment (2.3 million euros)
- Provision for Unedic (3.0 million euros)
- Share of negative equity of GIE Roissypôle accounted for by the equity method (0.8 million euros).

The breakdown of such provisions between their current and non-current portions is as follows:

<i>(in thousands of euro)</i>	Employee benefit obligations	Litigation and claims	Other provisions	Total
Provisions at 1 January 2005:				
- Non-current portion	361,265	-	1,532	1,532
- Current portion	28,191	26,155	12,516	38,671
Total	389,456	26,155	14,048	40,203
Provisions at 31 December 2005:				
- Non-current portion	374,985	-	802	802
- Current portion	26,747	21,269	12,026	33,295
Totals	401,732	21,269	12,828	34,097

Note 29 - Debt and financial instruments

29.1. Debt

29.1.1. Breakdown of debt

Debt at 31 December 2005 can be analyzed as follows:

<i>(in thousands of euro)</i>	Total at 31.12.2005	Non- current	Current	Total at 31.12.2004	Non- current	Current
Bonds	2,016,235	1,909,565	106,670	1,867,197	1,760,484	106,713
Bank loans	623,278	622,352	926	498,341	497,994	347
Debt on finance leases	28,003	22,368	5,635	32,914	27,883	5,031
Security deposits received	13,288	13,278	10	13,082	13,082	-
Other borrowings and similar debt . .	5,108	3,776	1,332	6,314	5,032	1,282
Accrued interest	74,765	-	74,765	79,560	-	79,560
Current accounts with non-consolidated companies	444	41	403	347	-	347
Bank overdrafts	7,016	-	7,016	9,499	-	9,499
Debt (excluding derivatives)	2,768,137	2,571,380	196,757	2,507,254	2,304,475	202,779
Derivative financial instruments in a liability position	10,775	-	10,775	-	-	-
Total debt	2,778,912	2,571,380	207,532	2,507,254	2,304,475	202,779

29.1.2. Net debt

Net debt as defined by AÉROPORTS DE PARIS corresponds to the amounts recognized as liabilities in the balance sheet under non-current debt and current debt, less derivative financial instruments in an asset position and cash and cash equivalents.

At the end of the period, net debt was as follows:

<i>(in thousands of euro)</i>	Total at 31.12.2005	Non- current	Current	Total at 31.12.2004	Non- current	Current
Debt	2,778,912	2,571,380	207,532	2,507,254	2,304,475	202,779
Derivative financial instruments in an asset position	(92,819)	-	(92,819)	-	-	-
Cash and cash equivalents	(388,348)	-	(388,348)	(173,474)	-	(173,474)
Net debt	2,297,745	2,571,380	(273,635)	2,333,779	2,304,475	29,304

29.1.3. Analysis of debt by maturities

The maturity schedule for debt was as shown below at 31 December 2005:

<i>(in thousands of euro)</i>	Maturity < 1 year	Maturity between 1 & 2 yrs	Maturity between 2 & 3 yrs	Maturity between 3 & 4 yrs	Maturity between 4 & 5 yrs	Maturity >5 years	Total at 31.12.2005
Bonds	106,670	-	354,756	-	469,758	1,085,051	2,016,235
Bank loans	926	69,484	72,868	-	-	480,000	623,278
Debt on finance leases	5,635	16,847	3,664	672	330	855	28,003
Security deposits received	10	-	-	-	-	13,278	13,288
Other borrowings and similar debt	1,332	1,121	689	693	572	701	5,108
Accrued interest	74,765	-	-	-	-	-	74,765
Current accounts with non-consolidated companies	403	41	-	-	-	-	444
Current bank facilities	7,016	-	-	-	-	-	7,016
Debt (excluding derivatives)	196,757	87,493	431,977	1,365	470,660	1,579,885	2,768,137

Over the year, AÉROPORTS DE PARIS:

- Repaid the bond issued in 1995 (106.7 million euros at 7.80%);
- Entered into a 15-year variable-rate loan of 130 million euros from the EUROPEAN INVESTMENT BANK, in the context of construction of Satellite S3;
- Issued a new variable-rate bond in the amount of 200 million euros, redeemable in 2008. This bond was not listed and carries an early redemption clause in favor of AÉROPORTS DE PARIS

29.1.4. Breakdown of bonds and bank loans

Bonds and bank loans can be analyzed as follows:

<i>(in thousands of euro)</i>	Nominal value	Nominal rate	Effective rate before taking account of fair value hedges □	Value of the debt at amor- tized cost	Impact of fair value hedges	Book value at 31.12.2005	Fair value at 31.12.2005
Bonds:							
- ADP 6.00% 1996-2006	106,714	6.00%	6.08%	106,670		106,670	108,315
- ADP 4.95% 1998-2008	152,449	4.95%	4.36%	152,140	2,616	154,756	158,090
- ADP 5.875% 2000-2010	450,000	5.875%	4.67%	448,909	20,849	469,758	495,090
- ADP 5.25% 2001-2011	400,000	5.25%	5.31%	398,886	19,473	418,359	436,860
- ADP 5.25% 2002-2012	350,000	5.25%	5.40%	347,300	20,200	367,500	385,728
- ADP 4.10% 2003-2013	300,000	4.10%	4.14%	299,192		299,192	313,620
- ADP Eur 3M 2005-2008	200,000	Eur 3M	Eur 3M	200,000		200,000	200,003
Total	1,959,163			1,953,097	63,138	2,016,235	2,097,706

<i>(in thousands of euro)</i>	Nominal value	Nominal rate	Effective rate before taking account of fair value hedges □	Value of the debt at amortized cost	Impact of fair value hedges	Book value at 31.12.2005	Fair value at 31.12.2005
Bank loans:							
- from Caisse d'Epargne 1997-2007	53,357	Eur 3M + 0,15%	Eur 3M + 0,15%	53,357		53,357	53,494
- from Caisse d'Epargne 1997-2007	7,622	5.63%	5.63%	7,622	344	7,966	8,068
- from Caisse d'Epargne 1997-2007	7,623	5.62%	5.62%	7,623	346	7,969	8,068
- from EIB 1998-2008	38,112	Eur 3M - 0,09%	Eur 3M - 0,09%	38,112		38,112	38,189
- from EIB 2003-2018	100,000	Eur 3M + margin	Eur 3M + margin	100,000		100,000	101,381
- from EIB 2004-2019	220,000	Eur 3M + margin	Eur 3M + margin	220,000		220,000	220,000
- from EIB 2004-2019	30,000	Eur 3M + margin	Eur 3M + margin	30,000		30,000	30,000
- from EIB 2005-2020	130,000	Eur 3M + margin	Eur 3M + margin	130,000		130,000	130,000
- from EIB 1999-2008 \$41m	34,756	Libor 3M (USD) -0,11%	Libor 3M (USD) -0,11%	34,756		34,756	34,755
- Other	1,118			1,118		1,118	1,118
Total	622,588			622,588	690	623,278	625,073

29.2. Financial instruments

AÉROPORTS DE PARIS holds only interest rate swaps and cross-currency swaps for a fair value of 92,819 thousand euros recognized in assets “Other current financial assets”, and 10,775 thousand euros recognized in liabilities in “Current debt”.

29.2.1. Interest rate risks

To supplement its available cash flow, AÉROPORTS DE PARIS takes out debt to finance its capital investment program.

Debt at 31 December 2005, excluding accrued interest and derivative financial instruments in a liability position, amounted to 2,693,372 thousand euros consisting mainly of outstanding bonds and bank loans.

The interstate risk on this debt is managed by modulating the respective portions of fixed rate and variable rate debt depending on market trends.

Managing this risk involves entering into and canceling foreign exchange and interest rate swaps.

AÉROPORTS DE PARIS’s exposure to interest rates risk stems mainly from its debt and, to a lesser extent, from its portfolio of interest rates derivatives.

The breakdown between debt at fixed and variable rates is as follows:

<i>(in thousands of euro)</i>	At 31.12.2005 before hedging	At 31.12.2005 after hedging
Fixed rate	1,930,668	1,540,423
Variable rate	837,469	1,227,714
Debt excluding derivatives	2,768,137	2,768,137

AÉROPORTS DE PARIS is subject to variability of future financial expense on variable-rate debt. A change of 1% (100 basis points) in the market interest rate at the end of the year, on the basis of constant net debt, would increase annual financial expenses by 12.3 million euros.

Notional amounts of derivatives qualifying as fair value hedges are as follows:

<i>(in thousands of euro)</i>	Maturity < 1 year	Maturity between 1 & 2 yrs	Maturity between 2 & 3 yrs	Maturity between 3 & 4 yrs	Maturity between 4 & 5 yrs	Maturity > 5 yrs	Total at 31.12.2005	Fair value
Swaps paying variable rates & receiving fixed rates	-	15,245	-	-	-	375,000	390,245	53,981
Total	-	15,245	-	-	-	375,000	390,245	53,981

There was no change in hedging between 31 December 2004 and 31 December 2005.

Notional amounts of derivatives not qualifying as fair value hedges are as follows:

<i>(in thousands of euro)</i>	Maturity < 1 year	Maturity between 1 & 2 yrs	Maturity between 2 & 3 yrs	Maturity between 3 & 4 yrs	Maturity between 4 & 5 yrs	Maturity > 5 yrs	Total at 31.12.2005	Fair value
Swaps paying variable rates & receiving fixed rates	-	-	53,357	-	150,000	-	203,357	(5,799)
Swaps paying variable rates & receiving variable rates	-	53,357	34,756	-	-	-	88,113	(4,660)
Swaps paying fixed rates & receiving fixed rates	-	-	-	-	150,000	-	150,000	22,748
Swaps paying fixed rates & receiving variable rates	-	-	53,357	-	150,000	-	203,357	15,774
Total	-	53,357	141,470	-	450,000	-	644,827	28,063

The portfolio of derivatives which do not qualify as fair value hedges consists mainly of swaps (interest rate and cross currency swaps) to hedge against the foreign exchange risk on the loan denominated in US dollars. Consequently, this derivatives portfolio has very low exposure to interest rate fluctuations. A 1% decrease in interest rates at 31 December 2005 would increase the fair value of derivatives by 508 thousand euros.

Derivatives not classified as hedging instruments generated a 901 thousand euro gain in 2005.

29.2.2. Foreign exchange risk

The breakdown of financial debt by currency is as follows:

<i>(in thousands of euro)</i>	At 31.12.2005 before hedging	At 31.12.2005 after hedging
Euros	2,733,299	2,768,137
US Dollars	34,838	-
Debt excluding derivatives	2,768,137	2,768,137

The loan in US dollars has been hedged in its entirety since origination and up to maturity by a cross-currency swap.

29.2.3. Liquidity risks

AÉROPORTS DE PARIS has been rated AA by Standard & Poor’s since April 2005. At that time, the grade was lowered from AAA to AA subsequent to the publication of the French Act concerning airports, which changed the legal status of the company from a public entity to a “société anonyme” (public limited company). The outlook is negative pending the opening of the company’s share capital to the public.

The Group’s euro-denominated bond issues, with the exception of the 200 million euro issue in 2005, are listed on the Paris Bourse.

For assessing financial and market risks, AÉROPORTS DE PARIS has a financing and treasury department.

AÉROPORTS DE PARIS monitors its cash on a daily basis. Monthly reports cover financing transactions, investments and analysis of differences compared to the annual cash budget. It also includes a breakdown of all investments as well as an indication of the level of risk associated with such investments (as applicable).

This reporting is analyzed monthly by the services of the Chief Financial Officer, and once a month a meeting is set up with the Chief Executive and Chief Operating Officers to review financing and hedging activities and the cash situation in general. Hedging decisions are made in such meetings, then implemented by the financing and treasury department in accordance with the instructions of Executive Management.

Concerning both bond issues and loans from the financial institutions listed above, the Group is under no specific obligation or condition stipulating early repayment of its debt, with the exception of the 200 million euro bond issued in 2005 which contains an early repayment clause at the option of AÉROPORTS DE PARIS.

At 31 December 2005, AÉROPORTS DE PARIS had at its disposal two confirmed credit lines of 150 million euros each. They expire respectively in January 2006 and March 2006.

AÉROPORTS DE PARIS has no European Medium Term Notes program nor treasury bills.

29.2.4. Credit risks

The Group’s policy is to check the creditworthiness of all clients who wish to obtain credit terms for payment. Except for agreements with the State and wholly-owned subsidiaries, any and all contracts between AÉROPORTS DE PARIS and its clients contain guarantees (a deposit check, bank endorsement or on demand bank guarantee, etc.). Furthermore, customers’ outstanding balances are constantly monitored. As a consequence, the Group’s exposure to bad debts is not material.

As regards credit risk on the Group’s other financial assets (cash, cash equivalents, available-for-sale financial assets and certain derivative instruments), AÉROPORTS DE PARIS invests surplus cash in euro-denominated UCITs. The counterparty risk on these investments is considered marginal. On derivatives, the Group’s exposure involves the risk of bankruptcy of the third parties in question, which are mainly top-ranked financial institutions. The Group’s maximum exposure is the book value of these instruments.

Note 30 - Other non-current liabilities

At year end, other non-current liabilities are broken down as follows:

<i>(in thousands of euro)</i>	At 31.12.2005	At 31.12.2004
Capital grants	31,534	33,545
Other	2,384	2,822
Total	33,918	36,367

Note 31 - Trade payables

The following table presents the Group's trade payables:

<i>(in thousands of euro)</i>	At 31.12.2005	At 31.12.2004
Operating payables	215,837	216,556
Capital investment payables	218,882	188,961
Total	434,719	405,517

These amounts are due within twelve months after the balance sheet date at both 31 December 2005 and 31 December 2004.

Note 32 - Other liabilities and deferred income

The following table presents other liabilities and deferred income:

<i>(in thousands of euro)</i>	At 31.12.2005	At 31.12.2004
Advances and prepayments received	1,314	1,858
Employee related liabilities	140,261	115,142
Tax liabilities (excl. current tax)	31,789	26,694
Other liabilities	20,974	26,175
Deferred income	67,979	61,759
Total	262,316	231,629

These amounts are due within twelve months after the balance sheet date at both 31 December 2005 and 31 December 2004.

Note 33 - Consolidated cash flows

33.1. Definition of net cash

Net cash, whose changes are analyzed in the cash flow statement, is broken down as follows:

<i>(in thousands of euro)</i>	At 31.12.2005	At 31.12.2004
Cash and cash equivalents	388,344	173,474
Bank overdrafts	(7,016)	(9,499)
Net cash (as shown in the Cash Flow Statement)	381,328	163,975

33.2. Disposals of subsidiaries and associates

The amount of disposals in 2005 consists exclusively of the sale of shares in FRANCE HANDLING for 11,050 thousand euros, which generated a capital gain of 1,778 thousand euros before tax in the consolidated financial statements.

33.3. Purchase of property, plant and equipment and intangible assets

The amount of capital investment in property, plant and equipment and intangible assets is analyzed the table below:

<i>(in thousands of euro)</i>	At 31.12.2005	At 31.12.2004
Purchase of intangible assets (<i>note 19</i>)	9,364	3,170
Purchase of property, plant and equipment (<i>note 20</i>)	561,390	548,746
Purchase of investment property (<i>note 21</i>)	8,171	-
Purchase of property, plant & equipment and intangible assets (as shown in the Cash Flow Statement)	578,925	551,916

The breakdown of these purchases in 2005 was as follows: *(millions of euros)*

Increased capacity	254.0
Restructuring	54.3
Renovations and improvements	167.7
Real estate development	7.6
Safety	30.9
Cost of studies and supervision of works (FEST)	62.6
Other	1.8
Total	578.9

Note 34 - Related parties disclosures

Transactions and balances between subsidiaries, which are related parties, were eliminated on consolidation and are not presented in this note to the financial statements.

The principal balances relating to associates and non-consolidated investments are receivables, details of which are given in note 22. Transactions with such companies over the year are not material.

Likewise, transactions with other companies under State control, with which AÉROPORTS DE PARIS shares directors, are not material either.

The remuneration of Executive Management of the parent company was as follows for 2005 and 2004:

(in thousands of euro)

Executive Manager	Position	Short-term benefit excl. charges (1)	Short-term benefits - charges 38% (1)	Post-employment benefits (2)	TOTAL 2005
Pierre GRAFF	Chairman and CEO	210	80	-	290
François RUBICHON	Chief Operating Officer	32	12	-	44
Hubert du MESNIL	Chief Operating Officer	225	86	269	580
Laurent GALZY	Chief Financial Officer	179	66	124	369
Marc NOYELLE	Chief Development Officer	188	70	172	430
René BRUN	Director of Aéroport Paris - Charles de Gaulle	181	67	169	417
Patrice HARDEL	Director of Aéroport Paris - Orly	164	61	196	421
Total		1,179	442	930	2,551

(in thousands of euro)

Executive Manager	Position	Short-term benefit excl. charges (1)	Short-term benefits - charges 38% (1)	Post-employment benefits (2)	TOTAL 2004
Pierre GRAFF	Chairman	211	80	-	291
Hubert du MESNIL	Chief Executive Officer	171	65	-	236
Laurent GALZY	Chief Financial Officer	151	57	-	208
Marc NOYELLE	Chief Development Officer	187	70	167	424
René BRUN	Director of Aéroport Paris - Charles de Gaulle	161	60	164	385
Patrice HARDEL	Director of Aéroport Paris - Orly	156	59	179	394
Total		1,037	391	510	1,938

(1) Short-term benefits means annual salary, paid vacation, bonuses, contractual profit-sharing benefits in kind and legal profit sharing

(2) Post-employment benefits include pensions and retirement plans paid after active service, as well as end-of-career bonuses

Non-salaried directors received no directors' fees in 2005, nor any other compensation from AÉROPORTS DE PARIS.

Salaried directors received only their salaries and other employee benefits in the context of their normal remuneration as stipulated by the by-laws applicable to employees of AÉROPORTS DE PARIS.

Note 35 - Off-balance sheet commitments

Off-balance sheet commitments are presented below:

<i>(in thousands of euro)</i>	At 31.12.2005	At 31.12.2004
Commitments granted :		
- Guarantees	18,495	15,293
- Guarantees on demand	11,431	10,087
- Asset and liability warranties	2,846	-
- Other	10,763	3,676
Total	43,535	29,056
Commitments received :		
- Guarantees	38,492	33,569
- Guarantees on demand	181,025	172,779
- DGAC mortgage	90	300
Total	219,607	206,648

Commitments given are mainly guarantees of loans to employees and “on demand” guarantees. Asset and liability warranties were granted in connection with the disposal of FRANCE HANDLING shares in 2005.

The main commitments received were guarantees from the beneficiaries of AOT (for a Temporary authorization to occupy public property ‘*Autorisation d’Occupation Temporaire du domaine public*’) and of commercial concessions, as well as from suppliers.

The amount of contractual commitments for non-current asset acquisitions was 497.1 million euros at 31 December 2005.

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

The Act dated 20 April 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, 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 concerns primarily the General Aviation Aerodromes.

Note 36 - Disclosures regarding joint ventures

The table below shows the simplified financial statements of SOCIÉTÉ DE DISTRIBUTION AÉROPORTUAIRE, the sole joint venture consolidated by the proportionate method:

<i>(in thousands of euro)</i>	At 31.12.2005	At 31.12.2004
Balance Sheet:		
Non-current assets	5,810	3,849
Current assets	24,460	22,633
Total Assets	30,270	26,482
Equity	8,630	6,540
Non-current liabilities	190	145
Current liabilities	21,450	19,797
Total Liabilities	30,270	26,482
Income Statement:		
Revenues	163,889	151,113
Net expenses	(156,359)	(145,673)
Net income	7,530	5,440

In the cash flow statement, flows relating to Société de Distribution Aéroportuaire are accounted for only up to the percentage consolidated, i.e., 49%. The overall cash flow for this holding is set out in the table below:

<i>(in thousands of euro)</i>	At 31.12.2005	At 31.12.2004
Cash flow from operating activities	7,414	12,747
Cash flow used for investment activities	(2,038)	(4,911)
Cash flow from financing activities	(5,429)	(2,926)
Overall cash flows related to joint ventures consolidated by the proportionate method	(53)	4,910

Note 37 - Companies within the scope of consolidation

Entity	Address	Siren number	Country	% stake	% control	Subsi- diary of
AÉROPORTS DE PARIS	291, boulevard Raspail 75675 PARIS CEDEX 14	552 016 628	France	Parent	Parent	
Subsidiaries						
ADP INGENIERIE	Ceinture de l'Aéroport 91200 ATHIS-MONS	431 897 081	France	100.0%	100.0%	ADP
ADP MANAGEMENT	291, boulevard Raspail 75014 PARIS	380 309 294	France	100.0%	100.0%	ADP
HUB TÉLÉCOM	Roissypole - Le Dôme - 4, rue de la Haye 93290 TREMBLAY- EN-FRANCE	437 947 666	France	100.0%	100.0%	ADP
ALYZIA AIRPORT SERVICES	Roissypole - Le Dôme - 4, rue de la Haye 93290 TREMBLAY- EN-FRANCE	552 134 975	France	100.0%	100.0%	ADP

Entity	Address	Siren number	Country	% stake	% control	Subsi- diary of
ALYZIA HANDLING	Bât 449 - Aérogare Sud - BP 135 94541 ORLY AÉROGARE CEDEX	441 341 666	France	100.0%	100.0%	ALYZIA
ALYZIA SURETÉ	Roissypole - Le Dôme - 4, rue de la Haye 93290 TREMBLAY-EN- FRANCE	411 381 346	France	100.0%	100.0%	ALYZIA
LOCMAFER	Roissypole - Le Dôme - 4, rue de la Haye 93290 TREMBLAY-EN- FRANCE	777 345 653	France	100.0%	100.0%	ALYZIA
SAPSER	Roissypole - Le Dôme - 4, rue de la Haye 93290 TREMBLAY-EN- FRANCE	320 268 352	France	100.0%	100.0%	ALYZIA
AVIANCE FRANCE	Roissypole - Le Dôme - 4, rue de la Haye 93290 TREMBLAY-EN- FRANCE	450 927 355	France	100.0%	100.0%	ALYZIA
ALYZIA RAMP ASSISTANCE	Roissypole - Le Dôme - 4, rue de la Haye 93290 TREMBLAY-EN- FRANCE	481 601 276	France	100.0%	100.0%	ALYZIA
Joint Ventures						
SOCIÉTÉ DE DISTRIBUTION AÉROPORTUAIRE	114, av. Charles de Gaulle 92200 NEUILLY- SUR-SEINE	448 457 978	France	49.0%	49.0%	ADP
Associates						
SETA	Viaducto Miguel Aléman 81 piso 2, Col. EscandonMEXICO (Federal District - Mexico)		Mexico	25.5%	25.5%	ADP
GIE ROISSYPOLE	17, Cours Valmy 92800 PUTEAUX	380 893 438	France	90.0%	49.0%	ADP
SCI ROISSY SOGARIS	Avenue de Versailles RN 186 94654 RUNGIS CEDEX	383 484 987	France	40.0%	40.0%	ADP
SAB	Aéroport de Bierset 4460 GRÂCE- HOLLOGNE (Belgium)		Belgium	25.6%	25.6%	ADPM

Statutory Auditors' Report on the consolidated financial statements for the year ended December 31, 2004

This is a free translation into English of the statutory auditors' report issued in French and is provided solely for the convenience of English speaking users. The statutory auditors' report includes information specifically required by French law in all audit reports, whether qualified or not, and this is presented below in the opinion on the consolidated financial statements. This information includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

In accordance with our appointment by the French Minister of the Economy, Finances and the Budget, we have audited the accompanying consolidated financial statements of Aéroports de Paris, for the year ended 31 December 2004.

The consolidated financial statements are the responsibility of the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

1- Opinion on the Consolidated Financial Statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets, liabilities, and financial position of Aéroports de Paris as at 31 December 2004 and of the results of its operations for the year then ended, in accordance with accounting principles applicable in France.

Without qualifying our opinion, we draw your attention to the second paragraph of note 1.2 to the consolidated financial statements, which presents the consequences of the accident that took place on 23 May 2004 in Terminal 2E of Roissy Airport, and which describes the associated accounting principles used by the Group and the financial consequences recognized in the consolidated financial statements.

2. Justification of our Assessments

In accordance with the requirements of article L.225-235 of the French Commercial Law (Code de Commerce) relating to the justification of our assessments, we draw to your attention the following matters:

The second paragraph of note 1.2 to the consolidated financial statements presents the accounting principles used to recognize the financial consequences of the accident that took place on 23 May 2004 in Terminal 2E of Roissy Airport. Within the framework of our assessment of the accounting principles used by the Group, we have verified the information provided in the notes to the consolidated financial statements, have verified that the accounting principles were appropriate and had been applied correctly.

Note 2.21 to the consolidated financial statements describes the principles used to account for the airport tax as net sales in the consolidated income. When we assessed the accounting principles used by the group, we verified that the principles described in the notes and the information provided in the notes were appropriate and had been applied correctly.

These assessments were thus made in the context of our audit of the consolidated financial statements taken as a whole and therefore contributed to the formation of our unqualified opinion expressed in the first part of this report.

3- Specific Verifications

In accordance with professional standards applicable in France, we have also verified the information provided in the Group’s management report. We have no matters to report regarding its fair presentation and conformity with the consolidated financial statements.

Neuilly and Paris, 25 May 2005

The Statutory Auditors

Salustro Reydel
Philippe Arnaud

Ernst & Young Audit
Francis Gidoïn

Consolidated Financial Statements as of and for the Year Ended December 31, 2004 (French GAAP)

Consolidated income statement

<i>(in thousands of euros)</i>	<i>Notes</i>	2004	2003
Revenue	<i>4</i>	1,820,857	1,711,846
Other operating income	<i>5</i>	132,992	103,820
Raw material and consumables used	<i>6</i>	(100,576)	(80,383)
Payroll costs	<i>7</i>	(549,785)	(534,700)
Other operating expenses	<i>8</i>	(571,671)	(501,027)
Taxes		(95,133)	(89,893)
Depreciation, amortization and provisions	<i>9</i>	(329,472)	(279,639)
Operating income		307,212	330,023
Net finance costs	<i>10</i>	(94,044)	(87,535)
Ordinary income		213,167	242,489
Net extraordinary expenses	<i>11</i>	(25,878)	(29,338)
Income taxes	<i>12</i>	(63,580)	(88,149)
Net income of consolidated companies		123,710	125,002
Share of earnings in companies accounted for by the equity method	<i>13</i>	8,290	411
Amortization of goodwill	<i>15</i>	(60)	(60)
Consolidated Net income of Aéroports de Paris Group		131,940	125,354
Minority interests	<i>14</i>	(6,069)	3,542
Consolidated Net income (share of Aéroports de Paris Group)		125,871	128,896

Consolidated balance sheet

ASSETS	Notes	At 31.12.2004	At 31.12.2003
<i>(in thousands of euros)</i>			
Goodwill	15	37	97
Intangible assets	16	11,289	15,737
Tangible assets	17	4,116,448	3,914,276
Unconsolidated investments	18	75,320	122,166
Investments in companies accounted for by the equity method	13	27,522	17,833
Other investments	19	49,719	50,364
Total financial assets		152,561	190,362
Total fixed assets		4,280,335	4,120,473
Inventories and work in progress	20	4,793	5,237
Trade receivables	21	336,493	287,560
Other receivables and prepaid expenses	22	336,971	210,498
Marketable securities		148,787	221,045
Cash at bank and in hand		24,688	24,845
Total current assets		851,731	749,184
TOTAL ASSETS		5,132,066	4,869,656
EQUITY AND LIABILITIES	Notes	At 31.12.2004	At 31.12.2003
<i>(in thousands of euros)</i>			
Capital		256,085	255,943
Consolidated reserves and retained earnings		1,168,241	1,049,061
Net income for the period		125,871	128,896
Translation reserves		(5,297)	(1,866)
Equity – Group share		1,544,899	1,432,034
Minority interests	14	0	45,171
Provisions for liabilities and charges	23	404,394	401,049
Loans and financial debt	24	2,507,141	2,394,513
Trade payables		216,557	173,295
Other liabilities and deferred income	25	459,076	423,595
Total liabilities		3,182,773	2,991,403
TOTAL EQUITY AND LIABILITIES		5,132,066	4,869,656

Consolidated cash flow statement

<i>(in thousands of euros)</i>	2004	2003
OPERATING ACTIVITIES		
Net income of consolidated companies	123,710	125,002
Adjustments for non-cash income and expenses:		
- Depreciation, amortization and provisions	342,603	260,173
- Change in deferred tax	(2,378)	3,029
- Capital gains on disposals, net of tax	(5,872)	(150)
- Insurance payments to be received for terminal 2E	(80,000)	-
- Others	6,091	5,299
Cash flow of consolidated companies	384,153	393,353
Dividends received from companies accounted for by the equity method	678	229
Decrease (increase) in inventories	441	(1,566)
Increase in trade receivables and other operating assets	(78,026)	(49,332)
Increase (decrease) in trade payables and other operating liabilities	4,656	(122,763)
Change in working capital requirements linked to operations	(72,929)	(173,661)
Net cash flows from operating activities	311,903	219,921
INVESTING ACTIVITIES		
Purchase of tangible and intangible assets	(551,916)	(565,384)
Increase in debt on fixed assets	65,413	57,027
Net purchase of financial assets	84	312
Proceeds from sale of assets, net of tax	1,649	3,930
Effect of changes in the scope of consolidation	(243)	(588)
Net cash flows from investing activities	(485,013)	(504,703)
FINANCING ACTIVITIES		
Dividend paid to the State	(12,036)	-
Dividends paid to minority interests in consolidated companies	-	(221)
Changes in capital	141	-
Grants received in the period	-	1,183
Proceeds from borrowings	253,506	404,880
Repayment of borrowings	(143,768)	(166,312)
Net cash flows from financing activities	97,842	239,530
Change in cash and cash equivalents	(75,268)	(45,252)
Cash and cash equivalents at beginning of period	239,244	284,496
Foreign exchange translation differences	-	-
Cash and cash equivalents at end of period	163,976	239,244

Statement of changes in equity

<i>(in thousands of euros)</i>	Capital	Retained earnings	Consolidated net income	Translation reserves	Equity (Group share)
As at 31 December 2002					
<i>(unaudited)</i>	255,943	1,175,295	93,546	(2,820)	1,521,964
Restatements		(216,706)		221	(216,485)
As at 1 January 2003	255,943	958,589	93,546	(2,599)	1,305,479
Allocation of 2002 net income		93,546	(93,546)		0
Consolidated 2003 net income			128,896	133	129,029
Other changes		(3,074)		600	(2,474)
As at 31 December 2003	255,943	1,049,061	128,896	(1,866)	1,432,034
Changes in capital	141				141
Allocation of 2003 net income		116,860	(128,896)		(12,036)
Consolidated 2004 net income			125,871		125,871
Other changes		2,320		(3,431)	(1,111)
As at 31 December 2004	256,084	1,168,241	125,871	(5,297)	1,544,899

Changes in capital in 2004 were attributable to:

- a grant from the State of land with a value of 152,000 euros mainly at Le Bourget airport;
- the withdrawal of a grant with a value of 11,000 euros concerning the municipality of Wissous.

The allocation of 2004 net income included payment to the French State of a dividend of 12,036,000 euros pursuant to the directive of November 10, 2004, published in the French official gazette of November 26, 2004.

Other changes in 2004, resulting in a decrease of 1,111,000 euros concerned:

- a reversal of the revaluation reserve in the amount of 280,000 euros;
- translation adjustments, for 831,000 euros, from the translation into euros of the Mexican peso accounts of SETA (Mexico).

Note 1 - Significant events

1.1. Administrative and financial organization

Different legislative and regulatory measures affected the Company's administrative and financial organization.

1. Pursuant to *the decree 2004-621 of June 29, 2004*, the financial statements of Aéroports de Paris will heretofore be prepared in conformity with the Code de Commerce (French commercial Code) and according to the regulations of the French Accounting Regulation Committee, and no longer according to public sector accounting rules.
2. *A joint directive issued by the Minister in charge of civil aviation and the Minister of the Budget on June 29, 2004*, stipulated:
 - that until June 30 included, the government accounting officer of the public sector company Aéroports de Paris would keep the Company's books following public sector accounting rules;
 - that after that date, all the prerogatives attached to the presence of a government accounting officer in the Company would disappear or be transferred to another government accounting officer.

Aéroports de Paris therefore has no more public law prerogatives authorizing it to use writs of execution to collect outstanding receivables, and as of July 1, 2004, the responsibility of collection of the airport tax was transferred to French civil aviation authorities, who will hand over the sums collected to Aéroports de Paris.

3. Pursuant to *the decree 2004-963 of September 9, 2004*, creating a national agency to manage government equity holdings (Agence des Participations de l'Etat), Aéroports de Paris now finds itself subject to rules of public governance in its relations with the State as defined by this agency.
4. *The rectified law of finances for 2003 creates, as of January 1, 2005*, on behalf of the general tax on polluting activities, a tax on aircraft noise levels, collected by French civil aviation authorities. Revenue from this tax will help finance assistance to communities located near airports, as provided for in articles L.571-14 to L.571-16 of the Code de l'Environnement.

As a transition measure, revenue from the "noise" general tax on polluting activities collected for 2004 will be allocated to airport operators to finance sound-insulation projects. In this connection, Aéroports de Paris received 23.05 million of euros in 2004. A decree, not yet published, should fix the terms for the implementation of these new texts.

5. *The legislative package on the Single European Sky* with the following four regulations:
 - regulation (EC) n° 549/2004 of the European Parliament and the European Council of March 10, 2004, laying the framework for the Single European Sky (the framework regulation);
 - regulation (EC) n° 550/2004 of the European Parliament and the European Council of March 10, 2004, on the provision of air navigation services in the Single European Sky (the service provision regulation);
 - regulation (EC) n° 551/2004 of the European Parliament and the European Council of March 10, 2004, on the organization and use of airspace in the Single European Sky (airspace regulation);
 - regulation (EC) n° 552/2004 of the European Parliament and the European Council of March 10, 2004, on the interoperability of the European air traffic management network and use of air space in the Single European Sky (the interoperability regulation);

should lead to a change in the role of the Chief Executive Officer of Aéroports de Paris, as a representative of the State, who at some point in 2005 will no longer be responsible for air navigation services.

6. Finally, completing these texts, *a bill on the airport sector to transform the public sector company Aéroports de Paris into a public company* was adopted by the French Senate on March 31, 2005. Promulgated by the French President, this text was adopted by the Parliament on March 31, 2005 and will be applicable once the decree on the Company's legal status is published.

1.2. Management

1 – Start-ups

The main assets brought into service in 2004 primarily concerned the Paris Charles-de-Gaulle airport and, in particular, runway access, the east access to Terminal 2, security equipment and baggage handling facilities in Terminal 2 besides Terminal 2E.

2 – Accident at Terminal 2E

The collapse of structural elements in the boarding concourse of Terminal 2E at the Paris Charles-de-Gaulle airport on May 23, 2004 resulted in the complete closing of this terminal. The building's central section and the isthmus were partially reopened in August 2004.

Several investigations, technical and criminal, were launched.

Only the technical investigatory commission chaired by Mr. Berthier, which was created to identify the causes of the accident, has submitted its report. This was on February 15, 2005.

As Pierre Graff, Chairman of Aéroports de Paris, had indicated in the hours following the accident, the safety of passengers and employees was the determining principle in the option chosen.

On the basis of external and internal studies, Aéroports de Paris decided to present a project to the Board of Directors on March 17, 2005, that involves the reconstruction of the roof and jetty facades and also to submit the project to experts within the framework of the civil proceedings.

Different solutions to repair the damage, i.e. to shore up the jetty, were given serious consideration and then dismissed for lack of sufficient safety guarantees. The choice of rebuilding the roof was the only solution that fully satisfied this safety requirement.

This solution allows to reuse all the building's lower structural parts, which poses no problem.

Aéroports de Paris will fully investigate all angles of the situation in order to finalize the reconstruction solution that has been adopted. This will make it possible to reopen Terminal 2E completely in the winter of 2007-2008.

Aéroports de Paris has subscribed the following insurance policies:

- a single policy to cover construction for an amount of 561 million euros corresponding to the building of Terminal 2E, including the various connecting roadways, primarily:
 - a central structure,
 - an isthmus,
 - a jetty,
 - walkways,
 - an automobile parking garage;
- liability insurance as an airport operator, mainly to cover all bodily, property and intangible damage suffered by third parties.

On this basis, the financial statements as of December 31, 2004, showed a decrease in net assets in the amount of 14,600,000 euros for the part that collapsed and a depreciation of the carrying amount of the remainder of the jetty vault for an amount of 75,520,000 euros.

The insurance companies granted the guarantees stipulated in the single construction insurance policy, thus making it possible to be reimbursed for the renovation of the jetty under the conditions defined in the insurance policy.

The Group's best estimate of a minimum amount of the claim reimbursement still to be received, considering the amounts already paid, subsequent to the decision taken and investigations and inspections in process stands at some 80 million euros.

A provision for liabilities and charges for an amount of 849,000 euros was also recognized. It corresponds to the amounts to be paid to the commercial outlets that were closed because of the accident.

The impact on income of the accident in terminal 2E was as follows:

Operating income and expenses:

- Loss of net revenue (rental): - 2,580,000 euros
- Operating expenses (lawyers' fees, communication, miscellaneous): 802,000 euros

Extraordinary expenses:

- Carrying amount of the collapsed section: 14,600,000 euros
- Depreciation of terminal 2E: 75,520,000 euros
- Other expenses: 5,708,000 euros

Insurance claim reimbursements:

- Received: 478,000 euros
- To be received: 80,000,000 euros

1.3. Other information

A new Board of Directors of Aéroports de Paris was appointed. The new members of the Board were appointed by ministerial decree on July 9, 2004 (list published in the French official gazette dated July 10, 2004). Pierre GRAFF was re-appointed Chairman of the Board of Directors of Aéroports de Paris.

Note 2 - Consolidation methods and accounting policies

Aéroports de Paris Group's consolidated financial statements are prepared in accordance with French generally accepted accounting principles (Regulation 99-02 of the French Accounting Regulation Committee (CRC)).

Aéroports de Paris Group applies preferential methods provided for in regulation 99-02, i.e.:

- recording of a provision for retirement benefits;
- restatement of lease financing commitments;
- extension of loan issue costs, bond discount premiums and bond redemption premiums over the life of the bond;
- recording in consolidated net income of translation adjustments in the assets and liabilities when a currency other than the euro is used.

The financial statements are consolidated respecting accounting principles of prudence, historical costs, going concern, segregation of reporting periods, materiality principles and consistency of accounting policies.

2.1. Unit of presentation

The following tables are presented in thousands of euros, unless otherwise indicated.

2.2. Closing date

The closing date for the statutory annual accounts of all of Aéroports de Paris Group's consolidated companies was December 31, 2004.

2.3. Consolidation policies

2.3.1. Consolidation methods

The consolidated financial statements include the accounts of Aéroports de Paris and of significant subsidiaries in which the Group exercises either exclusive control, shared control or a significant influence.

- Subsidiaries exclusively controlled by the Group, in particular those in which the parent company directly or indirectly holds more than 50% of the voting rights, are fully consolidated. Minority interests are presented separately in the income statement and in liabilities in the balance sheet;
- Subsidiaries controlled jointly with other entities are consolidated proportionately. This method involves only counting the assets, liabilities, income and expenses in the financial statements to the extent of the Group's ownership of the capital of the companies concerned;

- Companies in which the Group exercises a significant influence without having either exclusive control or joint control are accounted for by the equity method. Significant influence is presumed when the Group holds at least 20% of the voting rights. Accounting for companies by the equity method involves replacing the book value of the shares held by the amount they represent in the company's restated equity, including the net income of the period.

All intercompany accounts and transactions among consolidated companies have been eliminated, so have the internal results of the consolidated entity (dividends, capital gains on disposals, provisions on investments and receivables, etc.).

2.3.2. Exclusions from the consolidation scope

Companies the consolidation of which would have no significant impact on the consolidated financial statements are excluded from the consolidation scope. It is here mostly a question of companies with total assets or net revenue of less than 2 million euros.

In absence of any significant influence, the indirect holdings in BCIA (in which ADPM has a 6.6% stake) and GACN (in which SETA has a 15% stake in Mexico) are excluded.

The investments in companies excluded from the consolidated entity are recorded on the balance sheet as unconsolidated investments (see note 18).

2.3.3. Treatment of changes in the consolidation scope

Goodwill recognized upon acquisition of shares of consolidated companies represents the difference at the date of acquisition between the purchase price of these equity interests and the share in the acquired assets and liabilities valued at fair value.

Goodwill is recorded in the assets when it is positive, and in the liabilities under provisions for liabilities and charges when it is negative. It is then recognized in income over a period that reflects as reasonably as possible the assumptions made and the objectives set and recorded at acquisition. Positive goodwill is generally amortized over five years.

Negative goodwill recorded in 2004 on the acquisition of minority interest in ADPM and SERTA were fully incorporated into the net income of the period.

The income of companies acquired or sold during the year are included in the consolidated income statement for the period subsequent to acquisition or prior to sale.

2.4. Translation of the financial statements of consolidated foreign subsidiaries

The financial statements of consolidated foreign subsidiaries are translated into euros using the current rate method:

- Balance sheet items are translated at foreign exchange rate ruling at balance sheet date.
- Statement of income items in foreign currencies are translated at the official average exchange rate for each currency.
- Differences with regard to the balance sheet and the statement of income at the beginning of the reporting period resulting from the translation into euros of the financial statements of consolidated foreign subsidiaries are recorded in the statement of changes in equity as translation reserves.
- No consolidated company is located in a country experiencing hyperinflation.

2.5. Translation of assets and liabilities denominated in foreign currencies

Liabilities and assets denominated in foreign currencies are valued using the current rate method. Translation adjustments, which in the parent company financial statements are recorded in the accruals assets and liabilities, are recognized in income in the consolidated financial statements in accordance with the preferential method defined by CRC regulation 99.02. On the other hand, provisions recognized in the parent company financial statements for latent foreign exchange losses are eliminated in consolidation.

2.6. Tax-regulated provisions

Tax-regulated provisions are cancelled in consolidation, after deferred tax, if any, has been recorded.

2.7. Deferred tax

Deferred income tax is attributable to timing differences in the value of the assets and liabilities between the recognition for tax and for financial reporting purposes. Deferred tax is estimated at the effective tax rate at the end of the reporting period and applying to the fiscal years in which the timing differences will be realised.

Tax assets are recognized, if such is the case, for loss carry forwards and unused tax credits.

Generally speaking, net deferred tax assets are only recognized to the extent that it is probable that the tax entity concerned will report sufficient future taxable income to which the timing differences, unused fiscal losses and tax credit can be charged.

The tax consolidation group encompassing the parent company, Aéroports de Paris, and three French subsidiaries in which the Company has an equity interest of more than 95% – ALYZIA AIRPORT SERVICES, SAPSER and FINANCIÈRE ASSISTANCE – constitutes a single tax entity for the purpose of the above policies.

2.8. Intangible assets

Intangible assets are carried at the cost of acquisition (for assets purchased) or production (for assets produced by the Company itself). In particular, they include:

- computer software amortized on a straight-line basis over a period of one to seven years, on a case by case basis
- research and development expenses concerning SERTA, which were totally amortized at the end of the year.

2.9. Property, plant and equipment

Property, plant and equipment is recognized at the cost of acquisition (for assets purchased) or production (for assets produced by the Company itself).

Property, plant and equipment is recognized at historical cost and is subject to the legal revaluations of 1959 and 1976. The amount includes engineering and work supervision costs, in particular resulting from the capitalization of internal charges.

Property, plant and equipment of a significant amount made available to the Group within the framework of lease financing agreements is recognized in the assets on the consolidated balance sheet as if they had been acquired on credit.

Intermediary interest on funds borrowed to finance fixed assets is excluded from the acquisition costs of such assets.

Items of property, plant and equipment are depreciated on a straight-line basis over on the basis of their usual service lives. The service lives used to calculate depreciation at Aéroports de Paris Group are:

- Improvements to land: 20 years,
- Plants: 10 to 50 years,
- Technical installations: 5 to 15 years,
- Equipment and tools: 5 to 15 years,
- Office furniture and computers: 5 to 7 years,
- Transport equipments: 7 to 10 years.

The special provision for revaluated property, plant and equipment is considered in consolidation to be a tax-regulated provision and is therefore restated.

2.10. Long-term investments

Unconsolidated equity interests are recorded in the balance sheet at their net acquisition price, less any depreciation.

When the value in use is lower than the book value, the difference is written off. The value in use is determined on the basis of the net book value of the equity interest held, translated ruling the year-end foreign exchange rate for foreign companies, and rectified, if necessary, to reflect the book value of the companies. The methods used to determine this value take into consideration cash prospects or comparable multiples.

Other long-term investments are recorded at their acquisition price. When the book value is lower than the historical cost, the difference is written off.

In the particular case of long-term investments acquired in foreign currencies, the rate used to translate the acquisition price corresponds to:

- the foreign exchange rate in effect at the date of consolidation;
- or the rate ruling of the foreign currency hedge if such was engaged before the acquisition; in this case, hedging costs are incorporated into the acquisition cost for their amount net of tax.

2.11. Impairment of tangible and intangible assets

Assets held for the long term are exceptionally written down when as a result of events or circumstances that have occurred during the reporting period, their value in use appears to be definitively lower than their net book value.

2.12. Inventories

The gross value of goods and supplies includes the purchase price and related expenses. Internal and external financing expenses are not included nor are distribution expenses and warehousing costs. Inventories are valued on disposal on the basis of the weighted average cost method.

A provision is to be recognized if the inventory value is lower than the purchase price. Inventory value is the current value, which is the net realizable value.

2.13. Trade receivables

Trade receivables are valued at their nominal value. They may be impaired where the wish of not recovering them is substantial. They concern:

- Trade receivables which have not been recovered by more than six months at the balance sheet date (12 months for public sector entities) are transferred to doubtful receivables. The same applies for any receivables remaining unpaid at the date a customer enters receivership or court-ordered liquidation procedures.
- Receivables outstanding for less than six months are also taken into account in calculating impairment of trade receivables where the risk of not recovering them is substantial (foreseeable liquidation, foreign customers going out of business, etc.).

A provision is recorded for doubtful or disputed debtors on the basis of the status of the individual accounting documents (receivable prior to bankruptcy, claim in process, litigation, etc.) or the solvency of the customer with regard to the amounts due (legal proceedings in process, foreign customer with no assets in France, etc.).

Since 1 July 2004, AÉROPORTS DE PARIS no longer enjoys public-sector prerogatives and therefore no longer has access to government enforcement procedures. As a consequence, the only recourse possible is recovery on an amicable basis or court litigation.

2.14. Marketable securities

Monetary items are recorded at their historical acquisition value. When the net asset value of these marketable securities is greater than their acquisition price, it cannot be recorded in the balance sheet. In the opposite case, any latent capital loss gives rise to a provision for depreciation.

Advance and credit arrangements denominated in foreign currencies are valued according to the current rate method.

2.15. Employee benefit obligations

Employee benefit obligations are fully covered by provisions, including pre-retirement benefits (Protocole d'Accord sur le Régime de Départ Anticipé) by applying the international standard IAS 19. The calculation method used is the accrued benefit valuation method with end-of-career salaries (see note 23).

2.16. Provisions for liabilities and charges

The Group applies CRC Regulation 2000-06. Within this framework, provisions for liabilities and charges are recorded in anticipation of probable outflow of resources to the benefit of third parties with no corresponding benefit for the Company. These provisions are estimated on the basis of the most likely assumptions at the closing date.

The general policy of Aéroports de Paris Group has no specific dispositions concerning of provisions for liabilities and charges, except for provisions for commercial disputes that are appreciated at the end of each reporting period with regard to the financial consequences of each dispute and related probabilities.

2.17. Capital grants

Capital grants recorded in shareholders' equity in the statutory annual accounts are reclassified as deferred income in the consolidated financial statements under the corresponding caption.

Capital grants are recognized in the income statement over the same period as the depreciation period of the assets in respect of which the grants were received.

2.18. Cash flow statement

Net cash corresponds to cash and cash equivalent marketable securities and current bank advances.

2.19. Derivative financial instruments

Aéroports de Paris manages market risks linked to fluctuations in interest rates and currency rates by using derivative financial instruments, in particular interest rate and currency swaps. All these instruments are used for hedging purposes and are strictly monitored.

Income and charges on transactions involving derivative financial instruments used within the framework of hedges are determined and accounted for symmetrically to the accounting for charges and income on the hedged items. Equalization payments received or paid on swaps hedging financial debt are recognized in income over the life of the contracts as an adjustment in interest charges.

2.20. Segment and geographic reporting

The Group is managed on the basis of a sole business segment, since executive management judges the performance of the Group as a whole and not as if there were distinct operating units. Nevertheless, the Group has initiated a process in order to think about and adapt its information systems, to respond to new international standards and provide relevant segment reporting.

2.21. Airport tax

The conditions for determining the tax base and collection of airport taxes are laid down in the 1999 Finance Act in sections 51 and 136 (General Tax Code, sections 302 bis K and 1609 *quater*). Section 1609 states in particular (free translation from French original text) "the proceeds of the tax are allocated to each airport for financing security-firefighting-rescue services, bird hazard prevention, safety and environmental control measures".

Sections L251-2 and L282-8 of the Civil Aviation Code defines the role of AÉROPORTS DE PARIS as regards safety and security, and the corresponding operating expenses are recorded as they arise, while the proceeds are recognized as revenues.

When the cumulative amount of the tax received is greater than the cumulative amount of expenses recognized, the surplus amount received is recognized as deferred income.

Note 3 - Changes in the scope of consolidation

3.1. Companies consolidated for the first time in 2004

LOCMAFER and ALYZIA SURETE (formerly SURVIA) were consolidated for the first time in 2004, since they met consolidation criteria (*see paragraph 2.3.2.*). These consolidations had no significant impact on the consolidated balance sheet and statement of income.

3.2. Companies deconsolidated in 2004

The only deconsolidation in 2004 involved the disposal of SIFA in March 2004. This deconsolidation had no significant impact on the consolidated balance sheet and income statement.

3.3. Buyback of minority interests

The Group increased its equity interest in ADPM from 66% to 100% following this company's December 2004 buyback of its own shares from the Vinci Group. Correlatively, ADPM's percentage interest in SAB (Belgium) rose from 16.5% to 25.1%.

In addition, following the acquisition by ADPT, when Dolphin Telecom was liquidated, of that company's 49% equity interest in SERTA, the Group's interest in SERTA increased from 51% to 100%.

Note 4 - Revenue

At 31 December 2004, the breakdown of the group's revenue was as follow:

<i>(in thousands of euros)</i>	2004	2003
Aeronautical fees	556,316	489,765
Retail income	162,603	151,982
Parking and other facilities	197,394	190,832
Ground handling services	143,746	153,242
Airport tax	298,204	283,852
Rental income	271,045	258,246
Industrial services and other revenue	191,549	183,927
Total revenue	1,820,857	1,711,846

Revenue broken down by company was as follows:

<i>(in thousands of euros)</i>	Revenue in statutory accounts	Eliminations and restatements	2004 Contributions	2003 Contributions
AÉROPORTS DE PARIS	1,721,364	(54,677)	1,666,686	1,582,959
ADP Ingénierie	27,160	(1,053)	26,107	29,403
ADP Management	2,698	(7)	2,691	2,248
ADP Télécom	66,785	(28,460)	38,325	34,467
SERTA	2,641	(1,562)	1,079	1,316
ALYZIA AIRPORT SERVICES	6,970	(6,334)	636	1,630
ALYZIA HANDLING	20,945	(17,923)	3,022	2,458
ALYZIA SURETE	14,038	(14,024)	14	-
LOCMAFER	4,975	(4,385)	590	-
SAPSER	32,716	(25,055)	7,661	9,678
SDA (49%)	74,045	-	74,045	42,875
SIFA (50%)	-	-	-	4,812
Total revenue	1,974,337	(153,480)	1,820,857	1,711,846

The comparability of revenue in the two fiscal years was influenced by:

- changes in the scope of consolidation: deconsolidation of SIFA and consolidation of LOCMAFER and ALYZIA SURETE,
- a 2003 fiscal year limited to seven months for SDA.

Note 5 - Other operating income

Other operating income is broken down as follows:

<i>(in thousands of euros)</i>	2004	2003
Changes in inventories of finished goods	(330)	(201)
Own work capitalized	46,580	54,726
Operating grants	1,309	2,138
Reversals of provisions:		
- for impairment of fixed assets	361	1
- for depreciation of current assets	34,377	6,390
- for operating liabilities and charges	48,729	38,897
Subtotal reversals of provisions	83,467	45,288
Other operating income	1,141	(104)
Transfers of operating charges	825	1,974
Total	132,992	103,820

Reversals of provisions for liabilities and charges in 2004 can be broken down as follows:

- provisions for litigation	10,253
- provisions for employee benefit obligations	32,032
- risk of upgrade of CDG1	6,210
- other	234
Total	48,729

As of December 31, 2004, capitalized production included 44,350,000 euros for the “cost of studies and supervision of works”, compared with 52,541,000 euros in 2003.

Note 6 - Raw material and consumables used

Raw material and consumables used can be broken down as follows:

<i>(in thousands of euros)</i>	2004	2003
Purchase of raw materials	7,027	5,334
Change in inventory of raw materials	1,072	86
Purchase of goods	32,063	20,611
Change in inventory of goods	(973)	(1,856)
Purchase of subcontracting services	9,997	8,486
Other purchases of non-inventory equipment and supplies	51,390	47,722
Total	100,576	80,383

Other purchases of non-inventory equipment and supplies include electricity and gas utility costs.

Note 7 - Payroll costs and number of employees

Payroll costs can be analyzed as follows:

<i>(in thousands of euros)</i>	2004	2003
Salaries and wages	372,035	361,145
Social contributions	164,091	156,710
Employee gainsharing and profitsharing	13,659	16,846
Total	549,785	534,700

Payroll costs increased by 2.8% over the previous year, impacted by the following events:

- salaries increases (+ 1.52%);
- changes in G.V.T. (related to seniority and technical level of employees) (+ 1.87%);
- changes in number of employees per month (- 0.46%).

The number of employees at the end of the period can be broken down as follows:

	2004	2003
Management	1,368	1,197
Supervisors	5,110	5,081
Other employees	3,733	4,024
Total	10,211	10,302
<i>of which ADP</i>	<i>8,237</i>	<i>8,203</i>
<i>of which ADP Ingénierie</i>	<i>91</i>	<i>77</i>
<i>of which ADP Management</i>	<i>8</i>	<i>6</i>
<i>of which ALYZIA Group</i>	<i>1,488</i>	<i>1,697</i>
<i>of which ADP Télécom</i>	<i>203</i>	<i>128</i>
<i>of which SDA (49%)</i>	<i>184</i>	<i>191</i>

Note 8 - Other operating expenses

Other operating expenses are broken down as follows:

<i>(in thousands of euros)</i>	2004	2003
External services:		
- Subcontracting	320,998	306,561
- Maintenance, repairs	75,627	70,126
- Other external charges	123,900	112,226
Total external services	520,526	488,914
Other current management charges	51,145	12,113
Total other operating expenses	571,671	501,027

In 2004, other current management charges included 33,234,000 euros for bad debt expense. This amount was, however, offset by reversals of provisions on current assets recorded in other operating income (see note 5).

Note 9 - Depreciation, amortization and provisions

Depreciation, amortization and operating provisions are broken down as follows:

<i>(in thousands of euros)</i>	2004	2003
Depreciation and amortization of:		
- tangible and intangible assets	253,892	219,733
- lease financing property	6,191	5,058
	260,083	224,791
Provisions for:		
- depreciation of current assets	14,175	17,695
- operating liabilities and charges	55,214	37,153
	69,389	54,848
Total depreciation, amortization and provisions	329,472	279,639

Provisions for liabilities and charges in 2004 can be broken down as follows:

- provisions for litigation	15,483
- provisions for employee benefit obligations	34,846
- other provisions	4,886
Total	55,214

Note 10 - Net finance costs

Finance income and expenses can be broken down as follows:

<i>(in thousands of euros)</i>	2004	2003
Dividends from equity holdings	2,532	3,658
Foreign exchange gains	4,580	4,863
Interest income on swaps	50,585	51,575
Other financial income	4,977	6,536
Reversals of provisions and expense transfers	412	1,293
Total finance income	63,086	67,925
Provisions on BCIA shares (China) (see note 11, footnote 2)	(4,868)	0
Other depreciation allowances and provisions	(3,523)	(4,580)
Foreign exchange losses	(3,865)	(3,443)
Interest expense on swaps	(31,360)	(32,934)
Interest on loans and other expenses	(113,515)	(114,502)
Total finance expenses	(157,131)	(155,459)
Net finance costs	(94,044)	(87,535)

Note 11 - Net extraordinary expenses

Extraordinary items can be analyzed as follows:

<i>(in thousands of euros)</i>	2004	2003
Impact of accident at Terminal 2E (see note 1.2):		
- write-off of assets (the part of the terminal that was destroyed)	(14,600)	-
- depreciation and net allowances for provisions	(76,369)	-
- insurance indemnities	80,478	-
- other expenses	(5,708)	-
Subtotal	(16,199)	-
Capital gains (loss) on disposal of tangible and intangible assets	474	151
Capital gains (loss) on disposal of financial assets	5,566 (1)	81
Provisions for risks on BCIA (China)	13,673 (2)	(13,673)
Other provisions net of reversals	(15,255)	(8,862)
Reversal of negative goodwill on ADPM and SERTA	3,932	-
Other extraordinary items	(18,069) (3)	(7,035)
Total net extraordinary expenses	(25,878)	(29,338)

(1) Of which 4,962,000 euros from the sale of CAMS shares (Cambodia).

(2) Provision for risk in 2003 fully reversed in extraordinary income, then partially, for depreciation of shares (see note 10).

(3) Of which 11,262,000 euros concerning agreements with suppliers.

Note 12 - Income taxes

12.1. Analysis of income taxes

<i>(in thousands of euros)</i>	2004	2003
Current tax	(65,958)	(85,120)
Deferred tax	2,378	(3,029)
Total	(63,580)	(88,149)

12.2. Tax-proof

The reconciliation between the theoretical income tax and actual income tax is presented below:

<i>(in thousands of euros)</i>	2004	2003
Net income after income taxes of consolidated companies	123,710	125,002
Income taxes	63,580	88,149
Net income before income taxes of consolidated companies	187,289	213,151
<i>Current theoretical tax rate in France</i>	<i>35.43%</i>	<i>35.43%</i>
Theoretical tax expense	(66,363)	(75,519)
Impact on theoretical tax of:		
- changes in the non-deductible provision on BCIA (China)	4,845	(4,845)
- changes in other unrecognized timing differences and loss carryforwards . . .	(685)	70
- permanent differences	(182)	(7,387)
- tax credits	623	1,292
- special tax on reserves for long-term capital gains	(2,086)	
- impact of decreases in tax rates on tax net assets	(3,008)	
- adjustments for prior periods	3,275	(1,760)
Effective tax expense	(63,580)	(88,149)
<i>Effective tax rate</i>	<i>33.95%</i>	<i>41.36%</i>

12.3. Analysis of deferred tax assets and liabilities

Deferred tax assets and liabilities at the end of the period can be broken down as follows:

<i>(in thousands of euros)</i>	At 31.12.2004	At 31.12.2003
Timing differences, the tax deductibility of which is deferred:		
- employee benefit obligations	124,635	127,925
- provisions and payables	986	532
- other	216	78
Timing differences, the taxation of which is deferred:		
- tax-regulated provisions	(54,057)	(55,610)
- revaluation reserves	(8,348)	(8,689)
- finance lease	(11,048)	(11,833)
- loan issue costs	(2,723)	(3,560)
- other	(34)	(1,578)
Net deferred tax assets	49,628	47,265
These amounts are broken down as follows on the balance sheet:		
- in the assets (Other receivables and prepaid expenses)	49,631	47,306
- in the liabilities (Provisions for liabilities and charges)	(4)	(41)

Note 13 - Companies accounted for by the equity method

The value of companies accounted for by the equity method varied as follows in 2004:

<i>(in thousands of euros)</i>	Equity interest 2004 (percentage)	At 31.12.2003	Dividends	Share of net income (loss)	Foreign exchange translation differences	Other changes	At 31.12.2004
FRANCE HANDLING	34.06%	8,907		658			9,565
GIE ROISSYPOLE	90.00%	(3,466)				3,466 (1)	0
SCI ROISSY SOGARIS	40.00%	3,376		994			4,370
SAB (Belgium)	25.12%	3,020	(678)	2,199		28	4,569
SETA (Mexico)	25.50%	5,996		(396)	(389)	3,807 (2)	9,018
Total		17,833	(678)	3,455	(389)	7,301	27,522
Share of GIE Roissypole recorded in reversals of provisions for risks in the liabilities				4,835			
Total income accounted for by the equity method				8,290			

(1) Reclassification in provisions for liabilities and charges.

(2) Equity contribution by conversion of loan.

Note 14 - Minority interests

Minority interest on the balance sheet varied as follows in 2004:

<i>(in thousands of euros)</i>	Equity interest 2003 (percentage)	At 31.12.2003	Dividends	Share of net income	Changes in scope	Other changes	At 31.12.2004
SERTA	49.00%	1,661		166	(1,827)		0
ADPM	34.00%	40,897	230	5,155	(46,305)	23	0
GIE ROISSYPOLE	41.00%	2,923				(2,923) (1)	0
SAB (Belgium)	8.50%	(310)	(217)	747	(220)		0
Total		45,171	13	6,068	(48,352)	(2,900)	0

(1) Of which -2,900,000 euros reclassified in provisions for liabilities and charges.

Note 15 - Goodwill

Goodwill in the assets exclusively concerns ADPM. The following changes were observed:

<i>(in thousands of euros)</i>	At 31.12.2003	Increase	Decrease	At 31.12.2004
Cost	298			298
Amortization	(201)	(60)		(261)
Carrying amount	97	(60)	0	37

Note 16 - Intangible assets

Intangible assets can be analyzed as follows at the end of the period:

<i>(in thousands of euros)</i>	Research expense	Software	Other	Advances and prepayments	Total
At 31 December 2003:					
- Cost	103	69,549	4,421	4,747	78,820
- Cumulated amortization	(103)	(62,268)	(712)		(63,083)
Carrying amount	-	7,281	3,709	4,747	15,737
At 31 December 2004:					
- Cost	103	76,255	-	4,927	81,284
- Cumulated amortization	(103)	(69,893)	-		(69,996)
Carrying amount	-	6,362	-	4,927	11,289

Intangible assets varied as follows in 2004:

<i>(in thousands of euros)</i>	Research expense	Software	Other	Advances and prepayments	Total
Carrying amount at 31 December 2003	-	7,281	3,709	4,747	15,737
- Purchases		728		2,442	3,170
- Amortization		(7,898)			(7,898)
- Item-to-item transfers and other captions ...		6,251	(3,709)	(2,263)	279
Carrying amount at 31 December 2004	-	6,362	-	4,927	11,289

The decrease in the “Other” column corresponded to the cancellation of ADP’s (intragroup) contribution of customers in 2001 to the benefit of ADPT.

Note 17 - Tangible assets

Tangible assets can be analyzed as follows at the end of the period:

<i>(in thousands of euros)</i>	Property	Plant	Equipment	Other	Assets in progress, advances and prepayments	Total
At 31 December 2003:						
- Cost	74,004	5,474,833	139,858	167,515	748,712	6,604,922
- Cumulated depreciation	(7,520)	(2,472,211)	(87,448)	(123,466)		(2,690,646)
- Cumulated impairment . . .		-				-
Carrying amount	66,484	3,002,622	52,409	44,049	748,712	3,914,276
At 31 December 2004:						
- Cost	76,093	5,722,662	150,154	174,119	968,049	7,091,077
- Cumulated depreciation . . .	(7,854)	(2,657,401)	(98,479)	(135,375)		(2,899,109)
- Cumulated impairment . . .		(75,520)				(75,520)
Carrying amount	68,239	2,989,741	51,676	38,744	968,049	4,116,448
<i>Of which carrying amount of assets under finance lease agreements:</i>						
- at 31 December 2003	7,698	60,775	-	-	-	68,473
- at 31 December 2004	7,698	55,717	3,585	-	-	67,001

Tangible assets varied as follows in 2004.

<i>(in thousands of euros)</i>	Property	Plant	Equipment	Other	Assets in progress, advances and prepayments	Total
Carrying amount at 31 December 2003	66,484	3,002,622	52,409	44,049	748,712	3,914,276
- Purchases	557	8,566	5,991	1,980	531,662	548,757
- Disposal and scrap	(41)	7	(169)	(33)		(235)
- Depreciation	(519)	(242,983)	(13,154)	(14,807)		(271,463)
- Impairment		(75,520)				(75,520)
- Item-to-item transfers and other captions	1,758	297,050	6,597	7,554	(312,325)	633
Carrying amount at 31 December 2004	68,239	2,989,741	51,676	38,744	968,049	4,116,448

The provision for impairment, being 75,520,000 euros, exclusively concerns Terminal 2E at Roissy Paris CDG following the accident that occurred on May 23, 2004. In addition, insurance indemnities to be received were recognized in other receivables and prepaid expenses in the assets on the balance sheet for 80 million euros (see note 22).

As of December 31, 2003, Aéroports de Paris' tangible assets had been restated via retained earnings in order to make up for reforms not yet carried out and to mark the changes in policy concerning the “cost of studies and supervision of works”, as well as major maintenance. All these restatements had been recorded in “Plant”. As of December 31, 2004, these corrections were recognized for their definitive amount in auxiliary fixed asset accounting, generating the following differences:

<i>(in thousands of euros)</i>	Cost of studies and supervision of works	Major maintenance	Reforms	Total
Differences on cost	(308)	(5,607)	1,064	(4,851)
Differences on depreciation	(937)	5,879	(676)	4,266
Differences on derogatory depreciation	5,993	0	790	6,783
Differences on share of grants transferred to income . . .	0	0	6	6
Total differences	4,748	272	1,184	6,204
Impact on operating income	(865)	0	(676)	(1,541)
Impact on extraordinary items	5,613	272	1,860	7,745
Total impact on net income for the period	4,748	272	1,184	6,204

“-” indicates expenses

“+” indicates income

The main purchases in 2004 are presented below:

- **Capacity investments**, which totaled 221.3 million euros, reflected the continued development of the Paris Charles-de-Gaulle platform to improve the hub’s efficiency and respond to the continuous increase in air traffic. The main operations concerned:
 - the launch of works on satellite S3, located on the east of Terminals CDG 2E and CDG 2F, which are designed to improve the hub’s performance by increasing the number of contact points and making room for the A380;
 - ongoing works on the east baggage handling system with the start of tests for the first section and a feasibility study on its expansion in partnership with the contractor and Air France;
 - continued works on the automatic transport system, which will contribute to the development and servicing of business areas at Paris Charles-de-Gaulle (terminals, parking facilities, real estate development) and bolster connections with SNCF infrastructures.

The year 2004 was marked by the works required due to the accident at Terminal 2E and further program studies to help prepare for the arrival of the A380 both from the regulatory point of view with civil aviation authorities and in terms of general coordination.

- **Real estate development investments**, which totaled 3.8 million euros, primarily concerned renovation and development of real estate rented to third parties.
- **Current investments**, which totaled 208.1 million euros, primarily reflected the works to ensure equipment compliance and improve the quality of passenger service. The increase in investments compared with 2003 in particular points up the progress made on two major renovation projects – the Orly Ouest concourse 2 and CDG1 with the launch of the first phase in April 2004, leading to the neutralization of a vertical quarter of the central structure as well as of one of the terminal's seven satellites.

Current investments also include investments of subsidiaries for a total of 14.2 million euros, of which 13 million euros for ADP Télécom.

- **Investments in security** totaled 40 million euros.
- **Investments in cost of studies and supervision of work** totaled 57.4 million euros.

Note 18 - Unconsolidated investments

<i>(in thousands of euros)</i>	Equity interest 2004 (percentage)	At 31.12.2004	Equity interest 2003 (percentage)	At 31.12.2003
BCIA (China)	6.6%	74,246	10.0%	119,871
LOCMAFER	-	-	100.0%	1,064
AIRPORT SMART LTD	40.0%	313	40.0%	313
SOFREAVIA	7.8%	245	7.8%	246
IDF	2.5%	229	2.5%	229
SOGECEBA	65.0%	-	65.0%	118
C2FPA	21.3%	100	21.3%	100
AVIANCE	99.9%	80	99.9%	80
CIVIPOLE Conseil	2.9%	76	2.9%	76
CFL	33.3%	14	33.3%	14
GIFA	-	-	35.0%	13
CAMS (Cambodia)	-	-	60.0%	11
MPS	100.0%	8	100.0%	8
ALYZIA SURETE (ex-SURVIA)	-	-	100.0%	8
SOGEAC (Guinea)	29.0%	5	29.0%	5
ALYZIA TRAINING	100.0%	-	100.0%	5
API	50.0%	4	50.0%	4
TLS	100.0%	-	100.0%	-
GIE CDG Express	33.0%	-	33.0%	-
APAS	100.0%	-	100.0%	-
ADC (Cameroon)	34.0%	-	34.0%	-
PAMS (Russia)	100.0%	-	100.0%	-
FINANCIÈRE ASSISTANCE	99.9%	-	99.9%	-
MSA	100.0%	-	100.0%	-
ARGIA	65.0%	-	65.0%	-
Carrying amount		75,320		122,165

The decrease in the value of unconsolidated investments was mainly the result of ADPM's sale to the Vinci Group of a 34% equity interest formerly held in BCIA (China). The shares in CAMS (Cambodia) were sold within the framework of the same operation.

It should be noted that LOCMAFER and ALYZIA SURETE, which were listed in this category as of December 31, 2003, were consolidated as of January 1, 2004.

Note 19 - Other financial assets

Other financial assets at the end of the year can be analyzed as follows:

<i>(in thousands of euros)</i>	At 31.12.2004		At 31.12.2003	
	Gross value	Depreciation	Carrying amount	Carrying amount
Receivables related to investments	4,306	-	4,306	8,101
Loans	12,223	-	12,223	10,522
Deposits and endorsements	97	-	97	(239)
Other	943	-	943	(945)
Accrued interest not yet due	32,150	-	32,150	32,925
Total	49,719	-	49,719	50,364

Of which the portion due in less than one year as of December 31, 2004:

- receivables related to investments	577
- loans	3,616
- deposits and endorsements	3
- accrued interest not yet due	32,150
- Total	36,346

Receivables related to investments mainly concerned the commitment on SETA (Mexico), which is accounted for by the equity method.

Note 20 - Inventories

Inventories included the following items as of December 31:

<i>(in thousands of euros)</i>	At 31.12.2004		At 31.12.2003	
	Gross value	Depreciation	Carrying amount	Carrying amount
Raw materials	3,032	(26)	3,005	3,084
Work in progress	16	-	16	346
Goods for resale	1,830	(58)	1,772	1,807
Total	4,878	(84)	4,793	5,237

Note 21 - Trade receivables

Trade receivables can be analyzed as follows:

<i>(in thousands of euros)</i>	At 31.12.2004	At 31.12.2003
Gross value	399,531	370,807
Provisions for depreciation	(63,039)	(83,248)
Carrying amount	336,493	287,560

The decrease in provisions for depreciation was mainly due to the absence of any default by major clients in 2004, and the recognition of the non-value of irrecoverable shares of airlines being liquidated.

Note 22 - Other receivables and prepaid expenses

Other receivables and prepaid expenses can be detailed as follows:

<i>(in thousands of euros)</i>	At 31.12.2004		At 31.12.2003	
	Gross value	Depreciation	Carrying amount	Carrying amount
Advances and prepayments	5,480		5,480	3,633
Social receivables	2,872		2,872	1,997
Tax receivables:				
- Tax receivable "cost of studies and supervision of work"	58,528		58,528	63,838
- Other tax receivables	94,133		94,133	40,711
Debit current accounts	2,655	(612)	2,043	5,293
Receivables on disposal of fixed assets	0	-	0	0
Other operating receivables	103,546	(1,127)	102,418	26,010
Prepaid expenses	11,301		11,301	7,822
Deferred tax assets	49,631		49,631	47,306
Bond redemption premiums	2,654		2,654	3,028
Charges to be apportioned	7,910		7,910	10,859
Total	338,710	(1,739)	336,971	210,498

Of which the portion due in less than one year as of December 31, 2004:

- tax receivable "cost of studies and supervision of work"	54,918
- prepaid expenses	6,386
- charges to be apportioned (loan issue costs)	<u>6,311</u>
- Total	67,615

Tax receivable of Aéroports de Paris resulting from the restatement of the "cost of studies and supervision of work" recorded on the opening balance sheet in 2003 in the amount of 63.8 million euros decreased by 5.3 million euros to 58.5 million euros as of December 31, 2004. This decline corresponded to:

- the impact in terms of taxes of the portion of amortization on the initial restatement of the amortization of 180.2 million euros in the amount of 3.66 million euros;
- the anticipation of the impact of the change in the tax rate on future amortization in the amount of 1.64 million euros.

Other operating receivables (103,546,000 in gross value) included the amount of the insurance indemnities for the accident at Terminal 2E for 80 million euros.

Bond redemption premiums, which represent the difference between the reimbursement value of the bonds and their par value are carried in the assets when the bonds are issued below par.

Bond redemption premiums recorded in the assets correspond to bonds issued in euros.

Charges to be apportioned as of December 31, 2004, exclusively corresponded to the deferral of loan issue costs.

Note 23 - Provisions for liabilities and charges

Provisions for liabilities and charges varied as follows:

<i>(in thousands of euros)</i>	At 31.12.2003	Alloca- tions	Reversals	Changes in scope	Other changes	At 31.12.2004
Provisions for employee benefit obligations:						
- Lump-sum retirement benefits (ADP)	155,873	16,302	(9,907)			162,268
- Pre-retirement plan	72,489	7,098	(19,128)			60,459
- Additional firefighters' retirement benefits	3,096	155	(181)			3,070
- Health insurance	126,595	10,972	(2,603)			134,964
- Long-service awards	1,349	62	(124)			1,287
Subtotal ADP (parent company)	359,402	34,589	(31,943)	-	-	362,048
- Lump-sum retirement benefits (subsidiaries)	1,716	257	(88)	258		2,143
	361,118	34,846	(32,032)	258	-	364,191
Other provisions:						
- Provisions for litigation	15,717	21,384	(10,933)			26,167
- Risk on BCIA (China)	13,673		(13,673)			-
- Provisions GIE Roissypole	-		(4,835)		6,366 (1)	1,531
- Other provisions for risks	10,500	18,059	(14,262)	(934)	(861)	12,501
- Negative goodwill	-		(3,932)	3,932		-
- Deferred tax liabilities	41		(37)			4
	39,930	39,442	(47,673)	2,999	5,505	40,203
Total	401,049	74,288	(79,704)	3,257	5,505	404,394

(1) Because restated stockholders' equity of GIE Roissypôle is still negative, the sums previously recorded in investments in companies accounted for by the equity method in the assets and in minority interests in the liabilities were reclassified as provisions for liabilities and charges in 2004 (see notes 13 and 14).

For the parent company Aéroports de Paris, employee benefit obligations corresponded to the following post-employment benefits:

- lump-sum retirement benefits paid at retirement;
- pre-retirement benefits (PARDA program): since 1977, Aéroports de Paris has proposed an early retirement plan that allows beneficiaries to receive 65% of their end-of-career salary in early retirement benefits;
- firefighters' retirement benefits: a permanent agreement allows firefighters to retire at 55. The plan is supplemented by an insurance policy that ensures these employees of total revenue equal to their early retirement allocation after liquidation of their Social Security retirement benefits and any complementary retirement benefits. This additional sum takes the form of an annuity paid by an insurance company. The provision recorded represents the evaluation of the capital guaranteeing this annuity for the Company's 230 active firefighters;
- health insurance: Aéroports de Paris' employees can subscribe to a policy with four mutual insurance companies. Aéroports de Paris contributes 35% of active employee subscriptions and 100% of the base subscription of employees that have retired or are in early retirement. The provision recorded represents the total charges related to retired employees;
- aeronautical industry long-service awards attributed to Aéroports de Paris employees, as well as the corresponding bonuses paid

In the subsidiaries, social commitments exclusively concern lump-sum retirement benefits.

The actuarial assumptions applied in the calculation of social commitments are as follows:

- a discount rate of 4.25%;
- an annual increase in salaries of 4.8% per year for managers and of 4.3% per year for the other employment categories, inflation included;
- accounting for departure rates, reflecting the probability that employees will not stay in the company until retirement;
- mortality assumptions applied with reference to TPRV prospective tables by generation;
- retirement age until 2010, 60 for employees and supervisors, and 63 for senior supervisors and management;
- retirement age as of 2011: add 2 years.

In addition, specific assumptions were applied for the calculation of the following commitments:

- retirement commitments: social contributions rate of 37%;
- early retirement plan: social contributions rate of 20%;
- health insurance: rate of rise in expenditures of 4%.

Aéroports de Paris amortizes its actuarial differentials according to the corridor method. The Company records the year's actuarial differentials as income or expense.

The employee benefit obligations of the parent company Aéroports de Paris are presented in the following table:

<i>(in thousands of euros)</i>	Lump sums retirement benefits	PARDA pre- retirement	Additional fire-fighters retirement bénéfits	Health insurance	Long- service awards	Total
Actuarial value of the commitment at beginning of period	186,336	89,564	2,739	132,768	1,349	412,756
Actuarial gain / loss of the period	693	13,961	(415)	11,519	(136)	25,622
Unwinding of discount on obligation	8,215	3,445	116	5,591	59	17,426
Rights acquired during the period	9,307	988	75	5,381	65	15,816
Benefits paid	(11,358)	(18,864)	(103)	(2,603)	(50)	(32,978)
Actuarial value of the commitment at end of period	193,193	89,094	2,412	152,656	1,287	438,642
Deferred actuarial differential on the balance sheet	(4,072)	(28,237)	1,073	(17,692)	-	(48,928)
Market value of assets in representation at end of period	(26,853)	(398)	(415)	-	-	(27,666)
Liabilities recorded in the balance sheet	162,268	60,459	3,070	134,964	1,287	362,048
Analysis of the period's expense:						
Discount charge	8,215	3,445	116	5,591	59	17,426
Yield of plan's assets	(1,220)	(7)	(14)	-	-	(1,241)
Amortization of actuarial differential	-	2,672	(22)	-	(136)	2,514
Past service cost	9,307	988	75	5,381	65	15,816
Expense for the period	16,302	7,098	155	10,972	(12)	34,515

Note 24 - Long-term and short-term financial debt

Debt contracted by Aéroports de Paris Group is analyzed in the following table:

<i>(in thousands of euros)</i>					
	Maturity < 1 year	Maturity > 1 year and < 5 years	Maturity > 5 years	At 31.12.2004	At 31.12.2003
Bonds	106,713	259,163	1,500,000	1,865,877	1,997,839
Accrued interest on bonds	78,800			78,800	79,651
Bank loans	346	147,993	350,000	498,339	249,006
Accrued interest on other loans	724			724	486
Miscellaneous financial debt	2,761	3,835	14,355	20,951	29,236
Debt on finance leases	5,031	21,916	5,967	32,915	31,603
Accrued interest on miscellaneous financial debt	36			36	46
Bank overdrafts	9,498			9,498	6,646
Total	203,910	432,908	1,870,323	2,507,141	2,394,513

Maturity and interest rates for bonds were as follows as of December 31, 2004:

<i>(in thousands of euros)</i>				
Subscription date	Maturity	Type of amortization	Rate (percentage)	Due at 31.12.2004
4/24/1995	5/24/2005	in fine	7.80	106,714
12/11/1996	12/11/2006	in fine	6.00	106,714
7/20/1998	10/27/2008	in fine	4.95	152,449
2/15/2000	2/15/2010	in fine	5.875	450,000
3/15/2001	3/15/2011	in fine	5.25	400,000
3/25/2002	3/25/2012	in fine	5.25	350,000
3/11/2003	3/11/2013	in fine	4.10	300,000
Total				1,865,877

Analysis of main changes

In 2004, Aéroports de Paris entered into two new financing arrangements with the European Investment Bank for the respective amounts of 220 million euros and 30 million euros, each for 15 years.

Swaps on bond issues

(in thousands of euros)						
Date of initial swap	Period	Amount	Interest paid in 2004		Interest received in 2004	
			Rate	Amount	Rate	Amount
7/20/1998	10 years	53,357	Euribor 3 month floating rate -0.1225%	1,067	Fixed rate 4.95%	2,641
10/27/2002	6 years	53,357	Fixed rate 3.125%	1,667	Euribor 3 month floating rate - 0.1225%	1,067
2/15/2000	10 years	75,000	Fixed rate 4.415%	3,311	Fixed rate 5.875%	4,406
2/15/2000	10 years	75,000	Fixed rate 3.73%	2,115	Fixed rate 5.875%	4,406
2/15/2000	10 years	75,000	Euribor 3 month floating rate + 0.035%	1,628	Fixed rate 5.875%	4,406
11/15/2002	8 years	75,000	Fixed rate 4.280%	3,246	Euribor 3 month floating rate + 0.035%	1,628
2/15/2000	10 years	75,000	Euribor 3 month floating rate - 0.050%	1,563	Fixed rate 5.875%	4,406
5/15/2003	7 years	75,000	Fixed rate 3.645%	2,764	Euribor 3 month floating rate - 0.050%	1,563
3/15/2001	10 years	100,000	Euribor 3 month floating rate + 0.03%	2,175	Fixed rate 5.25%	5,250
3/15/2001	10 years	100,000	Euribor 3 month floating rate + 0.035%	2,180	Fixed rate 5.25%	5,250
3/25/2002	10 years	87,500	Euribor 3 month floating rate + 0.0325%	1,887	Fixed rate 5.25%	4,594
3/25/2002	10 years	87,500	Euribor 3 month floating rate + 0.0325%	1,887	Fixed rate 5.25%	4,594
Total		931,714		25,490		44,211

Swaps on bond issues in foreign currencies (due in 2004)

(in thousands of euros)						
Date of initial swap	Period	Amount	Interest paid in 2004		Interest received in 2004	
			Rate	Amount	Rate	Amount
11/12/1999	5 years	43,559	Euribor 6 month floating rate - 0.025%	962	Fixed rate 3.52%	1,621
11/12/1999	5 years	CHF 65,000,000	Fixed rate 3.68%	1,583	Fixed rate 3.52%	1,505
01/12/2002	2 years	44,812	Euribor 6 month floating rate	997	Fixed rate 3.52%	1,505
Total				3,542		4,631

Swaps on other loans

(in thousands of euros)						
Date of initial swap	Period	Amount	Interest paid in 2004		Interest received in 2004	
			Rate	Amount	Rate	Amount
9/17/1997	10 years	53,357	Euribor 3 month floating rate - 0.16%	1,057	Euribor 3 month floating rate + 0.15%	1,225
9/17/1997	10 years	7,622	Euribor 3 month floating rate - 0.15%	152	Fixed rate 5.63%	429
9/17/1997	10 years	7,622	Euribor 3 month floating rate - 0.15%	152	Fixed rate 5.62%	428
6/15/1999	9 years	39,806	Euribor 3 month floating rate - 0.12%	805	Variable Libor US 3 month floating rate -0.11%	436
Total		108,407		2,166		2,518

Fair value of swaps

To give a general idea, the fair value of interest rate swaps, determined on the basis of available market information, is estimated at 86.3 million euros as of December 31, 2004. This amount represents what Aéroports de Paris would have received to unwind all existing contracts at the closing date.

Note 25 - Other liabilities

Other liabilities at the end of the period can be analyzed as follows:

(in thousands of euros)	At 31.12.2004	At 31.12.2003
Advances and prepayments received	1,858	1,740
Social liabilities	115,143	104,717
Current tax liabilities	2,912	47,834
Other taxes	26,692	27,650
Debt on fixed assets	188,959	123,617
Unpaid instalments on equity interests	1,372	-
Credit current accounts	348	3,962
Other liabilities	25,911	28,859
Deferred income	95,881	85,215
Total	459,076	423,595

Of which maturities of more than one year and less than five years as of December 31, 2004, on:

- current tax liabilities (special tax on reserve for long-term capital gains)	2,086
- deferred income	2,417
- Total	4,503

Prepaid income included the investment grants, i.e. 30,149,000 euros as of December 31, 2004 (compared with 32,837,000 euros in 2003) and rentals, i.e. 47,417,000 euros (compared with 46,087,000 euros in 2003).

Note 26 - Off-balance sheet commitments

Aéroports de Paris Group's commitments are as follows:

<i>(in thousands of euros)</i>	At 31.12.2004	At 31.12.2003
Commitments granted:		
Guarantees and endorsements	15,293	3,537
Guarantees on demand	1,579	-
Other	12,184	7,745
Total	29,056	11,282
Commitments received:		
Guarantees and endorsements	33,569	30,503
Guarantees on demand	172,779	153,715
DGAC mortgage	300	665
Total	206,648	184,883

Finance lease agreements, in particular leasing commitments, were recorded in loans and financial debt in the liabilities in the amount of 32,915,000 as of December 31, 2004.

Note 27 - Transition to IFRS

Aéroports de Paris initiated a program to ensure compliance with the requirement to present consolidated financial statements according to international accounting standards in the coming years.

A project structure with work groups, a project team and an oversight committee were set up to achieve this objective for the 2005 financial statements.

The project was structured in three main phases for all the approved standards with the help of different players in the process adopted (operating, accounting and financial, IT services):

- the analysis and interpretations of the standards for Aéroports de Paris;
- a study on the adaptation of accounting and financial reporting tools;
- the implementation of IFRS in IT systems.

Work basically focused on the following standards identified as having a significant impact for the ADP Group:

- IAS 1 & 7 (financial reporting);
- IAS 14 (segment reporting);
- IAS 16 (property, plant and equipment);
- IAS 36 (impairment of assets);
- IAS 19 (employee benefits);
- IAS 39 (financial instruments);
- IAS 40 (investment property).

After validation by the oversight committee, the following structural decisions were taken:

- definition of business segments for the ADP Group;
- definition of items of property, plant and equipment;
- definition of cash-generating units;
- modalities of presentation of financial statements
- definition of operating property and investment property.

Note 28 - Management accounting figures

<i>(in thousands of euros)</i>	<i>Notes</i>	2004	2003
Revenue	4	1,820,857	1,711,846
Own work capitalized and changes in finished goods	5	46,250	54,525
Year's production		1,867,107	1,766,370
Raw material and consumables used	6	(100,576)	(80,383)
External services	8	(520,526)	(488,914)
Value added		1,246,006	1,197,074
Employee benefits costs	7	(549,785)	(534,700)
Taxes		(95,133)	(89,893)
Operating grants		1,309	2,138
EBITDA		602,396	574,618
Depreciation and amortization	9	(260,083)	(224,791)
Net operating provisions (1)		14,078	(9,560)
Other operating income and expenses (2)		(49,179)	(10,244)
Operating income		307,212	330,023
Net finance costs	10	(94,044)	(87,535)
Ordinary income		213,167	242,489
Net extraordinary expenses	11	(25,878)	(29,338)
Income taxes	12	(63,580)	(88,149)
Net income of consolidated companies		123,710	125,002
Share of earnings in companies accounted for by the equity method	13	8,290	411
Amortization of goodwill	15	(60)	(60)
Consolidated net income of Aéroports de Paris Group		131,940	125,354
Minority interests	14	(6,069)	3,542
Consolidated net income (share of Aéroports de Paris Group)		125,871	128,896
<i>(1) Breakdown of net operating provisions:</i>			
- Allocations	9	(69,389)	(54,848)
- Reversals	5	83,467	45,288
		14,078	(9,560)
<i>(2) Breakdown of other operating income and expenses:</i>			
- Other current operating charges	8	(51,145)	(12,113)
- Other operating income	5	1,141	(104)
- Operating expense transfers	5	825	1,974
		(49,179)	(10,244)

Note 29 - Companies within the scope of consolidation

The following companies were consolidated as of December 31, 2004:

Entity	Consolidation method	Address	Company registration number (SIREN)	Country	% interest	% control	Subsidiary of
AÉROPORTS DE PARIS	FC	291, Boulevard Raspail 75675 PARIS CEDEX 14	552 016 628	France	PARENT COMPANY		
ADP INGENIERIE	FC	Aéroport d'Orly - Parc Central Zone Sud Bâtiment 641 91200 ATHIS-MONS	431 897 081	France	100.0%	100.0%	ADP
ADP MANAGEMENT	FC	291, Boulevard Raspail 75014 PARIS	380 309 294	France	100.0%	100.0%	ADP
ADP TELECOM	FC	Roissypole - Le Dôme - 4, rue de la Haye 93290 TREMBLAY-EN-FRANCE	437 947 666	France	100.0%	100.0%	ADP
SERTA	FC	291, Boulevard Raspail 75014 PARIS	390 192 342	France	100.0%	100.0%	ADP & ADPT
ALYZIA AIRPORT SERVICES	FC	Roissypole - Le Dôme - 4, rue de la Haye 93290 TREMBLAY-EN-FRANCE	552 134 975	France	100.0%	100.0%	ADP
ALYZIA HANDLING	FC	Bât 449 - Aérogare Sud - BP 135 94541 ORLY AÉROGARE CEDEX	441 341 666	France	100.0%	100.0%	ALYZIA
ALYZIA SURETÉ	FC	Roissypole - Le Dôme - 4, rue de la Haye 93290 TREMBLAY-EN-FRANCE	411 381 346	France	100.0%	100.0%	ALYZIA
LOCMAFER	FC	Roissypole - Le Dôme - 4, rue de la Haye 93290 TREMBLAY-EN-FRANCE	777 345 653	France	100.0%	100.0%	ALYZIA
SAPSER	FC	Roissypole - Le Dôme - 4, rue de la Haye 93290 TREMBLAY-EN-FRANCE	320 268 352	France	100.0%	100.0%	ALYZIA
SDA	P	114, av. Charles de Gaulle 92200 NEUILLY-SUR-SEINE	448 457 978	France	49.0%	49.0%	ADP
FRANCE HANDLING	E	Fret 650 Bât 351 Cedex A650 Avenue de Fontainebleau- Extension Est 94398 ORLY AÉROGARE CEDEX	712 052 612	France	34.1%	34.1%	ADP
SETA	E	Viaducto Miguel Aléman 81 piso 2, Col. Escandon MEXICO CITY (Federal District of Mexico)		Mexico	25.5%	25.5%	ADP
GIE ROISSYPOLE	E	17, Cours Valmy 92800 PUTEAUX	380,893,438	France	90.0%	49.0%	ADP
SCI ROISSY SOGARIS	E	Avenue de Versailles RN 186 94654 RUNGIS CEDEX	383 484 987	France	40.0%	40.0%	ADP
SAB	E	Aéroport de Bierset 4460 GRÂCE-HOLLOGNE (Belgium)		Belgium	25.1%	25.1%	ADPM

FC = Full consolidation P = Proportionate method E = Equity method