Financial information on the assets, financial position and consolidated financial statements at 31 December 2019

GROUPE ADP

Groupe ADP Consolidated Financial Statements as of 31 December 2019

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Notes to the consolidated financial statements

Groupe ADP Consolidated Financial Statements as of 31 December 2019

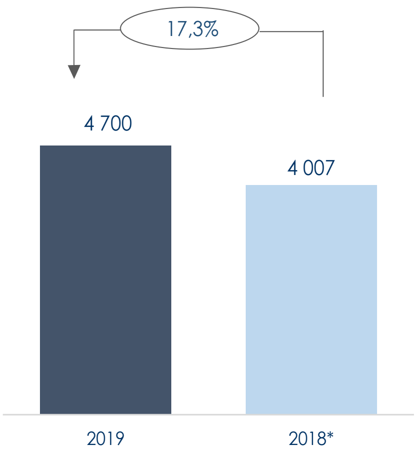
Key figures

(in millions of euros)	Notes	2019	2018*
Revenue	4	**4,700**	**4,007**
EBITDA		**1,772**	**1,680**
EBITDA/Revenue		*37,7%*	*41,9%*
Operating income from ordinary activities		**1,094**	**1,123**
Operating income		**1,081**	**1,121**
Net income attributable to the Group		**588**	**610**
Operating cash flow before change in working capital and tax		**1,647**	**1,576**
Purchase of property, plant, equipment and intangible assets	13	**(1,203)**	**(1,077)**

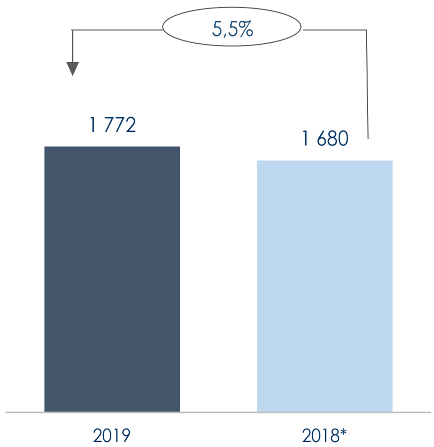
(in millions of euros)	Notes	As at Dec 31, 2019	As at Dec 31, 2018
Equity	7	**6,007**	**5,801**
Net financial debt	9	**5,254**	**4,942**
Gearing		*87%*	*85%*

** Restated figures as described in notes 1.4, 2.2 & 12*

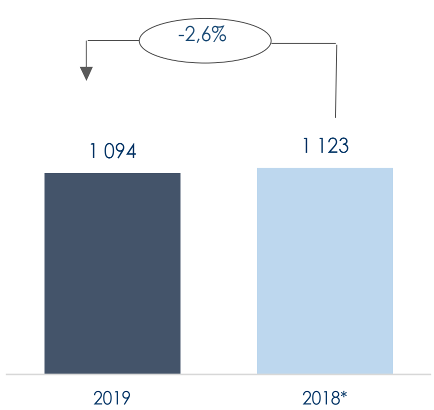
Revenue



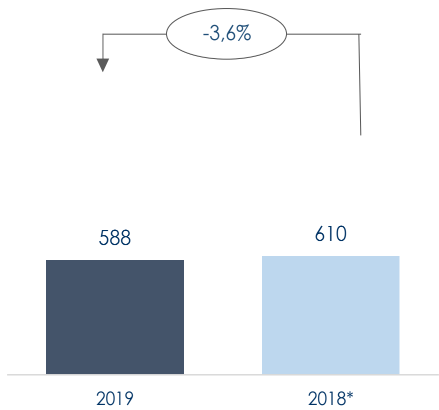
EBITDA



Operating income from ordinary activities



Net income attributable to the Group



Glossary

- **Revenue** refers to revenues from the ordinary activities of selling goods and services and leasing activities as a lessor. It also includes financial revenue linked to operational activity.
- **EBITDA** is an accounting measure of the operating performance of fully consolidated Group subsidiaries. It is comprised of revenue and other ordinary income less purchases and current operating expenses excluding depreciation and impairment of property, plant and equipment and intangible assets.
- **Operating income from ordinary activities** is intended to present the Group's recurring operational performance excluding the impact of non-current operations and events during the period. It is composed of EBITDA, depreciation and impairment of tangible and intangible assets, the share of profit or loss in associates and joint, and gain or loss from disposal of assets from real estate sector.
- **The share of profit or loss in associates and joint ventures** concerns the share of profit or loss from investments in associates and joint ventures over which the Group exercises significant influence or joint control.
- **Operating income** is the addition of Operating income from ordinary activities and other operating income and expenses, as they are non-recurring and significant in terms of consolidated performance. This may involve the disposal of assets or activities, costs incurred related to a business combination, restructuring costs or costs related to a one-off operation.
- **Net result from discontinued activities,** in accordance with IFRS 5 " Non-current Assets Held for Sale and Discontinued Operations", Group ADP disclose a single amount in the statement of comprehensive income on the line net income from discontinued operations, all components that have been disposed by the Group (shutdown of operations) or which are classified as held for sale.
- **Operating cash flow before change in working capital and tax** refers to all the internal resources generated by the company in its operating activities that enable its funding. It includes operating income and expenses that have an effect on cash. This can be found in the consolidated statement of cash flows.
- **Purchase of property, plant, equipment** corresponds to the acquisition or construction of tangible assets that the Group expects to be used over more than one year and that are recognized only if it is probable that the future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.
- **Purchase of intangible assets** corresponds to the acquisition of identifiable non-monetary assets without physical substance, controlled by the entity and which future economic benefits are expected.
- **Gross financial debt** as defined by Groupe ADP includes long-term and short-term borrowings and debts (including accrued interests and hedge of the fair value of liabilities related to these debts), debts related to the minority put option (presented in other non-current liabilities).
- **Net financial debt** as defined by Groupe ADP refers to gross financial debt less receivables and current accounts from associates, hedge of the fair value of assets, cash and cash equivalents and restricted bank balances.
- **Gearing** is the ratio corresponding to: Net financial debt / Shareholders' Equity (including non-controlling interests).
- **Minority interests** are non-controlling interests. As part of shareholders' equity in the consolidated result, they are presented separately from shareholders' equity – Group share (shareholders' equity of the parent company).
- **Non-current assets** defined as opposed to **current assets** (these assets intended to be consumed, sold or realized during the financial year, being held to be sold within twelve months or considered as cash) comprise all assets held over a long period, including tangible, intangible and financial assets and all other non-current assets.
- **Non-current liabilities** defined as opposed to **current liabilities** include any liability that will not be settled within a normal operating cycle and within twelve months.

Consolidated Income Statement

(in millions of euros)	Notes	2019	2018*
Revenue	**4**	**4,700**	**4,007**
Other operating income	4	80	57
Consumables	4	(520)	(195)
Employee benefit costs	5	(930)	(861)
Other operating expenses	4	(1,535)	(1,382)
Net allowances to provisions and Impairment of receivables	4 & 8	(23)	54
EBITDA		**1,772**	**1,680**
EBITDA/Revenue		*37,7%*	*41,9%*
Amortisation and impairment of tangible and intangible assets	6	(768)	(638)
Share of profit or loss in associates and joint ventures	4	90	81
Operating income from ordinary activities		**1,094**	**1,123**
Other operating income and expenses	10	(13)	(2)
Operating income		**1,081**	**1,121**
Financial income		99	71
Financial expenses		(305)	(303)
Financial income	**9**	**(206)**	**(232)**
Income before tax		**875**	**889**
Income tax expense	11	(293)	(297)
Net results from continuing activities		**582**	**592**
Net results from discontinued activities	12	55	103
Net income		**637**	**695**
Net income attributable to the Group		**588**	**610**
Net income attributable to non-controlling interests		49	85
Earnings per share attributable to owners of the parent company			
Basic earnings per share (in €)	7	5.95	6.16
Diluted earnings per share (in €)	7	5.95	6.16
Earnings per share from continuing activities attributable to the Group			
Basic earnings per share (in €)	7	5.69	5.68
Diluted earnings per share (in €)	7	5.69	5.68

** Restated figures as described in notes 1.4, 2.2 & 12*

Consolidated Statement of Comprehensive Income

(in millions of euros)	2019	2018*
Net income	**637**	**695**
Translation adjustments	(7)	8
Change in fair value of cash flow hedges	(24)	15
Income tax effect of above items	6	(1)
Share of other comprehensive income of associates, net after income tax	(7)	6
Share of other comprehensive income linked to discontinued activities	(1)	(6)
Recyclable elements to the consolidated income statement	**(33)**	**22**
Actuarial gains/losses in benefit obligations of fully consolidated entities	(67)	(17)
Income tax effect of above items	17	3
Actuarial gains/losses in benefit obligations of associates	(1)	-
Actuarial gains/losses in benefit obligations linked to discontinued activities	(1)	(1)
Non-recyclable elements to the consolidated income statement	**(52)**	**(15)**
Total comprehensive income for the period	**552**	**702**
attributable to non-controlling interests	27	81
attributable to the Group	525	621

** Restated figures as described in notes 2.2 & 12*

Consolidated Statement of Financial Position

Assets

(in millions of euros)	Notes	As at Dec 31, 2019	As at Dec 31, 2018
Intangible assets	6	3,304	3,560
Property, plant and equipment	6	7,930	7,272
Investment property	6	510	509
Investments in associates	4	1,019	1,146
Other non-current financial assets	9	682	403
Deferred tax assets	11	37	-
Non-current assets		**13,482**	**12,890**
Inventories		94	38
Contract assets		3	9
Trade receivables	4	609	628
Other receivables and prepaid expenses	4	382	239
Other current financial assets	9	176	201
Current tax assets	11	65	6
Cash and cash equivalents	13	1,982	2,056
Current assets		**3,310**	**3,177**
Total assets		**16,793**	**16,067**

Shareholders' equity and liabilities

(in millions of euros)	Notes	As at Dec 31, 2019	As at Dec 31, 2018
Share capital		297	297
Share premium		543	543
Retained earnings		4,341	4,096
Other equity items		(149)	(86)
Shareholders' equity - Group share		**5,032**	**4,850**
Non-controlling interests		975	951
Shareholders' equity	7	**6,007**	**5,801**
Non-current debt	9	6,077	5,970
Provisions for employee benefit obligations (more than one year)	5	511	484
Other non-current provisions	8	47	39
Deferred tax liabilities	11	371	383
Other non-current liabilities	8	798	780
Non-current liabilities		**7,804**	**7,656**
Contract liabilities		2	6
Trade payables	4	679	590
Other debts and deferred income	4	812	793
Current debt	9	1,362	1,159
Provisions for employee benefit obligations (less than one year)	5	14	9
Other current provisions	8	5	16
Current tax liabilities	11	107	37
Current liabilities		**2,982**	**2,610**
Total equity and liabilities		**16,793**	**16,067**

Consolidated Statement of Cash flows

(in millions of euros)	Notes	2019	2018*
Operating income		**1,081**	**1,121**
Income and expense with no impact on net cash	13	619	519
Net financial income other than cost of debt		(53)	(64)
Operating cash flow before change in working capital and tax		**1,647**	**1,576**
Change in working capital	13	**145**	**(44)**
Tax expenses		(321)	(215)
Impact of discontinued activities	12	82	234
Cash flows from operating activities		**1,553**	**1,551**
Purchase of tangible assets, intangible assets and investment property	13	(1,203)	(1,077)
Change in debt and advances on asset acquisitions		-	50
Acquisitions of subsidiaries and investments (net of cash acquired)	13	(35)	(630)
Proceeds from sale of subsidiaries (net of cash sold) and investments	13	-	1
Change in other financial assets		(102)	(20)
Proceeds from sale of property, plant and equipment		19	2
Dividends received	13	173	39
Impact of discontinued activities	12	-	(1)
Cash flows from investing activities		**(1,148)**	**(1,636)**
Capital grants received in the period		4	3
Dividends paid to shareholders of the parent company	7	(366)	(342)
Dividends paid to non controlling interests in the subsidiaries		(79)	(65)
Proceeds from long-term debt	9	877	1,064
Repayment of long-term debt	9	(749)	(254)
Repayments of lease debts and related financial charges		(10)	-
Change in other financial liabilities		(2)	66
Interest paid		(209)	(179)
Interest received		43	17
Impact of discontinued activities	12	2	(83)
Cash flows from financing activities		**(489)**	**227**
Impact of currency fluctuations		2	**3**
Change in cash and cash equivalents		**(82)**	**145**
Net cash and cash equivalents at beginning of the period		2,055	1,910
Net cash and cash equivalents at end of the period	13	1,973	2,055
of which Cash and cash equivalents		*1,982*	*2,056*
of which Bank overdrafts		*(9)*	*(1)*

** Restated figures as described in notes 2.2 & 12*

Consolidated Statement of Changes in Equity

Number of shares	*(in millions of euros)*	Share capital	Share premium	Treasury shares	Retained earnings	Other equity items	Group share	Non-controlling interests	Total
98,960,602	**As at Jan 1, 2018**	**297**	**543**	**-**	**3,834**	**(97)**	**4,577**	**857**	**5,434**
	Cumulative effect of new accounting principles*	-	-	-	(10)	-	(10)	(2)	(12)
	As at Jan 1, 2018 restated*	**297**	**543**	**-**	**3,824**	**(97)**	**4,567**	**855**	**5,422**
	Net income	-	-	-	610	-	610	85	695
	Other equity items	-	-	-	-	11	11	(4)	7
	Comprehensive income - 2018	**-**	**-**	**-**	**610**	**11**	**621**	**81**	**702**
	Dividends paid	-	-	-	(342)	-	(342)	(65)	(407)
	Change in consolidation scope	-	-	-	4	-	4	80	84
98,960,602	**As at Dec 31, 2018**	**297**	**543**	**-**	**4,096**	**(86)**	**4,850**	**951**	**5,801**

Number of shares	*(in millions of euros)*	Share capital	Share premium	Treasury shares	Retained earnings	Other equity items	Group share	Non-controlling interests	Total
98,960,602	**As at Jan 1, 2019**	**297**	**543**	**-**	**4,096**	**(86)**	**4,850**	**951**	**5,801**
	Cumulative effect of new accounting principles**	-	-	-	(2)	-	(2)	(1)	(3)
	As at Jan 1, 2019 restated**	**297**	**543**	**-**	**4,094**	**(86)**	**4,848**	**950**	**5,798**
	Net income	-	-	-	588	-	588	49	637
	Other equity items	-	-	-	-	(63)	(63)	(22)	(85)
	Comprehensive income - 2019	**-**	**-**	**-**	**588**	**(63)**	**525**	**27**	**552**
	Dividends paid	-	-	-	(366)	-	(366)	(79)	(445)
	Change in consolidation scope	-	-	-	25	-	25	77	102
98,960,602	**As at Dec 31, 2019**	**297**	**543**	**-**	**4,341**	**(149)**	**5,032**	**975**	**6,007**

** The method used by the Group for the application of IFRS 9 and IFRS 15 standards was the retrospective method with cumulative effects as of 1 January 2018.*

*** The method used by the Group for the application of IFRS 16 standard is the retrospective method with cumulative effects as of 1 January 2019. The Group uses the partial retrospective method for the first application of IFRIC 23 standard.*

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

NOTE 1 Basis of preparation of consolidated financial statements

1.1 Basis of preparation of financial statements

Statement of compliance

The group's financial statements at 31 December 2019 were approved by the Board of Directors on 10 February 2020. They will be submitted for approval by the shareholders during the Annual General Meeting to be held on 12 May 2020.

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

The consolidated financial statements comprise Aéroports de Paris SA financial statements and its subsidiaries as well as the group's interests in associates and jointly controlled entities. The companies included in the consolidation scope prepared their individual statements for the year or interim period ended 31 December 2019.

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

Basis for the preparation of the financial statements

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

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

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

- Measurement of fair value of assets and liabilities taken back on a business combination (cf. note 2.1);
- Impairment of intangible and tangible assets and other non-current assets in particular 4.9.2);
- Analysis and assessment of the nature of the control in investments (cf. note 2.1);
- Qualification and valuation of pension plans, termination benefits and other post-employment benefits (cf. note 5);
- Evaluation of provisions for risks and litigation (cf. note 8);
- Qualification in investment property and measurement at fair value (cf. note 6.3.2).

1.2 Accounting policies

Adopted IFRS as endorsed by the EU

The Group's financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union as at 31 December 2019.

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

http://ec.europa.eu/finance/company-reporting/ifrs-financial-statements/index_en.htm

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

Standards, amendments and interpretations that have been endorsed by the EU and mandatory effective on January the 1st, 2019

Standards, standards amendments and interpretations effective on 1 January 2019 and that have not been applied earlier by the group are the following:

- IFRS 16 – Leases (issued in January 2016). This standard replace the standard IAS 17 as well as related IFRIC 4 Interpretation, SIC 15 and SIC 27;
- IFRIC 23 – Uncertainty over income tax treatment (issued in June 2017). This interpretation adopted by Europe as at 23 October 2018 clarifies the application of IAS 12 – Income taxes regarding the accounting and valuation of income tax when it is subject to uncertainty;
- Amendments to IAS 28 – Long-term interests in associates and joint. These amendments have been endorsed by the UE on February 8, 2019;
- Annual improvements to IFRS Standards 2015-2017 Cycle (issued in December 2017); These amendments have been endorsed by the EU on march 14, 2019;
- Amendments to IAS 19 – Plan Amendment, Curtailment or Settlement (issued in February 2018). These amendments have been endorsed by the EU march 13, 2019;
- Amendments to IFRS 9 – Prepayment features with negative compensation (issued in October 2017). These amendments have been endorsed by the EU on march 22, 2018.

The analysis of the impacts of IFRS 16 for the Group as at January 1, 2019 is presented in note 1.3.

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

Standards, amendments and interpretations that have been endorsed by the EU and applicable after January the 1st, 2019 and not adopted early by the Group

The Group has not applied the following standards, amendments and interpretations that are not applicable in 2019 but should subsequently be mandatory:

- Amendments to references to the conceptual framework in IFRS standards (issued in March 2018). These amendments must be applied as from 1 January 2020 subject to their endorsement by the EU;
- Amendments to IFRS 3 – "Business combinations, definition of a Business" (issued in october 2018). These amendments clarify the application guide to help stakeholders differentiate between a company and a group of assets. They should be mandatory as of 1 January 2020 subject to its endorsement by Europe;
- Amendments to IAS 1 and IAS 8 : "definition of material" (issued on october 2018). These amendments should be mandatory as at January 1st 2020 subject to its endorsement by the EU.

1.3 Impact related to the first application of IFRS 16

The impacts related to the first application of IFRS 16 are presented below:

(in millions of euros)	As at Dec 31, 2018 published	IFRS 16	As at Jan 1, 2019
Non-current assets	**12,890**	**51**	**12,941**
Current assets	**3,177**	**(15)**	**3,162**
Total assets	**16,067**	**36**	**16,103**

(in millions of euros)	As at Dec 31, 2018 published	IFRS 16	As at Jan 1, 2019
Shareholders' equity - Group share	**4,850**	**-**	**4,850**
Non-controlling interests	951	-	951
Shareholders' equity	**5,801**	**-**	**5,801**
Non-current liabilities	**7,656**	**27**	**7,683**
Current liabilities	**2,610**	**9**	**2,619**
Total equity and liabilities	**16,067**	**36**	**16,103**

The Group has analyzed all identified lease contracts and the impacts of IFRS 16 are relatively limited. As a consequence, the Group decided to apply IFRS 16 according to the "modified" retrospective method", i.e. by recognizing the cumulative effect of the initial application of the standard at the date of initial application (1 January 2019).

The impact of the application of this standard as described below relates to lease contracts for which the Group is a lessee, as the effects of the application of the standard are limited for leases in which the Group is a lessor.

Restated lease contracts are mainly related to real state and vehicles.

The impacts of the first application of IFRS 16 on the opening balance sheet are:

- an increase of €51 million in property, plant and equipment (mainly because of the recognition of a right of use) which corresponds to less than 1% of the Group's non-current assets as of 31 December 2019) of which the reclassification of pre-paid rents into rights of use amounts of €15 million ;
- and the recognition of a lease liability of €36 million (representing less than 1% of the Group's financial debt on 31 December 2019).

In terms of the impact on the income statement as of 31 December 2019 the application of IFRS 16 led to:

- Group EBITDA Improvement of €14 million (reclassification of rents included in "external services and charges");
- the recording of a deprecation on rights of use of €11 million and,
- financial expenses for €5 million.

The new lease contracts restated between January 1st and December 31st, 2019 had the effect of increasing investments by € 57 million and increasing financial liabilities by the same amount.

As of January 1st, 2019 IFRS 16 restatement entries do not appear in the cash flow statement as they have no impact on cash and cash equivalents. With regard to the repayment of the principal and interest of the recorded lease liability, cash flow is classified on financing activities on a separate line.

Rent expenses for low value assets and contract with a term less than or equal to one year not restated by the Group in accordance with the simplification measures of the standard amount to approximately € 5 million as of December 31, 2019.

The reconciliation of lease obligations recognized at the date of transition to off-balance sheet commitments as at 31 December 2018 breaks down as follows:

(in millions of euros)	
Commitments given related to operating leases as at 31 December 2018	**74**
Effects linked to delay in the date of delivery of the assets	**(35)**
Other effects (including actualization effect)	**(3)**
Lease obligations as at 1st January 2019 after first application of IFRS 16	**36**

The required disclosures by the IFRS 16 standard are mentioned in more detail in Note 6.2.1. Change in disclosure of share of profit or loss in associates and joint ventures

1.4 Change in disclosure of share of profit or loss in associates and joint ventures

Until 31st December 2018, the Group disclosed the share of profit or loss in associates and joint ventures on two separate lines "Share of profit or loss in associates and joint ventures from operating activities" and ""Share of profit or loss in associates and joint ventures from non-operating activities".

For non-materiality reasons of indictors "Share of profit or loss in associate and joint ventures from non-operating activities", the Group discloses since 1st January 2019 the share of profit or loss in associates and joint ventures on one single line included within the operating income.

NOTE 2 Significant events

2.1 Takeover of SDA, SDA Croatia and Relay@ADP

"Société de Distribution Aéroportuaire" (SDA) and "Relay@ADP" companies were jointly controlled up to April 2019. ADP Group decided to take control of these companies in order to control the entire value chain. ADP Group obtained control through a statutory amendment that grants the final decision to ADP Group in case of deadlock between the two shareholders. As a consequence, ADP Group has not changed its holding percentage in these entities (percentage being 50%), however the Group now holds an executory call option to buy shares from co-shareholder in case of deadlock.

In accordance with IFRS3 'Business combinations', shares previously held were revaluated at fair value through the income statement on the date the Group took control (11 April 2019). This revaluation has an impact of €43 million on income statement as of 31 December 2019, as detailed in the following table:

(in millions of euros)		**SDA**	**Relay@ADP**
Fair value of shares at 50%	**A**	31	22
Value of shares accounted for by the equity method as at 1 April 2019	**B**	4	6
Capital gain recognized related to the sale of the shares in associates*	**(A-B)**	**27**	**16**

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

At the date of takeover, the ADP Group identified and measured the identifiable assets and liabilities of SDA and Relay@ADP in order to allocate the fair value between these various items. The estimation work is in progress of finalization. The following table presents the first preliminary estimates.

(in millions of euros)		Fair value	
Assets and liabilities acquired - at 100%		**SDA**	**Relay@ADP**
Total non-current assets		**124**	**56**
Total current assets		**81**	**16**
Total non-current liabilities		**21**	**-**
Total current liabilities		**122**	**28**
Net assets at 100%	**A**	**62**	**44**
Acquisition-date fair value of the total consideration transferred	**B**	**62**	**44**
Of which remeasurement to fair value of shares previously held		*31*	*22*
Preliminary Goodwill	**B-A**	**-**	**-**

As at 31 December 2019, the contribution of SDA, Relay@ADP and SDA Croatie in the Group consolidated revenue, EBITDA and net income since 11 April 2019, date of control acquisition, is as follows:

(in millions of euros)	**SDA**	**Relay@ADP**	**SDA Croatie**	**Total**	**Fees ADP SA**	**Impact net of eliminations**
Revenue	628	78	13	719	(261)	458
EBITDA	15	11	1	27	-	27
Net income	(8)	-	-	(8)	-	(8)
Net income attributable to the Group	(4)	-	-	(4)	-	(4)

If the transaction had taken place on 1 January 2019, revenue, EBITDA and net income of SDA, Relay@ADP and SDA Croatie for the year 2019 would be as follows:

(in millions of euros)	**SDA**	**Relay@ADP**	**SDA Croatie**	**Total**	**Fees ADP SA**	**Impact net of eliminations**
Revenue	799	97	16	912	(338)	574
EBITDA	14	13	-	27	-	27
Net income	(14)	(2)	-	(16)	-	(16)
Net income attributable to the Group	(7)	(1)	-	(8)	-	(8)

2.2 End of the Atatürk International Airport concession

TAV Istanbul had the right to operate, in application of a contract signed with the National Airports Authority ("DHMI"), the national and international airport of Atatürk, the car park and the general aviation terminal from 03/07/2005 to 02/01/2021. for 15 and a half years,

Following a decision by the Turkish authorities, all commercial flights were transferred to the new Istanbul airport from 6 April 2019.

By official letter sent to TAV Airports by the DHMI, the DHMI had declared that it would compensate to TAV Airports the loss of profit that could result from the opening of the New Istanbul Airport before the end of the contract on 3 January 2021 and that independent accounting firms may be consulted on the calculation of the total amount of profit losses. After many months of exchanges on the calculation of this compensation and joint expert opinions by international accounting firms, a proposal of compensation of an amount of €389 million was made and agreed by TAV Airports.

This receivable, to be settled in part in 2020 and for the balance in 2021, was recognized for its discounted amount of the agreed compensation, i.e. € 385 million. This income is offset by the disposal of the operating right and the other assets and liabilities of TAV Istanbul recognized on assets and liabilities in the consolidated balance sheet.

The overall impact of the operation is presented on the line "Net profit from discontinued operations" in the consolidated income statement and amounts to €55 million. This result includes the net profit realized for the early termination of the activity (€ 31 million) as well as the net income from TAV Istanbul's activity until April 6, 2019 (€ 24 million).

The effect on net income attributable to the Group amounted to €26 million. The detailed analysis of this result and of the cash flows linked to the end of operations at Istanbul Atatürk Airport is presented in note 12.

2.3 Amendments to defined benefit pension plans

Law n ° 2019-486 of May 22, 2019, known as "loi PACTE", provides the transposition of the European directive of April 16, 2014 covering the supplementary pension rights portability. Decree 2019-697 taken pursuant to this law was published in the Official Journal on July 4, 2019. This decree prohibits setting up from July 4, 2019 of any new defined benefit pension plans "with random rights" (article L137-11 of social security code, known as "Article 39").

This decree also provides for the freezing or crystallization of rights on the two schemes concerned as of January 1st, 2020:

For Aéroports de Paris SA two defined benefit pension plans are impacted by this reform:

- the supplementary pension scheme for all eligible Aéroports de Paris SA employees fixed by an agreement dated February 12, 2007 and based on the payment of an annuity equivalent to the annual cost of mutual cover with a basic option;
- and, the PARDA early retirement scheme set by an agreement dated on October 18, 2019 for an indefinite period based on the arduous nature of the firefighter profession.

For these two schemes, Aéroports de Paris SA has entered into negotiations with a view to meeting this obligation to crystallize rights.

In addition, for the supplementary pension scheme, negotiations led to the signature of an agreement with the trade unions on December 20th, 2019 leading to:

- maintaining acquired rights for the retired population;
- limit rights to this scheme to employees present at 31 December 2019 and at least 50 years of age, provided that they are employees of Aéroports de Paris at the time of their retirement.

This mechanism led the company to reduce the provision for retirement commitments by 40 million euros for the year. The impact of this change is presented within recurring operating income.

2.4 Provisions related to Aéroports de Paris in the PACTE law

The law n°2019-486 of 22 May 2019 concerning business growth and transformation ("PACTE law") was promulgated on 23 May 2019 and was published in the French Official Journal the same day. The provisions stipulated in the articles 130 to 136 of the PACTE law concern Aéroports de Paris only.

This law authorizes the State to transfer the majority of the capital of Aéroports de Paris from the public to the private sector. As of the transfer date, conditions of exercise of Aéroports de Paris activity in Île-de-France will be modified. To that extent, the ADP right to operate the Parisian airports will be limited to 70 years as of the transfer date, after which the State will acquire the full ownership of the land and infrastructures in Île-de-France.

As a compensation, the law stipulates the payment, by the State to Aéroports de Paris, of a two component compensation – a first component which should be paid at the time of the transfer of the majority of ADP's capital to the private sector a second one paid at the end of the Parisian airports operations by Aéroports de Paris.

The law legislatively consecrates the regulation model applicable to Aéroports de Paris. Thus, the law confirms the principle of fair return on capital employed estimated on the weighted average cost of capital (WACC), the rule of the intangibility of Aéroports de Paris' WACC under an given Economic Regulation Agreement, the WACC calculation method which is estimated in accordance to the capital asset pricing model, the financial markets available data and parameters taken into account from peers, and lastly the use of French accounting standards for the regulation.

Furthermore, the PACTE law provisions grants powers hitherto exercised by the Independent Supervisory Authority (ASI) to the Rail and Road Activities Regulation Authority (ARAFER), which on this occasion became the Transport Regulation Authority (ART). It is therefore to the ART that the pricing proposition of Aéroports de Paris for the 2020-2021 period has been addressed for approval and it is also now the ART which is charged to release its assent to the next Economic Regulation Agreement which will cover the 2021-2025 period.

These provisions related to the sector regulation came into effect on 24 May 2019, as well as the provisions related to the framework of the potential call for tenders for the allocation of capital securities, as well as the principle and terms of payment of the first part of the compensation paid by the State to Aéroports de Paris in the event of privatization.

For the rest, the provisions will be implemented at the transfer date of the majority of Aéroport de Paris capital to the private sector, if applicable. It concerns, notably, the 70 years limitation of Aéroport de Paris' operation rights, Aéroport de Paris' new specifications content reinforcing the operational control of the State, the provisions concerning Aéroport de Paris adjusted till, or the setting of the airport fees tariffs by the Stat in the absence of economic regulation agreement.

Several texts have been enacted in the application of the PACTE Law, notably ordinance n°2019-761 of the 24 July 2019 related to the airport charges fees and the decree n°2019-1016 of the 3 October 2019 related to airport charges and modifying the French civil aviation code. These texts notably provides for the ART to be addressed by the State during the

Economic Regulation Agreement elaboration process to release a simple opinion over the WACC level.

2.5 TAV Tunisia restructuration

Following the events of 2011 and the attacks of 2015 dropping the traffic of Enfidha-Hammamet and monastir airports, TAV Tunisia has begun negotiations with the Tunisian authorities and lenders to restore the economic balance of these airports. Following these negotiations, two amendments to the concession agreements for the Enfidha-Hammamet and Monastir Habib Bourguiba airports were signed on November 7,2019.

These amendments provide a reduction of the liability towards the grantor with respect to unpaid historical fees and a new repayment schedule. Thus, the new Grantor's debt unpaid recognized for its discounted amount stands at €27 million against €40 million previously recorded. This debt reduction generates a €13 million income presented in current operating income.

With regard to concession fees after January 1, 2019, the amendments provide for variable fees depending on the evolution of traffic with minimum guaranteed payments over the remaining concession term (until 2047). The discounted minimum payments until the concession term are recorded as an increase of the operating right together with an increase of a debt due to the grantor for an amount of €79 million. This operating right is depreciated over the term of the concession based on the forecasted traffic of passenger in compliance with the method used by the Group for its airport concessions.

Regarding lenders debt for an amount of €341 million, a coordinated solution among all Lenders in line with the Restructuring Agreement is currently being finalized and is expected to be sign early 2020.

2.6 ADP Group contributes to the CDG Express project

CDG Express, the Infrastructure management company ("GI CDG Express in french") created at the end of 2018 and co-owned by Groupe ADP, SNCF Réseau and the Caisse des Dépôts et Consignations, signed on February 14, 2019 a concession agreement with the French Government relating to all works to be performed for the CDG Express project.

Under this contract, the GI CDG Express has committed to finance, design, build and maintain the CDG Express railway for 50 years. Design and construction have been delegated, to ADP and SNCF Réseau under two construction contracts. Each company will carry out respectively 11% and 89% of the works.

At the end of June 2019, the Group received a letter from the French Government confirming their wish to postpone CDG Express line commissioning from end 2023 to end 2025. In accordance with the provisions of the concession contracts, the Group expects that the additional cost of this postponement (estimated to date at €4 million for ADP) will be fully covered by the French state. Revenues recognized in 2019 for this operation are presented in note 14.

2.7 Approval of the airport fees by the ISA

On 11 January 2019 (decision n°1810-D1), the Independent Supervisory Authority (ISA) decided not to approve the airport charges proposed by Aéroports de Paris, with the exception of fees for assistance to disabled passengers and passengers with reduced mobility. In accordance to the French civil aviation code, Aéroports de Paris submitted a new pricing proposal which has been approved by the ASI on 6 February 2019 (decision n°1810-D2). These charges are applicable for the 2019 – 2020 period, and increased by 1% for Paris-Charles de Gaulle and Paris-Orly airports and by 3.52% for Paris-Le Bourget airport. These came into force on 1st April 2019.

In December 2019, Aéroports de Paris filled its request for the approval of the 2020-2021 airport fees pricing period, which is the last pricing period under the 2016-2020 Economic Regulation Agreement. The request for approval has been declared complete on the same day by the Transport Regulation Authority (ART) which now replaces the ISA (Independent Supervisory Authority) as from now.

Aéroports de Paris submitted to the ART's approval the yearly pricing evolution of the following fees:

- +1.595% for Paris-Charles de Gaulle and Paris-Orly airports
- +2.02% for Paris-Le Bourget airport

By decree n°2020-001 of 9 January 2020, the ART has approved the airport fees pricing applicable to Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget airports as of 1st April 2020, subject to modification in the cap of the price discount on the fee per passenger for its base on Origin/Destination passengers from €3.29 million to €5.29 million.

2.8 2021-2025 Economic Regulation Agreement – Availability of the public consultation document

Aéroports de Paris has published, the 2 April 2019, the document which presents its detailed proposals for the development of Parisian platforms for the next Economic Regulation Agreement, which will cover the 2021-2025 period.

As a reminder, the Economic Regulation Agreement, concluded with the State, constitutes the predictive regulatory framework for Parisian airports. It sets for a five-year period the pricing evolution of airport charges by taking into account forecasts in costs, revenues, investments as well as expected quality service level.

This document reflects Aéroports de Paris' ambition for the development of Parisian platforms. The conviction that the investments quality it realizes for the benefit of passengers, airlines and partners bases Parisian platforms competitiveness. Consequently, the proposed investment plan represents a new step, both in terms of amounts and development horizons. It will not only cover the needs of the 2021-2025 period but also launch structuring operations in favor of the long-term development of the three Parisian platforms.

For this, Aéroports de Paris proposes to carry out an investment plan on the regulated scope of 6 billion euros over the 2021-2025 period (as a reminder, the Economic Regulation Agreement for the 2016-2020 period retained an investment plan of 3 billion euros).

NOTE 3 Scope of consolidation

3.1 Accounting principles related to the scope

Consolidation principles

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

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

Under this method, the investment is recognized:

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

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

Control, joint-control or significant influence analysis procedure

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

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

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

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

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

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

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

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

Conversion of transactions denominated in foreign currencies

Transactions denominated in foreign currencies are recognized as follows:

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

Business combinations

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

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

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

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

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

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

3.2 Changes in the scope of consolidation

3.2.1 Main changes in the scope of consolidation for 2019

Changes in the scope of consolidation of the year are the following:

- In January 2019:
  - acquisition of 70% of share GIS Trade Center company by TAV Airport. GIS Trade Center is fully consolidated since this date.
  - additional acquisition of 50% of the share's BTA Denizyollari by TAV Airports, 100%-owned. Recognised for using the equity method until this date, since January 2019 BTA Denizyollari is fully consolidated.
- In April 2019 ADP Group reviewed its links with SDA, MZLZ-TRGOVINA D.o.o (SDA Croatie) and Relay@ADP and considers it exercises the control over these entities. Accounted until this date by the equity method, since Avril 2019 these entities are fully consolidated (see note 2.1);
- In August 2019, merger by absorption of Coeur d'Orly Commerces by Coeur d'Orly Bureaux, effective 1 January 2019;
- In October 2019, merger by absoption of Hub One Mobility by Hub One, effective 1 January 2019;
- In December 2019, creation of the entity Future Stewart Partners, held at 50% by ADP International Americas LLC.

3.2.2 Reminder of the changes in the scope for 2018

In 2018, the significant changes in the scope of consolidation were:

- In April 2018, 41.5% additional acquisition of AIG by ADP International, bringing the holding percentage to 51%. Consolidated until this date according to the equity method, AIG has been fully consolidated since April 2018;
- Acquisition of 49% of the shares of Turkish company TAV Antalya by TAV Airports.
- Additional acquisition of a 30%-share in BTA Erus by TAV airports, which brings its shareholding to 100%, and subsequent liquidation of the entity in June 2018;
- Acquisition of 100% of the shares of Sysdream.
- Acquisition of 100% of the shares of Merchant Aviation LLC.
- Acquisition of a 17% share in Innov'ATM.
- Creation of BTA France SAS, wholly owned by TAV Airports;
- Creation of the entity Gestionnaire d'Infrastructure CDG Express, held at 33% and consolidated according to the equity method;
- Liquidation of BTA Danışmanlık company.

NOTE 4 Information concerning the Group's operating activities

4.1 Segment reporting

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

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

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

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

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

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

Other activities: this sector comprise all activities carried out by Aéroports de Paris SA subsidiaries, which operate in areas as varied as telecoms (Hub One) and cybersecurity services (Sysdream). This operating segment also includes the project entity Gestionnaire d'Infrastructure CDG Express created in October 2018. This sector also includes the security services with the sub-group Hub Safe and the activities dedicated to the Group's innovation via the company ADP Invest.

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

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

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

	Revenue				**EBITDA**	
(in millions of euros)	2019	*of which inter-sector revenue*	2018*	*of which inter-sector revenue*	2019	2018*
Aviation	1,929	-	1,890	*1*	611	603
Retail and services	1,505	155	1,000	*142*	638	580
Including SDA	*628*	-	-	-	*15*	-
Including Relay@ADP	*78*	-	-	-	*11*	-
Real estate	274	47	265	*48*	169	148
International and airport developments	1,081	18	941	*14*	326	304
Including TAV	*746*	-	*695*	-	*277*	*268*
Including AIG	*250*	-	*175*	-	*77*	*54*
Other activities	168	37	156	*40*	29	46
Eliminations and internal results	*(257)*	*(257)*	*(245)*	*(245)*	*(1)*	*(1)*
Total	**4,700**	**-**	**4,007**	**-**	**1,772**	**1,680**

** Restated figures as described in notes 2.2 & 12*

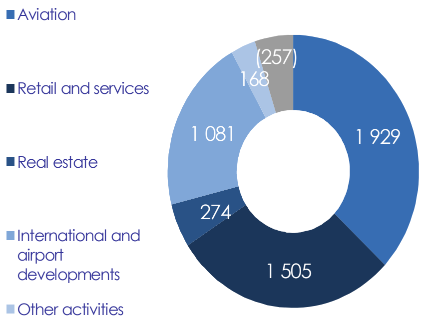
(in millions of euros)	Amortisation net of reversals		Share of profit or loss in associates and joint ventures		Operating income from ordinary activities	
	2019	2018*	2019	2018*	2019	2018*
Aviation	(328)	(295)	-	-	283	307
Retail and services	(166)	(124)	41	2	513	458
Including Capital gain related to sale of SDA & Relay@ADP shares	-	-	43	-	-	-
Including SDA	*(27)*	-	*(1)*	-	*(13)*	-
Including Relay@ADP	*(11)*	-	-	*4*	-	*4*
Real estate	(48)	(49)	1	3	122	102
International and airport developments	(211)	(157)	48	76	164	223
Including TAV	*(150)*	*(112)*	*33*	*49*	*160*	*205*
Including AIG	*(60)*	*(43)*	-	*23*	*17*	*33*
Other activities	(15)	(13)	-	-	13	34
Eliminations and internal results	-	-	-	-	*(1)*	*(1)*
Total	**(768)**	**(638)**	**90**	**81**	**1,094**	**1,123**

** Restated figures as described in notes 1.4, 2.2 & 12*

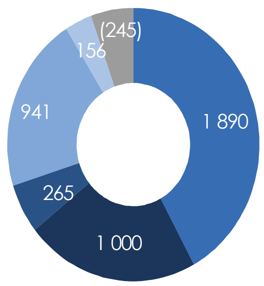
Over 2019, Groupe ADP **consolidated revenue** stood at €4,700 million, up by €693 million, mainly thanks to:

- The growth in airport fees in Paris Aéroport (+4.1%, at €1,160 million), driven by the passenger traffic dynamics (+2.5%);
- Société de Distribution Aéroportuaire and Relay@ADP full consolidation since April 2019 which contribute to consolidated revenue up to €706 million (before elimination of fees received by Aéroports de Paris S.A. which amount €261 million);
- AIG revenues increase by €75 million including €53 million related to full consolidation of AIG since April 2018 (corresponding to the 1st quarter 2019 revenues), and €22 million over the period from April to December driven by the good performance of international traffic (+ 5.9%) and a positive currency effect;
- Increase by 7.5% of TAV Airports revenue at €52 million, driven by the growth in international traffic in Turkey;
- The amount of inter-sector eliminations stood at -€257 million over 2019 vs. -€245 million over 2018.

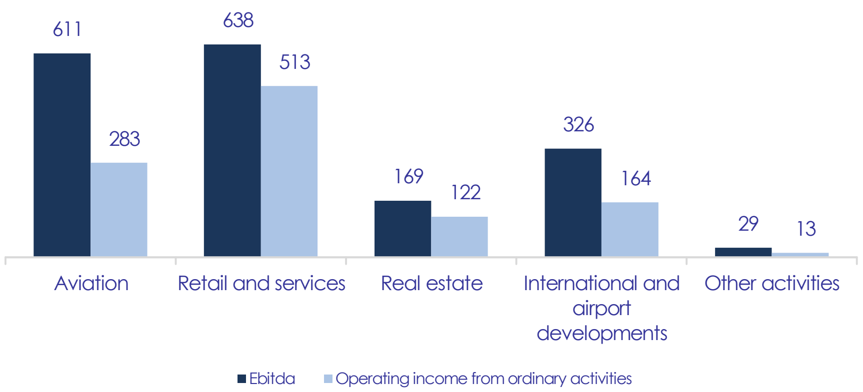
2019 Revenue



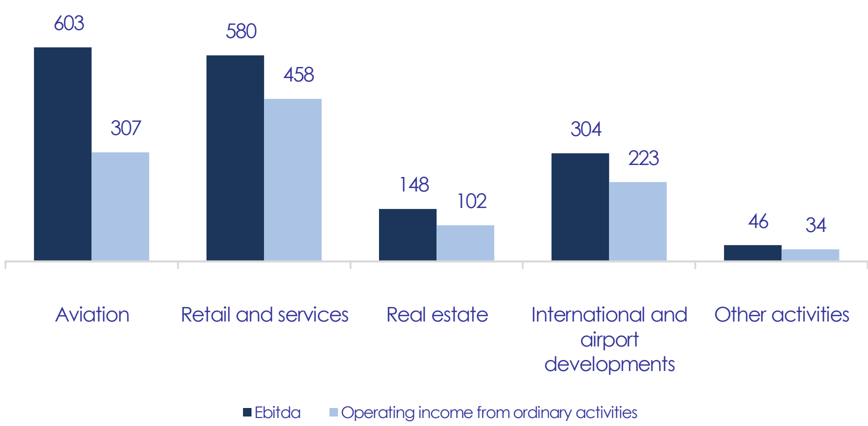
2018 Revenue*



2019 EBITDA and operating income from ordinary activities



2018 EBITDA and operating income from ordinary activities*



** Restated figures as described in note 1.4, 2.2 & 12*

4.2 Revenue

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

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

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

1. **Aviation sector**

- Airport and ancillary fees: the pricing of these fees is governed by the Economic Regulation Agreement (ERA) for the 2016-2020 period signed with the French State (except for the service fee for assistance to the disabled people and those with reduced mobility). This multi-annual agreement sets the cap for airport fees for the 2016-2020 period. Under these regulations, the airport operator receives a fair return on capital invested as part of its missions within the regulated scope. In the case where the investment plan would not be observed (see note 6.2), Aéroports de Paris SA will be impacted by a penalty. This scope includes all Aéroports de Paris activities at airports in the Paris region with the exception of activities related to retail and services, land and real estate activities that are not aviation-related, activities linked to security and safety financed by the airport tax. Also included in this scope is the management by Aéroport de Paris SA of assistance with soundproofing for local residents, and other activities carried out by subsidiaries.

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

Ancillary fees include fees for the provision of facilities such as check-in and boarding desks, baggage sorting facilities and fixed installations for the supply of electricity. They also include fees for support services for disabled people and those with reduced mobility and other ancillary fees linked to check-in and boarding technology, airport circulation (badges), and the use of solid waste shredding and de-icing stations. These fees are recognized as revenue when the corresponding services are used by the airline.

- Revenue from airport safety and security services: Aéroports de Paris SA receives revenue within the context of its public service mission for security, air transport safety, rescue and firefighting of aircrafts. This revenue covers the costs incurred in this mission. It is paid by the Direction Générale de l'Aviation Civile (DGAC) which funds it through the airport security tax levied on airlines companies. Until april 1st 2019, Aéroports de Paris SA recognized this revenue up to the eligible costs incurred for these missions. From this date, the airport tax rate is now set so as to cover only 94% of the eligible costs incurred by Aéroports de Paris SA. As a consequence, from this date, only 94% of costs are recognized as revenues when they are incurred. The Group proceeds to an analytical allocation of the costs in order to determine the part incurred in relation with its missions, considering that certain costs may not be exclusive to these missions, notably certain rental costs, certain amortisation and maintenance charges as well as taxes.

2. **Retail and services sector**

- Revenue from retail and services is comprised of variable rents paid by retail activities (shops, bars and restaurants, advertising, banks and currency exchange, car rental agencies, other terminal rentals) that are accounted for as income for the financial year in which it was generated; and rental income which corresponds to the fixed income received attached to leased areas in airports and is recognised on a straight-line basis over the term of the lease in accordance with IFRS 16 "Lease contracts".

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

Since the control acquisition of SDA and Relay@ADP on 1 April 2019, revenue from the retail also included revenue generated in the commercial areas managed by these two entities in land side and airside as well as revenue from affiliate commission. SDA exercises the direct management and rental of commercial spaces, and specialised in the sale of alcohol, tobacco, perfumes and cosmetics, gastronomy, fashion and accessories and photo-video sound. Relay@ADP's activity is dedicated to press, bookshop, amenities and souvenirs.

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

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

- Revenue from long term contracts, this aggregate includes the revenue related to the construction of a metro station in Paris-Orly on behalf of the company "Société du Grand Paris". As studies and works of the metro station in Paris-Orly will be carried out over the period from 2015 to 2024, Groupe ADP has recognized the revenue using the percentage of completion method whereby revenue and profit are based on a ratio of costs incurred to total estimated costs of the project in accordance with IFRS 15 – Revenue from contracts with customers. Insofar as the overall profit or loss on completion of this project cannot be reliably determined, revenue recognition is limited to cost incurred.

3. Real estate sector

- Real estate revenue is comprised of rental income from real-estate shares related to airport activity (except for airport terminals) and diversified real estate. This revenue is derived from operating leases. Fixed payments are on a straight-line basis over the term of the lease in accordance with IFRS 16 (Lease contracts). Rental charges due from tenants are accounted for as rental income. Revenue from Real estate sector also includes interest income from lease contract as lessor.

4. International and airport developments sector

Revenue from this sector combines revenue of **TAV Airports**, **ADP Internationa**l and its subsidiaries in particuliar **AIG** since 18 April 2018 and the subgroup **ADP Ingénierie**.

- **Airport fees :** Airport fees include passenger fees, aircraft circulation fees, revenues related to the provision of common terminal equipment (CUTE), as well as other revenues (ground handling, fuel charges). Airport fees are recognized based on the daily reports obtained from the related airline companies for terminal service income charged to passengers, as well as for ramps utilized by aircraft and check-in counters utilized by the airlines. These revenues are recognized when it is probable that the economic benefits will be perceived by the Group and that they can be quantified as reliable.
- **Retail activities :** These revenues come mainly from the Concession activities of Catering in terminals by the BTA sub-group, passenger lounge services by the TAV Operations services sub-group as well as the commercial fees collected by AIG at Queen Alia International Airport from Jordan. These revenues are recognized as and when the services rendered are performed.
- **Car parks and access roads :** these revenue result primarily from the car parks, access and valet services operqted as part of the concession contracts. They are recognized when the services are provided to the client.
- **Fixed rental income :** rental income is recognized on a straight line basis over the term of the rental contract, or on the basis of invoices issued monthly in accordance with the rental contracts relating to the occupation of space in the terminals.
- **Revenue from long term contracts** : Construction revenue is recognized using the percentage-of-completion method and included in the 'revenue from long term contracts' according to IFRS 15. Variations in contact work, claims and

incentive payments are included to the extent that they have been agreed with the customer. Where the outcome of a construction contract cannot be estimated reliably, revenue is recognized to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognized as expenses in the period in which they are incurred and as intangible or financial assets on the balance sheet. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

- **Operating financial revenue :** it corresponds to the Interest income related to the undiscounting of financial receivable related to the concession of Ankara Esenboga Airport : they are recognized in accordance with IFRIC12 Interpretation (see note 6.1)
- **Other revenue of international sector** include primarily:

- ground handling services by TAV Operations Services and Havas, bus and car parking operations, airline taxi services, software and system sales. They are recognized when services are provided.
- Sale of IT solutions and software by TAV Information Technoogies. They are recognized when services are provided or products delivered.
- revenue related to airport design missions, consultancy services, assistance to the project owner and prime contractor: these services are mainly carried by ADP Ingénierie out internationally over periods covering several months and/or years. The income from these long-term services are for the majority recognized contracts in according with the method of progress through costs.
- revenue generated by ADP International, mainly related to its international airport management activity and related to the investment securities in the airport companies.

5. Other activities sector

Revenue from this sector comprises revenue generated by the subgroup Hub One. **Hub One** offers telecom operator services, as well as traceability and mobility solutions of goods. Its revenue is presented in others incomes.

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

	2019					
(in millions of euros)	**Aviation**	**Retail and services**	**Real estate**	**International and airport developments**	**Other activities**	**Total**
Airport fees	1,160	-	-	365	-	1,525
Ancillary fees	250	8	-	4	-	262
Revenue from airport safety and security services	482	-	-	-	-	482
Retail activities (i)	-	968	3	242	-	1,213
Car parks and access roads	-	172	-	22	-	194
Industrial services revenue	-	42	-	4	-	46
Fixed rental income	14	106	209	35	-	364
Ground-handling	-	-	-	216	-	216
Revenue from long term contracts	-	43	-	31	4	78
Operating financial revenue	-	-	13	6	-	19
Other revenue	23	11	2	138	127	301
Total	**1,929**	**1,350**	**227**	**1,063**	**131**	**4,700**
(i) of which Variable rental income	*-*	*271*	*3*	*127*	*-*	*401*

(in millions of euros)	2018*					
	Aviation	Retail and services	Real estate	International and airport developments	Other activities	Total
Airport fees	1,114	-	-	297	-	1,411
Ancillary fees	239	10	-	3	-	252
Revenue from airport safety and security services	499	-	-	-	-	499
Retail activities (i)	-	490	2	245	-	737
Car parks and access roads	-	173	-	19	-	192
Industrial services revenue	-	41	-	3	-	44
Fixed rental income	14	109	198	38	-	359
Ground-handling	-	-	-	183	-	183
Revenue from long term contracts	-	20	-	28	-	48
Operating financial revenue	-	-	14	7	-	21
Other revenue	23	15	3	104	116	261
Total	**1,889**	**858**	**217**	**927**	**116**	**4,007**
(i) of which Variable rental income	*-*	*490*	*2*	*112*	*-*	*604*

** Restated figures as described in notes 2.2 & 12*

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

(in millions of euros)	2019	2018*
Revenue	**4,700**	**4,007**
Air France	794	777
Turkish Airlines	59	61
Pegasus Airlines	43	45
VUELING AIRLINES SA	39	35
FEDERAL EXPRESS CORPORATION	35	34
DELTA AIRLINES INC	32	31
EASY JET	30	76
Other airlines	949	837
Total airlines	**1,981**	**1,896**
Direction Générale de l'Aviation Civile	502	517
Société de Distribution Aéroportuaire (i)	69	285
ATU	61	51
Société du Grand Paris	40	21
EPIGO	22	13
Other customers	2,025	1,224
Total other customers	**2,719**	**2,111**

** Restated figures as described in notes 2.2 & 12*

(i) Revenue of SDA until 1st April 2019 (see note 3.2)

4.3 Other current operating income

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

The breakdown of other current operating income is as follows:

(in millions of euros)	**2019**	**2018***
Investment grants recognized in the income statement	3	2
Net gains on disposals	7	3
Other income	70	52
Total	**80**	**57**

** Restated figures as described in notes 2.2 & 12*

Other current operating income consists mainly of indemnities recognized for €46 million both under the indemnification agreement with the Société du Grand Paris relating to the project to build a metro station in Paris-Orly and under the CDG Express project (€42 million as of 31 December 2018).

4.4 Receivables and related accounts

Trade receivables and related accounts break down as follows:

(in millions of euros)	**As at Dec 31, 2019**	**As at Dec 31, 2018**
Trade receivables	627	645
Doubtful receivables	78	46
Accumulated impairment	(96)	(63)
Net amount	**609**	**628**

Impairment losses applied in accordance to the IFRS 9 have changed as follows:

(in millions of euros)	**As at Dec 31, 2019**	**As at Dec 31, 2018**
Accumulated impairment at beginning of period	**(63)**	**(70)**
Increases	(41)	(14)
Decreases	8	38
Change in consolidation scope	-	(13)
Other changes	-	(4)
Accumulated impairment at closing of period	**(96)**	**(63)**

The increase in impairment losses on receivables at 31 December 2019 is mainly due to the judicial liquidation of two airlines (Aigle Azur €12 million, XL Airways €8 million) during the year.

4.5 Current operating expenses

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

4.5.1 Consumed purchases

The consumed purchases are detailed as follows:

(in millions of euros)	2019	2018*
Cost of goods	(356)	(67)
Electricity	(43)	(35)
Studies, research and remuneration of intermediaries	(14)	(17)
Gas and other fuels	(16)	(16)
Operational supplies	(12)	(12)
Winter products	(7)	(10)
Operating equipment and works	(50)	(12)
Other purchases	(22)	(26)
Total	**(520)**	**(195)**

** Restated figures as described in notes 2.2 & 12*

The variation of cost of goods is almost due to Société de Distribution Aéroportuaire and Relay@ADP consolidated by full consolidation method since April 2019.

4.5.2 Other current operating expenses

The other current operating expenses are detailed as follow:

(in millions of euros)	2019	2018*
External services	(1,150)	(1,018)
Taxes other than income taxes	(316)	(263)
Other operating expenses	(69)	(101)
Total	**(1,535)**	**(1,382)**

** Restated figures as described in notes 2.2 & 12*

Breakdown of other services and external charges

(in millions of euros)	2019	2018*
Sub-contracting	(554)	(523)
Security	(241)	(236)
Cleaning	(85)	(81)
Persons with restricted mobility	(62)	(59)
Transport	(34)	(32)
Recycling trolleys	(14)	(13)
Caretaking	(18)	(17)
Other	(100)	(85)
Maintenance and repairs	(162)	(151)
Concession rent expenses**	(140)	(101)
Studies, research and remunerations of intermediaries	(69)	(68)
Insurance	(18)	(18)
Travel and entertainment	(21)	(20)
Advertising, publications, public relations	(34)	(28)
Rental and leasing expenses	(54)	(52)
Other external services	(9)	(8)
External personnel	(22)	(6)
Other external expenses & services	(67)	(43)
Total	**(1,150)**	**(1,018)**

** Restated figures as described in notes 2.2 & 12*

*** Concession rent expenses are mainly incurred by AIG for the operation of Queen Alia Airport*

Breakdown of taxes other than income taxes

(in millions of euros)	2019	2018*
Territorial financial contribution	(71)	(54)
Property tax	(128)	(97)
Other taxes other than income taxes	(58)	(55)
Non-refundable taxes on safety expenditure	(59)	(57)
Total	**(316)**	**(263)**

** Restated figures as described in notes 2.2 & 12*

The increase in taxes other than income taxes is mainly due to the regularization of territorial financial contribution for the year 2018 and 2019 for an amount of €25 million, as well as an unfavorable basis effect compared to the year 2018 linked to the positive conclusion of litigations for an amount of €19 million.

Breakdown of other operating charges

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

4.6 Trade payables and related accounts

Trade payables and related accounts are detailed below:

(in millions of euros)	As at Dec 31, 2019	As at Dec 31, 2018
Operating payables	374	289
Accounts payable	305	301
Total	**679**	**590**

4.7 Other receivables and prepaid expenses

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

(in millions of euros)	As at Dec 31, 2019	As at Dec 31, 2018
Prepaid concession expenses < 1 year (i)	-	42
Advances and deposit paid on orders	19	12
Tax receivables	98	74
Receivables related to employees and social charges	2	2
Prepaid expenses	27	34
Other receivables (ii)	236	75
Total	**382**	**239**

(i) Prepaid concession expenses only relate to Atatürk airport, operated by TAV Istanbul, whose activity was discontinued on 6 April 2019 (see note 2.2)

(ii) Other receivables include the current portion (€192 million) of compensation corresponding to the end of the TAV Istanbul concession (see note 2.2).

4.8 Other payables and deferred income

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

(in millions of euros)	As at Dec 31, 2019	As at Dec 31, 2018
Advances and deposits received on orders	19	13
Employee-related liabilities	274	278
Tax liabilities (excl. current income tax)	89	64
Credit notes	34	28
Deferred income	165	138
Concession rent payable < 1 year	90	90
Debt related to the minority put option	14	38
Other debts	127	144
Total	**812**	**793**

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

- fixed rent revenue, i.e. €79 million as of 31 December 2019 (€78 million as of 31 December 2018);
- car park : subscription and reservation, i.e €15 million as of 31 December 2019 (€14 million as of 31 December 2018).

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

- TAV Tunisia: the concession fee is based on the annual revenue of Monastir and Enfidha airports on which a rate between 5% and 39% is applied;
- TAV Macedonia: the concession rent of TAV Macedonia is 15% of the annual income turnover until the number of passengers using the two airports (Skopje and Ohrid) reaches to 1 million, and when the number of passengers exceeds 1 million, this rent percentage shall change between 2% and 4% depending on the number of passengers.
- TAV Milas Bodrum and TAV Ege: the fixed concession rents are defined in the concession contract for the operation of international and domestic terminals of Milas Bodrum and Izmir Adnan Menderes airports (see note 8.2).

The debt related to the minority put option relates to TAV Airports for the minority interests in TAV Tunisia (see note 9.4.2).

4.9 Investment in associates and joint ventures

Since 1st January 2019, the share of profit or loss of associates and joint ventures is entirely disclosed under a line identified in the income statement, that fall within the operating income (see note 1.4).

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

International and airport developments:

TAV Airports: a joint venture of TAV Airports, 50% of whose shares were acquired in May 2018 and which operates Antalya International Airport.

TGS and ATU, 50%-owned joint ventures by TAV Airports, specialising in ground handling and duty-free respectively.

Tibah Development and Tibah Operation, respectively 33% and 51% owned and operating Medina Airport in Saudi Arabia.

BTA Denizyollari, 50% owned until 1 January 2019, and fully consolidated since that date following an additional acquisition (see Note 3.2.1).

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

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

Société de gestion et d'exploitation de l'aéroport de Conakry ("Sogeac"), 29%-owned.

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

Retail and services:

The Group ADP exercises a joint control on EPIGO. This company, 50%-owned, is intended to construct, operate and develop the fast food sale outlets in the terminals.

Transactions between Aéroports de Paris SA and EPIGO relate to:

- fees collected under the operational rights granted by Aéroports de Paris SA;

- rents for the occupation of sales areas.

Until 11 April 2019, the Retail and service sector also included result of the joint ventures **Société de Distribution Aéroportuaire** and **Relay@ADP,** fully consolidated since this date (see note 2.1).

Real estate:

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

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

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

4.9.1 Share of profit or loss of associates and joint ventures

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

(in millions of euros)	2019	2018*
International and airport developments (i)	**48**	**76**
Retail and services (ii)	**41**	**2**
Real estate	**1**	**3**
Share of profit or loss in associates and joint ventures	**90**	**81**

** Restated figures as described in note 1.4*

(i) In 31 December 2018, this amount includes the share of profit or loss in associates and joint ventures of AIG until 18 Avril 2018, equivalent to a loss of less than €1 million, and the profit recognized as part of the disposal of 9,5% of AIG shares for the total amount of €22 million.

(ii) In 31 December 2019, this amount includes the share of profit or loss in associates and joint ventures of SDA and Relay@ADP until 1 Avril 2019, equivalent to a loss of less than €1 million, and the profit recognized as part of the disposal of 50% of SDA and Relay@ADP shares for the total amount of €43 million(see note 2.1)

4.9.2 Impairment tests on investments in associates and joint ventures

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

In 2019, the Group did not recognize the depreciation on investments in associates and joint ventures. As a reminder, in 2018, a provision for depreciation on international investments was recognized for €20 million.

4.9.3 Breakdown of balance sheet amounts

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

(in millions of euros)	As at Dec 31, 2019	As at Dec 31, 2018
International and airport developments	**975**	**1,091**
Retail and services	**3**	**12**
Real estate	**30**	**32**
Other activities	**11**	**11**
Total investment in associates	**1,019**	**1,146**

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

- €147 million for the International and airport developments sector, including €120 million for Schiphol, €22 million preliminary goodwill for TAV Antalya and €5 million for TGS;
- €3 million for the other activities sector.

4.9.4 Changes in share of net assets

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

(in millions of euros)	Net amount as at Jan 1, 2019	Share of net profit (loss) for the period	Change in consolidation scope*	Change in translation adjustment reserves	Change in other reserves and reclassifications	Dividends paid**	Net amount as at Dec 31, 2019
International and airport developments	**1,091**	**48**	**-**	**(4)**	**(4)**	**(156)**	**975**
Retail and services	**12**	**41**	**(53)**	**-**	**3**	**-**	**3**
Real estate	**32**	1	-	-	-	(3)	**30**
Other activities	**11**	-	-	-	-	-	**11**
Total investment in associates	**1,146**	**90**	**(53)**	**(4)**	**(1)**	**(159)**	**1,019**

** See note 2.1*
*** Including the results of tax-transparent real estate companies*

4.9.5 Summary Financial Information

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

	Schiphol		TAV Antalya	
(in millions of euros)	As at Dec 31, 2019	As at Dec 31, 2018	As at Dec 31, 2019	As at Dec 31, 2018
Tangible, Intangible assets and Investment property	5,791	5,240	470	558
Investments in associates	1,133	961	-	-
Other non-current financial assets	214	138	2	1
Deferred tax assets	69	96	29	29
Non-current assets	**7,207**	**6,435**	**501**	**588**
Inventories	-	-	2	2
Trade receivables	169	458	13	10
Other receivables and prepaid expenses	14	14	109	156
Cash and cash equivalents	155	387	16	86
Current assets	**338**	**859**	**140**	**254**
Total assets	**7,545**	**7,294**	**641**	**842**

	Schiphol		TAV Antalya	
(in millions of euros)	As at Dec 31, 2019	As at Dec 31, 2018	As at Dec 31, 2019	As at Dec 31, 2018
Shareholders' equity - Group share	**4,121**	**4,024**	**30**	**119**
Non-controlling interests	55	49	-	-
Shareholders' equity	**4,176**	**4,073**	**30**	**119**
Non-current debt	2,676	2,370	103	137
Provisions for employee benefit obligations (more than one year)	55	53	2	3
Other non-current liabilities	103	142	456	534
Non-current liabilities	**2,834**	**2,565**	**561**	**674**
Other current liabilities	527	403	15	14
Current debt	9	254	35	35
Current liabilities	**536**	**657**	**50**	**49**
Total equity and liabilities	**7,545**	**7,294**	**641**	**842**

	Schiphol		TAV Antalya	
(in millions of euros)	2019	2018	2019	2018
Revenue	**1,613**	**1,509**	**391**	**324**
Operating income	**390**	**368**	**237**	**277**
Financial income	**(84)**	**(90)**	**(42)**	**(56)**
Share of profit or loss in associates and joint ventures	102	97	-	-
Income before tax	**408**	**375**	**195**	**123**
Income tax expense	(73)	(90)	(45)	(32)
Net income	**335**	**285**	**150**	**91**
Net income attributable to the Group	**328**	**278**	**150**	**91**
Net income attributable to non-controlling interests	7	7	-	-
Total comprehensive income for the period	**329**	**290**	**150**	**91**

NOTE 5 Cost of employee benefits

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

Post-employment benefits – Defined contributions plans

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

Post-employment benefits – Defined benefit plans

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

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

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

This provision is broken down into:

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

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

Other long term employee benefits

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

Termination benefits

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

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

Concerning the non-recurring elements, the expense is recognized as other operating income and expenses in the income statement. Actuarial hypotheses are presented in note 5.2.1.

5.1 Staff expenses and number of employees

Staff expenses can be analysed as follows:

(in millions of euros)	2019	2018*
Salaries and wages	(705)	(619)
Social security expenses	(298)	(264)
Salary cost capitalised	77	69
Employees' profit sharing and incentive plans	(40)	(42)
Net allowances to provisions for employee benefit obligations	36	(5)
Total	**(930)**	**(861)**

** Restated figures as described in notes 2.2 & 12*

Capitalised production which amounts to €77 million, represents mainly internal cost related to employees who are involved in construction projects of the company assets including studies, overseeing of construction activities and assistance to the contracting authority.

The Competitiveness Employment Tax Credit ("CICE"), deleted since the 1 January 2019. It amounted to €4 million as of 31 December 2018.

Change in allowances to provisions for employee benefit obligations is mainly explained by modifications on defined benefit plans (cf. note 2.3).

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

	2019	2018*
Average number of employees	**26,122**	**22,797**

** Restated figures as described in notes 2.2 & 12*

The average number of employees of TAV Istanbul was 3,120 in 2018 and 618 from 1st January to 7th April 2019. This amount from discontinued activities is excluded of the total.

The average number of employees takes into account the takeover SDA and Relay@ADP on April 2019(see note 3.2). If the transaction had taken place on January 1, the average number of employees would have been 26,933.

5.2 Post-employment employee benefits and other long term obligations

5.2.1 Description of the various benefits

A. END-OF-CAREER INDEMNITIES

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

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

This year, the end date of the TAV Istanbul concession, initially scheduled on 2 January 2021 was brought forward to 6 April 2019. Consequently, several legal indemnities, considered as IAS 19 provision reversals, were paid in first half-year 2019. As of 31 December 2019, 48 employees of TAV Istanbul is still present within this entity. The IAS 19 commitment relating to these employees in respect of legal indemnities is therefore still in provision.

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

B. HEALTH COVERAGE

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

The main risks identified are the risk of:

- increase in employers' contributions applicable to the financial participation of Aéroports de Paris SA;

- increase in medical costs incurred by the mutual, as they have an impact on the financial participation of Aéroports de Paris SA.

C. DEFINED BENEFIT PLAN

There are two defined benefit plans:

- A defined benefit plan – This plan is of additional type and relates to all employees;
- A supplementary pension scheme – This pension scheme is:
- additional type for fire-fighters.;

Aéroports de Paris SA has closed these two supplemental defined benefits pension plans to new entrants since July 2019, and the rights of remaining eligible employees have been frozen as at December 31st, 2019 : then, Aéroports de Paris SA is compliant with the Ordinance n°2019-697 July 3rd 2019.

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

In this context, Aéroports de Paris SA has opted for the Fillon tax on the premiums paid into the collective fund of the insurer (24 %) for the defined benefit plan, and the tax on annuities paid by the insurer (32 % for liquidations occurred from the 1 January 2013) for the second scheme.

D. OTHER BENEFITS

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

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

5.2.2 Breakdown of obligations under the various benefits

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

	Post-employment benefits						
(in millions of euros)	Retirement Plan	Additional retirement benefits	PARDA	Long-service medals	Health cover	Total as at 31/12/2019	Total as at 31/12/2018
Net Defined Benefit Asset / (Liability) as of the Prior Period End Date	355	76	13	2	47	493	468
(Cost / Profit) Recognised in P&L (excl Reimbursement Rights)	26	(37)	3	-	1	(7)	33
Remeasurement Gain / (Loss) Recognised in OCI (excl Reimbursement Rights)*	49	17	-	-	2	68	17
Employer Contributions	-	(3)	-	-	-	(3)	(3)
Disbursements Paid Directly by the Employer	(23)	(1)	-	-	(3)	(27)	(38)
Acquisition / Divestiture	3	-	-	-	-	3	-
Others adjustments	-	-	-	-	-	-	33
Currency Gain / (Loss)	(2)	-	-	-	-	(2)	(17)
Net Defined Benefit Asset / (Liability) as of the Period End Date	**408**	**52**	**16**	**2**	**47**	**525**	**493**
Defined Benefit Obligation as of the Prior Period End Date	355	76	13	2	47	493	468
Current Service Cost	22	3	3	-	-	28	24
Interest Cost on the DBO	7	1	-	-	1	9	9
Net Actuarial (Gain) / Loss	49	17	-	-	2	68	17
Disbursements from Plan Assets	-	(3)	-	-	-	(3)	(3)
Disbursements Directly Paid by the Employer	(23)	(1)	-	-	(3)	(27)	(38)
Past Service Cost - Plan Amendments	-	(40)	-	-	-	(40)	(2)
Past Service Cost - Curtailments	(3)	(1)	-	-	-	(4)	2
Acquisition / Divestiture	3	-	-	-	-	3	-
Others adjustments	-	-	-	-	-	-	33
Currency Gain / (Loss)	(2)	-	-	-	-	(2)	(17)
Defined Benefit Obligation as of the Period End Date	**408**	**52**	**16**	**2**	**47**	**525**	**493**

** The total actuarial losses generated on the pension obligation for €68 million is mainly due to the decrease of the discount rate higher than the decrease of the long-term inflation rate; furthermore, experience gains/losses (update of individual data) cancel each other out over all pension plans.*

The flows explaining the changes in provision are as follows:

(in millions of euros)	Present value of employee benefit obligation	Fair value of plan assets	Net actuarial liability
As at Jan 1, 2018	**468**	**-**	**468**
Service costs for the period	33	-	**33**
Interest costs	(17)	-	**(17)**
Actuarial gain/(loss) in the period	17	-	**17**
Cash flows:			
Payments to beneficiaries	(38)	-	**(38)**
Contributions paid	(3)	-	**(3)**
Other changes	33	-	**33**
As at Dec 31, 2018	**493**	**-**	**493**
Service costs for the period	28	-	**28**
Interest costs	9	-	**9**
Actuarial gain/(loss) in the period	68	-	**68**
Reduction/curtailment	(44)	-	**(44)**
Change in consolidation scope	3	-	**3**
Cash flows:			
Payments to beneficiaries	(27)	3	**(24)**
Contributions paid	(3)	(3)	**(6)**
Payments received from third parties	-	-	**-**
Other changes	**(2)**	**-**	**(2)**
As at Dec 31, 2019	**525**	**-**	**525**

5.2.3 Assumptions and sensitivity analysis

The main assumptions used are as follows:

As at Dec 31, 2019	**France**	**Turkey**	**Jordan**
Discount rate / Expected rate of return on plan assets	0.70%	11.70%	5.60%
Inflation rate	1.60%	8.20%	2.50%
Salary escalation rate (inflation included)	1.60% - 3.40%	9.20%	3,20%
Future increase in health care expenses	2,50%	N/A	N/A
Average retirement age	62 - 65 years	51-52 years	55-60 years

As at Dec 31, 2018	**France**	**Turkey**	**Jordan**
Discount rate / Expected rate of return on plan assets	1.50%	18.00%	5.60%
Inflation rate	1.75%	10.0%	2.50%
Salary escalation rate (inflation included)	1.75% - 3.55%	11.0%	3,20%
Future increase in health care expenses	2,50%	N/A	N/A
Average retirement age	62 - 65 years	51-52 years	55-60 years

For the rates used in France:

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

Mortality assumptions used are those defined by:

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

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

(in millions of euros)	Low assumption	Impact on present value of obligation at 31/12/2019	High assumption	Impact on present value of obligation at 31/12/2019
Drift in medical costs	-1.00%	(5)	1.00%	5
Discount rate / Expected rate of return on plan assets	-0.50%	30	0.50%	(27)
Mortality rate	- 1 year	4	+ 1 year	(4)
Salary escalation rate (inflation included)	-0.50%	(21)	0.50%	23

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

5.3 Provisions for employee benefit commitments on the balance sheet

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

(in millions of euros)	2019	2018
Provisions as at 1 January	**493**	**468**
Increases	**108**	**66**
Operating allowances	28	24
Financial allowances	9	9
Recognition of actuarial net losses	68	17
Increase due to changes in consolidation scope	3	-
Other changes	-	16
Decreases	**(76)**	**(41)**
Provisions used	(30)	(41)
Recognition of actuarial net gains	-	-
Reduction/curtailment	(44)	-
Other changes	(2)	-
Provisions at 31 December	**525**	**493**
Non-current portion	511	484
Current portion	14	9

5.3.1 Best estimate of the contributions to be paid

The amount of contributions that the Group believes will need to be paid for the defined benefits plans on the assets side in 2019 is not significant.

NOTE 6 Intangible assets, tangible assets and investment property

6.1 Intangible assets

Intangible assets include:

- airports operation rights (see note 6.1.1);
- goodwill generated by business combinations in accordance with the principles outlined in note 3.1;
- patents and licenses;
- contractual relationships;
- computer software;
- Right of way servitudes.

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

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

Software	4 to 10 years
Patent and licenses	4 to 10 years
Airport operation right*	Concession agreement period and traffic
Right of way servitudes	15 years

**see note 6.1.1*

Intangible assets are detailed as follows:

(in millions of euros)	Goodwill*	Airport operation right**	Software	Other	Fixed assets in progress, related advances & prepayments	Total
Gross value	206	2,938	351	700	37	4,232
Accumulated amortisation & depreciation	(7)	(165)	(261)	(239)	-	(672)
Carrying amount as at Jan 1, 2019	**199**	**2,773**	**90**	**461**	**37**	**3,560**
Purchases	-	120	6	-	37	163
Depreciation and Amortisation, net of reversals	(12)	(167)	(30)	(66)	-	(275)
Changes in consolidation scope	2	-	-	(152)	-	(150)
Translation adjustments	1	7	-	-	-	8
Transfers to and from other headings	-	5	39	-	(46)	(2)
Carrying amount as at December 31, 2019	**190**	**2,738**	**105**	**243**	**28**	**3,304**
Gross value	209	3,071	393	317	28	4,018
Accumulated amortisation & depreciation	(19)	(333)	(288)	(74)	-	(714)

** See note 6.1.2*

*** See note 6.1.1*

Variation between 01/01/2019 and 31/12/2019 of other intangible assets is mainly due to :

- the disposal of the remaining operating right from TAV Istanbul for €279 million (cf. significant events);
- the recognition of an intangible asset due to the renegociation of minimum payments to be made to the grantor under the concession contracts of Monastir and Enfidha;
- and the recognition of an intangible asset corresponding essentially to the leasehold right of SDA and Relay@ADP which, as a result of the takeover, was re-acquired by Aéroports de Paris SA. This lease right is amortised over the lease term (until 2022).

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

6.1.1 Airport operation rights

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

- A construction activity in respect of its obligations to design, build and finance a new asset that it delivers to the grantor: revenue is recognized in progression;
- An operating and maintenance activity in respect of concession assets.
- In return for its activities, the operator receives remuneration either from:

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

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

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

The Group applies the financial asset model to the concession agreement signed between TAV Esenboga and the DHMI which terminates in May 2023. The financial asset was initially recognized at fair value. As at 31 December 2019, the current part of this financial asset amounts to €22 million and the non-current part amounts to €63 million (see note 9.5.1 Liquidity risks).

Movements in airport operating rights are as follows:

(in millions of euros)	**Izmir Adnan Menderes International Airport**	**Tbilisi and Batumi Internationa l Airport**	**Monastir and Enfidha International Airport**	**Skopje and Ohrid International Airport**	**Milas-Bodrum Airport**	**Queen Alia Internationa l Airport**	**Other**	**Total**
End of contract date	December 2032	February 2027 and August 2027	May 2047	March 2030	December 2035	November 2032		
Gross value	619	373	415	105	444	919	63	2,938
Accumulated amortisation & depreciation	(37)	(40)	(20)	(10)	(6)	(46)	(6)	(165)
Carrying amount as at Jan 1, 2019	**582**	**333**	**395**	**95**	**438**	**873**	**57**	**2,773**
Purchases	-	-	79	-	-	41	-	120
Transfers to and from other headings	3	-	-	-	-	2	-	5
Depreciation and Amortisation, net of reversals	(28)	(32)	(13)	(7)	(22)	(60)	(5)	(167)
Translation adjustments	-	(14)	-	-	-	21	-	7
Carrying amount as at December 31, 2019	**557**	**287**	**461**	**88**	**416**	**877**	**52**	**2,738**
Gross value	622	357	495	105	444	984	64	3,071
Accumulated amortisation & depreciation	(65)	(70)	(34)	(17)	(28)	(107)	(12)	(333)

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

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

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

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

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

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

Impairment loss test of airport concessions:

As indicated in the highlights of the year (see note 2.5), the restructuring agreement relating to TAV Tunisia's bank debts is being finalized (signature expected in early 2020). As a result, Groupe ADP performed an impairment test on airport operations rights concerning Tunisian concessions, taking into account the residual duration of the concession (May 2047) and the assumption of debt restructuring in 2020. The recoverable amount being higher than the book value of the tunisian concession, no impairment loss was recognised for TAV Tunisia as a result of the test. According to the sensitivity analysis, an increase of 100 basis points in the discount rate would not question the result of the impairment test.

6.1.2 Goodwill

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

As of 31 December 2019, the goodwill relates mainly to TAV Airports Holding for €125 million and AIG for €44 million.

Impairment loss test of Goodwill

No impairment was recorded on the Goodwill of TAV Airports Holding and AIG. Sensitivity analysis show that an increase of 100 basis points in discount rates would not result in an impairment loss on these Goodwill.

With regard to Hub One Mobility, Market slowdown on Hub One mobility solutions, in particular in the large retail sector, have conducted to a significant decrease of Hub One Mobility revenues and profitability forecasts. As a consequence an impairment of all the residual goodwill related to this entity has been recognized for €12 million in 2019.

6.2 Tangible assets

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

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

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

The borrowing costs are capitalised for eligible assets according to IAS 23.

Since 1 January 2019, The Group as a lessee holds lease contracts related to real property and vehicles covered by IFRS 16 "Leases". Assets related to the right of use are classified as property, plant and equipment (see Note 6.2.1).

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

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

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

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

When it is probable or highly probable that an asset or a group of asset will be recovered principally through a sale transaction rather than through continuing use, the asset or the group of asset is reclassified on a separate line in the balance sheet, Non-current assets held for sale. Non-current assets or disposal groups that are classified as held for sale are measured at the lower carrying amount and fair value less costs to sell and the carrying amount is no longer amortized. A tangible asset is derecognized when withdrawn or when no future economic benefit is expected from its use or disposal. Any gain or loss resulting from derecognition of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement (disclosed in a separate line "Other operating income and expenses").

In accordance with IFRS 5, in the event of discontinuation of operations, assets intended to be scrapped or abandoned are not classified as assets held for sale. When non-current assets are discontinued during the year, the results and cash flows are presented as those of a discontinued operation when they meet the criteria for a discontinued operation (see note 12).

Property, plant and equipment are detailed as follows:

(in millions of euros)	Land and improvements of land	Buildings	Plant and equipment	Right-of-use assets*	Other	Fixed assets in progress, related advances & prepayments	Total
Gross value	74	11,329	508	51	644	1,265	13,871
Accumulated amortisation & depreciation	(17)	(5,815)	(326)	-	(390)	-	(6,548)
Carrying amount as at Jan 1, 2019**	**57**	**5,514**	**182**	**51**	**254**	**1,265**	**7,323**
Purchases	-	3	43	57	24	1,019	1,146
Disposals and write-offs	-	-	(2)	(1)	(3)	-	(6)
Depreciation and Amortisation	(1)	(424)	(48)	(12)	(88)	-	(573)
Changes in consolidation scope	-	-	34	-	9	7	50
Translation adjustments	-	(1)	-	-	(1)	-	(2)
Transfers to and from other headings	1	920	15	-	32	(976)	(8)
Carrying amount as at December 31, 2019	**57**	**6,012**	**224**	**95**	**227**	**1,315**	**7,930**
Gross value	75	12,095	652	106	490	1,315	14,733
Accumulated amortisation & depreciation	(18)	(6,083)	(428)	(11)	(263)	-	(6,803)

** see note 6.2.1*

*** after first application of IFRS 16 (see note 1.3)*

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

- the completion of the Orly 3 junction building, located between Orly 2 (formerly Orly West) and Orly 4 (formerly Orly South) ;
- the renovation of Orly runway 3 ;
- the extension of the Golf areas and the compliance of the LGN-LJS bend at Orly ;
- the bringing the rainwater treatment systems at CDG up to standard ;
- the redevelopment of road accesses in CDG ;
- the resumption of waterproofing and the reinforcement of the bridge n°2 under runway 3 at Orly ;
- the rehabilitation of the RER station CDG1 in Roissypôle ;
- the first phase of the project to extend the India areas in CDG ;
- the completion of the construction of a departure baggage sorter under Hall L of Terminal 2E (TDS3) ;
- the construction of an AFMAE apprentice training center ;
- the resumption of the satellite facades in Terminal 1 ;
- the overhaul of the atmosphere in Hall L of Terminal 2E.

The borrowing costs capitalised as of 31 December 2019 in according to IAS 23 revised amounted to €13 million, based on an average capitalization rate of 2,26%.

6.2.1 IFRS 16 Lease contracts, Group ADP as Lessee

The Group applies IFRS 16 "Leases" with effect from January 1, 2019. This standard requires for each lease agreement in which the Group is a lessee, with some exceptions, the recognition of an asset related to the right of use for lease contracts previously classified as operating leases pursuant to IAS 17 and a lease debt equivalent to the present value of the remaining payments of the lease. The Group discounts the lease obligations of the contracts at the marginal borrowing rate taking into account the remaining term of the contracts at the date of first application of the standard. The options selected by the Group for the transition are described in Note 1.3.

The Group assesses whether a contract is a lease under the new IFRS 16 standard at the contract's inception. This valuation requires the exercise of judgment to assess whether the contract relates to a specific asset, and if the Group obtains substantially all the economic benefits associated with the use of the asset and has the ability to control the use of that asset.

Contracts on the scope of this standard mainly concern real estate and vehicles lease contracts.

In accordance with the provisions of the standard, the Group has chosen to use the two practical expedients offered to to lease agreements and not apply IFRS 16 restatement to contracts which:

- The underlying asset is of low value ; the Group has adopted 5,000 euros as a threshold;
- the initial duration of the contract is less than or equal to 12 months.

The right of use related to lease contracts restated according to IFRS 16 are included in tangible fixed assets and the lease debt is included in the other depts and deffered income for the part less than one year, and in non-current dept for the part higher than one year (see note 9.4.1). Interest expense on lease obligations is presented in the financial result in Note 9.3.

The assets related to the use right are detailed as follows:

(in millions of euros)	**Land and improvements of land**	**Buildings**	**Plant and equipment***	**Other**	**Total**
Carrying amount as at Jan 1, 2019**	**7**	**38**	**6**	**-**	**51**
Purchases	42	13	2	-	57
Disposals and write-offs	-	(1)	-	-	(1)
Depreciation and Amortisation	(3)	(6)	(3)	-	(12)
Carrying amount as at December 31, 2019	**46**	**44**	**5**	**-**	**95**
Gross value	49	49	8	-	106
Accumulated amortisation & depreciation	(3)	(5)	(3)	-	(11)

** Including vehicles*

*** after first application of IFRS 16 (see note 1.3)*

6.3 Investment property

Investment properties are real estate (land, building, building complex or part of one of these elements) whether held in full ownership or through a ground lease contract and to be leased to third parties and / or in the prospect of a capital gain.

Investment properties are defined as opposed to buildings occupied by Aéroports de Paris for its own needs (head offices, administrative buildings or operating buildings.) Those buildings are valued in the balance sheet under the item Tangible fixed assets.

Vacant buildings that are not intended to be used by Aéroports de Paris for its own needs are treated as investment properties.

If more than half of a building areas meet the definition of investment properties, then the whole building is considered as an investment property.

Investment properties appear on a specific line of the balance sheet and, as allowed by IAS 40, are valued using the historical cost method, that is to say their cost diminished by the accumulated depreciation and cumulative impairment losses. Such buildings are depreciated on a straight-line basis over their use duration ranging from 20 to 50 years.

Investment properties fair value, which is indicated in note 6.3.2, is annually assessed by independent real estate appraisal firms for almost 100% of its total value (excluding land reserves).

- All buildings that are not used by Aéroports de Paris for its own needs have been valued on the Paris-Orly, Paris-Charles de Gaulle and Paris-Le-Bourget platforms;
- Ground leases are valued by external appraisers except those located on General Aviation Aerodromes that were internally appraised by rents capitalization.
- Development projects (through direct investment or through ground lease) are externally valued as soon as a pre-leasing contract or a firm contract with a building contractor is signed even under suspensive conditions. The valuation of the projects land is maintained in the land reserves until the asset is delivered. A discount rate is applied in order to assess the risk of not obtaining the building permit during the appeal period. If the project is held in full property, the retained method is to assess the property as delivered and rented, then to subtract all the unpaid costs (residual work, marketing, free rents) from this value.
- The valuation of land reserves is internally carried out and results from a differentiation of plots by destination into five categories according to their mutability period (immediately available reserves, under aeronautical constraints, evolution of PLU, mutable in the short term after demolition / depollution and under commercial and technical constraints). It results from the product of their theoretical market value per square meter by the area in square meters available or from capacity studies when they exist, to which a discount is applied corresponding to the regulatory and environmental risk likely to impact the value of the property portfolio ADP. The discount rate applied to cash flows corresponds to the cost of capital of Aéroports de Paris SA plus a risk premium in order to take into account the cost of carrying the land before it is used.Analysis of investment property
- Lease contracts (where Group ADP is a lessor) are analysed according to IFRS 16 "Leases" in order to determine whether they are operating leases or finance leases and taking into account separately the building and land components. Under finance lease agreements, the asset sold is then written off from the balance sheet and a financial receivable is recorded for the present value of fixed payments. Result of disposal of assets is recognized in current operating income.

6.3.1 Analysis of investment property

Investment property is detailed as follows:

(in millions of euros)	Land, improvements of land and substructure	Buildings	Fixed assets in progress, related advances & prepayments	Total
Gross value	118	627	84	829
Accumulated amortisation & depreciation	(58)	(262)	-	(320)
Carrying amount as at Jan 1, 2019	**60**	**365**	**84**	**509**
Purchases and change in advances and prepayments	-	14	14	28
Depreciation and Amortisation	(2)	(19)	-	(21)
Transfers to and from other headings	1	47	(54)	(6)
Carrying amount as at as at December 31, 2019	**59**	**407**	**44**	**510**
Gross value	119	695	44	858
Accumulated amortisation & depreciation	(60)	(288)	-	(348)

6.3.2 Fair value of investment property

External valuations led to the main immediate returns on investments properties presented below:

(in millions of euros)	As at Dec 31, 2019	As at Dec 31, 2018 restated	As at Dec 31, 2018	Rate of immediate return
Buildings				
Offices Paris-Charles de Gaulle	392	370	382	4,4% - 9,0%
Cargo Paris-Charles de Gaulle	227	212	329	5,4% - 10,0%
Hangars Paris-Charles de Gaulle	92	91	91	5,2% - 13,0%
Hotels/shops Paris-Orly and Charles de Gaulle	64	48	48	4,0% - 6,5%
Hangars/freight Paris-Orly	72	52	140	9,3% - 11,5%
Activity Paris-Orly and Charles de Gaulle	137	133	28	7,0% - 12,0%
Paris-Le Bourget	132	129	129	7,25% - 13,25%
Total of external rented buildings	**1,116**	**1,035**	**1,147**	
Ground leases				
Offices Paris-Charles de Gaulle	73	69	93	6,0% - 7,5%
Cargo Paris-Charles de Gaulle	555	519	345	6,0% - 8,0%
Hangars Paris-Charles de Gaulle	59	48	115	8,0% - 10,0%
Hotels/shops Paris-Orly and Charles de Gaulle	292	272	238	4,0% - 6,5%
Hangars/freight Paris-Orly	98	93	44	13,0% - 16,0%
Logistic/activity Paris-Orly and Charles de Gaulle	149	148	202	6,0% - 9,0%
Paris-Le Bourget and AAG	134	134	134	5,75% - 7,90%
Total of external ground leases	**1,360**	**1,283**	**1,171**	
Total of land reserves	**409**	**306**	**306**	
Total of investment property	**2,885**	**2,624**	**2,624**	

Investment properties fair value amounts to €2,885 million as of December 31, 2019 compared to €2,624 million as of December 31, 2018, growing by almost 10%.

At constant scope and excluding new projects, the value increases by 8%.

RENTED BUILDINGS AND GROUND LEASES

The coverage rate of valuations conducted by external appraisers is close to 100%. These appraisals were carried out by a group of independent real estate experts from the following firms:

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

Property experts use for their assessments (i) confidential data communicated by the Group (such as rental statements) and (ii) appropriate assumptions, including discount or capitalization rates, market rental values and tenants discounts.

The fair value of buildings not used for Aéroports de Paris' own needs, including their right-of-way, amounts to €1,116 million and increases by €81 million compared to 2018. This increase is mainly due to a downward trend in rates on office assets at the continuation of a compression of rates on the assets of the Cargo zone and the progress of works on the projects under construction of the SC4 and DHL freight stations. The delivery of the fully owned Innside Mélia hotel and the resumption of aircraft maintenance activity in the Orly Industrie Zone also contributed to an increase in the value at the end of 2019.

In addition, the year was marked by a healthy trend in the logistics sector with a strong investor appetite for this activity justifying a drop in rates from 20 to 50 bps.

Ground leases fair value amounts to €1,360 million, representing an increase in growth by 6.1%. This is partly explained by a perimeter effect for nearly €23 million euros valued this year by real estate experts of land leased on the Paris-Charles de Gaulle platform, which weren't in 2018, a further rate compression on land assets in the Cargo zone and the signing of contracts for new equipment areas within the Fedex Hub combined with lower rates.

LAND RESERVES

The value of land reserves increased by €103 million to €409 million euros in 2019. The main components of their development are detailed as follows:

- An impact from surfaces of nearly €30 million. Although they globally remain stable, transfers of mutable reserves in the short term and under strong aeronautical constraints to immediately available reserve. Furthermore, some of them, under the effect of a better understanding of the rights to build thanks to the carrying out of capacity studies, allowed us to increase their value.
- New 2019 projects increase the value of reserves by around €53 million. These are a hotel complex project in the Cœur d'Orly district, the construction project for a tertiary campus in Paris Orly and the developments envisaged in the City of Bonneuil.
- A progress of projects that already existed in 2018 leads to an increase in net valuation of €19 million. An increase of the value by almost €40 million, corresponding to plots intended to receive new projects (notably freight stations, hotels south of Aeroville and the RoissyPole Ouest district, and an office building within Coeur d'Orly), and a decrease by €20 million following the deliveries of Innside Melia, Moxy, Loxam and Grand Frais projects that come out of land reserves.

In 2019, the Group proceded to a more precise classification of assets by nature and by zone generated several movements of values from one asset category to the other, for rented buildings and ground leases. In order to compare more easily, 2018 figures have been retreated according to the same classification, and disclosed in the column "As at Dec 31, 2018 restated".

Moreover, the Fedex land value in Charles de Gaulle that was classified in the category "Buildings" in 2018, has been reclassified and is part of the category "Ground leases" in 2019 and in the column "As at Dec 31, 2018 restated" (reclassification amounting to €112 million).

VALUATION HYPOTHESES AND SENSITIVITY ANALYSES

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

A combined variation of +25 to +75 basis points in the discount rates and the rate of return on resale, applied to the entire portfolio of investment properties, would decrease by €82 million (or -3%) at €233 million (or -10%) the value of property excluding transfer taxes and costs (excluding development assets and land reserves or assets accounted for using the equity method).

6.3.3 Additional information

The 3rd article of the law n° 2005-357 promulgated on the 20 of April 2005 provides that, in the event of a partial or total closure of one of the aerodromes operated by Groupe ADP, a percentage of at least 70% of the difference existing between, firstly, the market value at that date of the buildings situated within the enclosure of that aerodrome that are no longer used for the airport public service and secondly, the value of those buildings on the date on which they were allocated to the airport plus the associated costs. Their rehabilitation and the closure of airport facilities is paid to the State.

The relevant buildings and fields are mentioned in the article 53-1° of Aéroports de Paris' specifications and appear in the blue area on the maps provided in the specifications, whereas buildings and fields appear in the grey area.

Those provisions apply in the case where Groupe ADP decides that a building or a field is no longer used for the airport public service.

6.4 Impairment of intangible, tangible and investment properties

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

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

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

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

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

The Group has not observed any significant impairment losses, regarding impairment tests related to airport concessions see note 6.1.1 and for goodwill see note 6.1.2.

NOTE 7 Equity and Earnings per share

7.1 Equity

Equity breaks down as follows:

(in millions of euros)	Share capital	Share premium	Treasury shares	Retained earnings	Other equity items	Group share	Non-controlling interests	Total
As at Dec 31, 2019	297	543	-	4,341	(149)	**5,032**	975	**6,007**

7.1.1 Share capital

Aéroports de Paris SA' aggregate share capital amounts to €296,881,806 divided into 98,960,602 fully paid shares of €3 each, which were not subject to any change during the year 2019.

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

7.1.2 Treasury shares

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

As part of its liquidity contract and in accordance with the authorization given by the shareholders at the ordinary general meeting of 20 May 2019, during the period, the company repurchased 292,520 shares and sold 292,520 shares.

Thus, the number of treasury shares that was nil as at 31 December 2018 is also nil as at 31 December 2019 under this contract.

7.1.3 Other equity items

Other equity items break down as follows:

(in millions of euros)	**As at Jan 1, 2018**	Comprehensive income - 2018	**As at Dec 31, 2018**	**As at Jan 1, 2019**	Comprehensive income - 2019	**As at Dec 31, 2019**
Translation adjustments	(10)	12	2	2	(10)	(8)
Actuarial gain/(loss)*	(84)	(11)	(95)	(95)	(47)	(142)
Fair value reserve	(3)	10	7	7	(6)	1
Total	**(97)**	**11**	**(86)**	**(86)**	**(63)**	**(149)**

** Cumulative losses on variances, net of deferred tax*

7.1.4 Legal and distributable reserves of Aéroports de Paris SA

Legal and distributable reserves of Aéroports de Paris may be analysed as follows:

(in millions of euros)	**As at Dec 31, 2019**	**As at Dec 31, 2018**
Legal reserve	30	30
Other reserves	839	839
Retained earnings	1,554	1,356
Net income for the period	497	564
Total	**2,920**	**2,789**

7.1.5 Dividends paid

Dividends paid amounted to:

- €366 million in 2019, *i.e.* €3.70 per share, in compliance with Resolution 3 of the 20 May 2019 Ordinary General Meeting of Shareholders;
- €342 million in 2018, *i.e.* €3.46 per share, in compliance with Resolution 3 of the 04 May 2018 Ordinary General Meeting of Shareholders.

7.1.6 Proposed dividends

During the Ordinary General Meeting of Shareholders of the Group approving the 2019 accounts, the payment of a dividend amounting to €3.70 per share i.e. a total amount of €366 million will be proposed, on the basis of the number of shares existing as at 31 December 2019.

The Board of Directors of the Group authorized the payment of an interim dividend until the financial year ending on 31 December 2020. For the 2019 financial year, this interim dividend represents an amount of €69 million, or an amount per share of €0.70. The dividend payment of the interim dividend was made on 6 December 2019 and the payment of the interim dividend for 2019 was made on 10 December 2019.

7.1.7 Earnings per share

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

	2019	2018*
Weighted average number of outstanding shares (without own shares)	98,954,765	98,958,460
Net income attributable to owners of the parent company (in million euros)	588	610
Basic earnings per share (in €)	**5.95**	**6.16**
Diluted earnings per share (in €)	**5.95**	**6.16**
Including contiuing activities		
Net profit of continuing activities attributable to owners of the parent company (in million euros)	563	562
Basic earnings per share (in €)	**5.69**	**5.68**
Diluted earnings per share (in €)	**5.69**	**5.68**
Including discontinued activities		
Earnings per share from discontinued activities attributable to owners of the parent company	26	48
Basic earnings per share (in €)	**0.26**	**0.48**
Diluted earnings per share (in €)	**0.26**	**0.48**

** Restated figures as described in notes 2.2 & 12*

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

The weighted average number of shares corresponds to the number of shares making up the share capital of the parent company, less the average self-owned shares held during the period, *i.e.* 5,837 as at 31 December 2019 and 2,142 as at 31 December 2018.

There are no diluting equity instruments.

7.2 Minority interests

Minority interests break down as follows:

(in millions of euros)	As at Dec 31, 2019	As at Dec 31, 2018
Non-controlling interests		
TAV Airports	848	857
Airport International Groupe (AIG)	75	87
Média Aéroport de Paris	7	7
Société de Distribution Aéroportuaire	27	-
Relay@ADP	18	-
Total	**975**	**951**

NOTE 8 Other provisions and other non-current liabilities

8.1 Other provisions

Other provisions set up by Groupe ADP concern essentially commercial and social litigation, as well as country and environmental risks. A provision is recognized as soon as a liability of uncertain timing or amount occurs. A provision is recognized when the three following conditions are satisfied:

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

Other provisions evolved as follows:

(in millions of euros)	Litigation and claims	Other provisions	2019	Litigation and claims	Other provisions	2018
Provisions as at 1 January	**14**	**41**	**55**	**14**	**75**	**89**
Increases	**1**	**22**	**23**	**5**	**18**	**23**
Additions	1	4	5	5	6	11
Increase due to changes in consolidation scope	-	8	8	-	7	7
Other changes	-	10	10	-	4	4
Decreases	**(4)**	**(22)**	**(26)**	**(5)**	**(52)**	**(57)**
Provisions used	(1)	(12)	(13)	(1)	(16)	(17)
Provisions reversed	(3)	(10)	(13)	(4)	(36)	(40)
Provisions at closing	**11**	**41**	**52**	**14**	**41**	**55**
Of which						
Non-current portion	11	36	47	14	25	39
Current portion	-	5	5	-	16	16

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

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

Information on contingent liabilities is disclosed in note 16.

8.2 Other non-current liabilities

Items presented as other non-current liabilities include:

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

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

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

(in millions of euros)	As at Dec 31, 2019	As at Dec 31, 2018
Concession rent payable > 1 year	643	594
Investment grants	54	48
Debt related to the minority put option	22	53
Deferred income	77	83
Other	2	2
Total	**798**	**780**

Concession rent payable mainly relate to TAV Airports for TAV Milas Bodrum and TAV Ege which concession rent are fixed as defined in the concession agreements and have been recognized as counterparty for the airport operating right (see note 6.1.1). As at 31 December 2019, non-current concession rent payable amounts to €291 million for Milas Bodrum and €273 million for Ege (vs. €269 million and €259 million respectively as at 31 December 2018).

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

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

- the rent to Air France of terminal T2G, i.e. €19 million as of 31 December 2019 (€22 million as of 31 December 2018);
- leasing construction of SCI Aéroville, i.e. €28 million as of 31 December 2019 (€29 million as of 31 December 2018).

NOTE 9 Financing

9.1 Management of financial risk

9.1.1 Introduction

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

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

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

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

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

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

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

Customers and other debtors

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

Consequently, the Group considers that the credit risk is not material given the guarantees received and the monitoring system for trade receivables.

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

Quantitative details regarding trade receivables and anteriority or current receivables are set out in note 4.4.

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

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

Investments and derivative instruments

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

Guarantees

Guarantees are accorded by the Group to the correct execution of international contracts. In particular, ADP International and TAV Airports gave commitments (share pledges, receivable pledge, pledge over bank accounts) in relation to bank loans that are intended to finance the construction and operation of certain concessions (see note 15).

9.1.2 Market risk

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

9.2 Capital management

The gearing ratio increased from 85% end 2018 to 87% in 31 December 2019. The increase of the gearing ratio is driven by the increase of the net debt, mainly due to the impact of the Group new acquisitions.

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

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

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

On this date, Employees currently hold 1.67% of ordinary shares.

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

9.3 Net financial income

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

The analysis of net financial income is as follows respectively for 2019 and 2018:

(in millions of euros)	Financial income	Financial expenses	Financial income 2019
Gross interest expenses on debt	-	(206)	(206)
Interest expenses linked to lease obligations	-	(5)	(5)
Net income (expense) on derivatives	37	(14)	23
Cost of gross debt	**37**	**(225)**	**(188)**
Income from cash and cash equivalents	9	(2)	7
Cost of net debt	**46**	**(227)**	**(181)**
Income from non-consolidated investments	20	-	20
Net foreign exchange gains (losses)	32	(33)	(1)
Impairment and provisions	-	(9)	(9)
Other	1	(36)	(35)
Other financial income and expenses	**53**	**(78)**	**(25)**
Net financial income	**99**	**(305)**	**(206)**

(in millions of euros)	Financial income	Financial expenses	Financial income 2018*
Gross interest expenses on debt	-	(178)	(178)
Net income (expense) on derivatives	8	(22)	(14)
Cost of gross debt	**8**	**(200)**	**(192)**
Income from cash and cash equivalents	12	(3)	9
Cost of net debt	**20**	**(203)**	**(183)**
Income from non-consolidated investments	7	-	7
Net foreign exchange gains (losses)	30	(46)	(16)
Impairment and provisions	2	(8)	(6)
Other	12	(46)	(34)
Other financial income and expenses	**51**	**(100)**	**(49)**
Net financial income	**71**	**(303)**	**(232)**

** Restated figures as described in notes 2.2 & 12*

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

(in millions of euros)	2019	2018*
Income, expenses, profits and loss on debt at amortised cost	**(188)**	**(191)**
Interest charges on debt at amortised cost	(206)	(178)
Interest expenses linked to lease obligations	(5)	-
Net interest on derivative instruments held as cash-flow hedges	(5)	(13)
Change in value of fair value hedging instruments	23	-
Change in value of hedged items	5	-
Gains and losses of financial instruments recognized at fair value in the income statement	**7**	**10**
Gains on cash equivalents (fair value option)	7	10
Profits and losses on assets held for sale	**13**	**1**
Dividends received	13	1
Other profits and losses on loans, credits and debts and amortised cost	**(29)**	**(44)**
Net foreign exchange gains (losses)	(1)	(16)
Other net profit or losses	(28)	(28)
Financial allowances to provisions for employee benefit obligations	**(9)**	**(8)**
Financial allowances to provisions for employee benefit obligations	(9)	(8)
Total net gains (net losses) recognized in the income statement	**(206)**	**(232)**
Change in fair value (before tax) recognized in equity	**(24)**	**15**
Total net gains (net losses) recognized directly in equity	**(24)**	**15**

** Restated figures as described in notes 2.2 & 12*

9.4 Financial debt

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

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

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

9.4.1 Details of loans and financial debt

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

(in millions of euros)	As at Dec 31, 2019	Non-current portion	Current portion	As at Dec 31, 2018	Non-current portion	Current portion
Bonds	5,167	4,669	498	4,678	4,379	299
Bank loans (i)	1,758	1,081	677	2,078	1,350	728
Lease obligations	82	73	9	-	-	-
Other loans and assimilated debt	245	188	57	212	180	32
Accrued interest	119	-	119	98	-	98
Debt (excluding derivatives)	**7,371**	**6,011**	**1,360**	**7,066**	**5,909**	**1,157**
Derivative financial instruments (liabilities)	68	66	2	63	61	2
Total debt	**7,439**	**6,077**	**1,362**	**7,129**	**5,970**	**1,159**

(i) The current portion of bank loans includes in particular the bank loans of TAV Tunisia. Not having respected the financing agreements, the bank loans of TAV Tunisia are presented in current debts for an amount of €341 million as of December 31, 2019. Negotiations are underway to restructure this debt and refinancing agreements should be signed in early 2020 (see note 2).

Changes in loans and financial debt as at 31 December 2019 are as follows:

(in millions of euros)	As at Dec 31, 2018	Increase / subscription*	Repayment*	Exchange differences	Change in fair value	Changes in consolidation scope	Other changes	As at Dec 31, 2019
Bonds	4,678	786	(303)	-	3	-	3	5,167
Bank loans	2,078	62	(380)	5	(8)	3	(2)	1,758
Lease obligations	-	55	(10)	-	-	-	37	82
Other loans and assimilated debt	212	29	(66)	3	-	80	(13)	245
Accrued interest	98	134	(116)	-	-	-	3	119
Debt (excluding derivatives)	**7,066**	**1,066**	**(875)**	**8**	**(5)**	**83**	**28**	**7,371**
Derivative financial instruments (liabilities)	63	-	-	-	4	-	1	68
Total debt	**7,129**	**1,066**	**(875)**	**8**	**(1)**	**83**	**29**	**7,439**

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

9.4.2 Net financial debt

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

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

(in millions of euros)	As at Dec 31, 2019	Non-current portion	Current portion	As at Dec 31, 2018	Non-current portion	Current portion
Debt	**7,439**	**6,077**	**1,362**	**7,129**	**5,970**	**1,159**
Debt related to the minority put option	36	22	14	91	53	38
Gross financial debt	**7,475**	**6,099**	**1,376**	**7,220**	**6,023**	**1,197**
Derivative financial instruments (assets)	15	11	4	21	17	4
Receivables and current accounts from associates	138	95	43	117	72	45
Cash and cash equivalents	1,982	-	1,982	2,056	-	2,056
Restricted bank balances (i)	86	-	86	84	-	84
Net financial debt	**5,254**	**5,993**	**(739)**	**4,942**	**5,934**	**(992)**
Gearing	**87%**			**85%**		

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

9.4.3 Details of bonds and bank loans

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

(in millions of euros)	Currency	Nominal value in currency	Term	Interest rate as per contract	Remaining capital to be paid	Book value as at 31/12/2019	Fair value as at 31/12/2019
Aéroports de Paris							
Bond	EUR	500	2020	3.886%	500	498	508
Bond	EUR	400	2021	4.000%	400	404	426
Bond	EUR	400	2022	3.875%	400	399	435
Bond	EUR	500	2023	1.500%	500	499	530
Bond	EUR	500	2024	3.125%	500	497	573
Bond	EUR	500	2025	1.500%	500	496	542
Bond	EUR	500	2027	1.000%	500	498	537
Bond	EUR	600	2028	2.750%	600	594	734
Bond	EUR	500	2038	2.125%	500	494	641
Bond	EUR	800	2034	1.125%	800	786	878
Bond	EUR	2	2023	2.5%	2	2	2
BEI loan	EUR	130	2020	EUR3M+0.150%	130	130	130
BEI loan	EUR	250	2038	EUR3M+0.150%	238	238	245
Other loans	EUR	46	2020-2024	0.343% - 4.125%	40	40	40
AIG							
Bank loans	USD	160	2023	4.060%	80	71	74
Bank loans	USD	180	2024	4.185%	110	98	104
Bank loans	USD	50	2025	5.950%	50	45	53
Bank loans	USD	48	2026	5.810%	38	34	38
Bank loans	USD	46	2028	6.310%	39	35	41
TAV Airports							
Bank loans	EUR	49	2020	3.541%	46	46	47
Bank loans	EUR	71	2021	3.194%	27	27	28
Bank loans	EUR	223	2022	2.519%	181	182	190
Bank loans	EUR	106	2023	3.818%	100	100	106
Bank loans	EUR	6	2024	3.300%	5	5	6
Bank loans	EUR	62	2025	4.950%	43	44	51
Bank loans	EUR	516	2028	3.720%	482	491	589
Bank loans	EUR	154	2031	4.500%	136	136	182
Bank loans	EUR	4	2020	24.000%	4	1	1
Bank loans	EUR	3	2021	15.850%	1	-	-
Bank loans	USD	22	2022	5.605%	18	16	17
Bank loans	USD	3	2023	5.760%	3	2	3
Bank loans	USD	8	2024	3.970%	8	7	7
Bank loans	USD	16	2026	6.100%	11	10	11
Total		**7,331**			**6,972**	**6,923**	**7,751**

**For the other loans contracted by ADP SA and the bank loans contracted by AIG and TAV Airports, the interest rate disclosed in the table correspond to the average rate during the period, computed for the bank loans with a variable rate on the basis of Euribor rate at 0%, or USD Libor rate at 2.31% as at 31 December 2019. These loans are aggregated based on their maturity.*

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

9.5 Financial instruments

Derivative financial instruments

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

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

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

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

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

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

Fair value of financial instruments

- Measuring method of fair value

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

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

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

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

Concerning the supplier debts, which are measured at their fair value on initial recognition, subsequently at the amortised cost.

9.5.1 Categories of financial assets and liabilities

(in millions of euros)	As at Dec 31, 2019	Breakdown by category of financial instrument						
		Fair value				Amortised cost	Hedging derivatives	
		Fair value option*	Trading **	Equity instr. - FV through P&L	Equity instr. - FV through OCI		Cash flow hedge	
Other non-current financial assets (i)	682	-	11	59	-	612	-	-
Contract assets	3	-	-	-	-	3	-	-
Trade receivables	609	-	-	-	-	609	-	-
Other receivables***	282	-	-	-	-	282	-	-
Other current financial assets	176	-	4	-	-	172	-	-
Cash and cash equivalents	1,982	1,982	-	-	-	-	-	-
Total financial assets	**3,734**	**1,982**	**15**	**59**	**-**	**1,678**	**-**	**-**
Non-current debt	6,077	-	6	-	-	6,011	-	60
Contract liabilities	2	-	-	-	-	2	-	-
Trade payables	679	-	-	-	-	679	-	-
Other debts and other non-current liabilities***	1,194	-	-	-	-	1,194	-	-
Current debt	1,362	-	2	-	-	1,360	-	-
Total financial liabilities	**9,314**	**-**	**8**	**-**	**-**	**9,246**	**-**	**60**

* *Identified as such at the outset*

** *Classified as held for trading purposes*

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

(i) Other non-current financial assets include the non-current portion (€192 million) of compensation corresponding to the end of the TAV Istanbul concession (see note 2.2).

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

* *Identified as such at the outset*

** *Classified as held for trading purposes*

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

In the scope of the determination of fair value of derivatives, the credit valuation adjustment (CVA) was computed as of 31 December 2019 audits impact was assessed as non-significant.

9.5.2 Fair value hierarchy

Fair value hierarchy

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

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

The fair value hierarchy for financial instruments in 2019 and 2018 is as follows:

(in millions of euros)	As at Dec 31, 2019 Book value	Fair value	Level 1 Quoted prices in active markets	Level 2 Prices base on observable data	Level 3 Prices base on non-observable data
Assets					
Equity instruments - fair value through P&L	59	59	-	59	-
Loans and receivables excluding finance leases receivables	646	644	-	644	-
Trade receivables	609	609	-	609	-
Derivatives	15	15	-	15	-
Cash and cash equivalents	1,982	1,982	1,982	-	-
Liabilities					
Bonds	5,167	5,806	-	5,806	-
Bank loans	1,758	1,963	-	1,963	-
Lease obligations	82	82	-	82	-
Other loans and assimilated debt	245	245	-	245	-
Accrued interest	119	119	-	119	-
Derivatives	68	68	-	68	-
Other non-current liabilities	798	652	-	652	-
Other debts and deferred income	812	813	-	813	-

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

9.5.3 Analysis of risks related to financial instruments

Rate risks

In addition to its available cash flow, the Group resorts to debt to finance its investment programme.

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

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

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

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

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

Hedge ineffectiveness may occur due to:

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

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

	As at Dec 31, 2019			As at Dec 31, 2018		
(in millions of euros)	Before hedging	After hedging	%	Before hedging	After hedging	%
Fixed rate	5,861	6,489	88%	5,892	6,545	93%
Variable rate	1,510	882	12%	1,174	521	7%
Debt (excluding derivatives)	**7,371**	**7,371**	**100%**	**7,066**	**7,066**	**100%**

As of 31 December 2019 the Group holds rate and exchange based derivative financial instruments (swaps), with a fair value of €15 million, appearing on the assets under other current financial assets, and €68 million appearing on the liabilities under financial debt.

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

(in thousands of euros)	Maturity < 1 year	Maturity between 1 & 5 years	Maturity > 5 years	As at Dec 31, 2019	Fair value
Derivatives classified as cash flow hedges	-	185	432	617	(60)
Derivatives not classified as hedges	-	400	-	400	7
Total	**-**	**585**	**432**	**1,017**	**(53)**

The portfolio of non-hedging derivatives is made up exclusively of return swaps with a fixed margin. This part of the derivatives portfolio is therefore not very sensitive to change in interest rates. An immediate 1% decrease in interest rates as at 31 December 2019 would not result in a significant increase in the fair value of derivatives.

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

Hedged item				Hedging instrument				Hedging ratio
Type	Maturity date	Rate	Nominal value	Type	Maturity date	Rate	Nominal value	
TAV Airports								
Bank loan	2028	EUR6M + margin	234	Interest rate swap CFH	2026	7.63%	231	99%
Bank loan	2031	EUR6M + 4,50%	68	Interest rate swap CFH	2031	5.75%	61	90%
Bank loan	2031	EUR6M + 4,50%	68	Interest rate swap CFH	2031	5.85%	61	90%
Bank loan	2025	EUR6M + 5,00%	43	Interest rate swap CFH	2025	5.32%	43	100%
Bank loan	2022	LBUSD6M + margin	9	Interest rate swap CFH	2022	5.17%	9	100%
Bank loan	2022	LBUSD6M + margin	5	Interest rate swap CFH	2022	6.03%	5	100%
AIG								
Bank loan	2023-2025	LBUSD6M + margin	214	Interest rate swap CFH	2023-2025	LBUSD6M + margin	215	**100%**

There was no ineffectiveness during 2019 in relation to the interest rate swaps.

Exchange risks

Following the takeover of TAV Airports (see note 1.4), the Group is henceforth exposed to exchange risk. TAV Airports converts its financial statements in a currency other than its functional currency, therefore the main risk of change relates to the variations of the euro currency compared to the Turkish lira and American dollar. The currencies in which transactions are mainly denominated are euro, Turkish lira (TRY) and American dollar, as well as few currencies from the Persian Gulf liked to American dollar with a fixed parity, e.g. Sudanese rial, United Arab Emirates dirham and the Oman rial.

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

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

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

(in millions of euros)	As at Dec 31, 2019	Euro	TRY	USD	AED	JOD	Other currencies
Other non-current financial assets	682	505	18	152	6	-	1
Contract assets	3	-	-	-	1	-	2
Trade receivables	609	485	17	22	12	42	31
Other receivables*	282	252	12	6	1	3	8
Other current financial assets	176	133	5	11	1	19	7
Cash and cash equivalents	1,982	1,789	10	94	2	63	24
Total financial assets	**3,734**	**3,164**	**62**	**285**	**23**	**127**	**73**
Non-current debt	6,077	5,564	10	487	-	-	16
Contract liabilities	2	1	-	-	-	-	1
Trade payables	679	511	12	9	10	125	12
Other debts and other non-current liabilities*	1,194	1,077	26	3	8	29	51
Current debt	1,362	1,321	3	38	-	-	-
Total financial liabilities	**9,314**	**8,474**	**51**	**537**	**18**	**154**	**80**

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

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

Concerning the exposure of TAV Airports to exchange risk, an appreciation/depreciation of the currencies compared to euro of 10% would have a positive/negative impact of €18 million on the profit before tax.

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

	As at Dec 31, 2019		As at Dec 31, 2018	
	Closing rate	Average rate	Closing rate	Average rate
United Arab Emirates Dirham (AED)	0.24362	0.24340	0.23819	0.23078
Chilean peso (CLP)	0.00120	0.00127	0.00126	0.00132
Jordanian Dinar (JOD)	1.26215	1.26150	1.23213	1.19490
United States Dollar (USD)	0.89469	0.89401	0.87489	0.84765
Turkish Lira (TRY)	0.15049	0.15722	0.16530	0.17973

Liquidity risks

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

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

- its cash and potential cash credit lines unused;

The Group monitors its cash on a daily basis. The multi-year cash flow forecast budget is recalculated monthly and a monthly forecast report is sent to the Executive Management on its existing financial commitments in terms of repayment (debt maturities, off balance sheet commitments, prepayment provisions);

The maturity schedule of financial liabilities are presented below. Off Balance Sheet commitments are presented in note 14.

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

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

- its ability to raise funds to finance investment projects.

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

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

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

(in millions of euros)	Balance sheet value 31/12/2019	Total contractual payments 31/12/2019	0 - 1 year	1 - 5 years	Over 5 years
Bonds	5,167	5,202	500	1,802	2,900
Bank loans	1,758	1,746	378	767	601
Lease obligations	82	82	9	37	36
Other loans and assimilated debt	245	245	55	47	143
Interest on loans	119	1,022	173	459	390
Debt (excluding derivatives)	**7,371**	**8,297**	**1,115**	**3,112**	**4,070**
Trade payables	679	679	679	-	-
Contract liabilities	2	2	2	-	-
Other debts and other non-current liabilities*	1,194	1,194	449	320	425
Debt at amortised cost	**9,246**	**10,172**	**2,245**	**3,432**	**4,495**
Outgoings	-	73	18	48	7
Receipts	-	(13)	(4)	(8)	(1)
Hedging swaps	**60**	**60**	**14**	**40**	**6**
Outgoings	-	11	6	5	-
Receipts	-	(18)	(9)	(9)	-
Trading swaps	**(8)**	**(7)**	**(3)**	**(4)**	**-**
Total	**9,298**	**10,225**	**2,256**	**3,468**	**4,501**

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

Financial covenants

The financing contracts related to the concessions operated by AIG, TAV Esenboga, TAV Macedonia, TAV Milas Bodrum, TAV Ege and TAV Tunisia include early repayment clauses in the case of non-compliance with financial ratios. These contracts account for 4,72% of the total bank loans of the Group as of 31 December 2019. At that date, except for TAV Tunisia (cf. note 9.4.1), the ratios are respected.

The maturity schedule of loans and receivables is as follows:

(in millions of euros)	As at Dec 31, 2019	0 - 1 year	1 - 5 years	Over 5 years
Receivables and current accounts from associates	138	43	2	93
Other receivables and accrued interest related to investments	12	13	(1)	-
Loans and security deposits	14	6	7	1
Receivables, as lessor, in respect of finance leases	138	2	23	113
Other financial assets	482	108	369	5
Trade receivables	609	609	-	-
Contract assets	3	3	-	-
Other receivables*	282	282	-	-
Loans and receivables	**1,675**	**1,066**	**400**	**212**

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

Credit risks

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

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

(in millions of euros)	As at Dec 31, 2019	As at Dec 31, 2018
Equity instruments	59	61
Financial assets recognized at fair value through the income statement	15	21
Loans and receivables less than one year	1,066	997
Loans and receivables more than one year	612	325
Cash and cash equivalents	1,982	2,056
Total	**3,734**	**3,460**

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

(in millions of euros)	As at Dec 31, 2019	As at Dec 31, 2018
Air France	109	109
Easy Jet	2	10
Federal Express Corporation	15	7
Turkish Airlines	7	30
Other airlines	57	61
Subtotal airlines	**190**	**217**
Direction Générale de l'Aviation Civile	-	17
Société de Distribution Aéroportuaire	-	34
ATU	1	7
Other trade receivables	418	353
Other loans and receivables less than one year	457	369
Total loans and receivables less than one year	**1,066**	**997**

The anteriority of current receivables is as follows:

	As at Dec 31, 2019	
(in millions of euros)	Gross value	Net value
Outstanding receivables	909	901
Due receivables:		
from 1 to 30 days	60	59
from 31 to 90 days	37	35
from 91 to 180 days	36	26
from 181 to 360 days	20	11
more than 360 days	101	34
Current loans and receivables (according to the schedule - see § Liquidity risks)	**1,163**	**1,066**

The development of trade receivables is detailed in note 4.4.

Financial instruments compensation

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

However, these contracts do not include any comprehensive compensation agreement conferring a legally enforceable right to compensate the financial instruments, nor collateralization agreement.

The following table presents the book value of the assets and liabilities derivatives and the impact of the compensation agreement mentioned above, as of 31 December 2019:

(in millions of euros)	Gross amounts recognised before offsetting (a)	Amounts that are set off in the statement of financial position (b)	Net amounts presented in the statement of financial position (c) = (a) - (b)	Effect of "other offsetting agreements" (that do not meet the offsetting criteria of IAS 32) (d)		Net exposure (c) - (d)
				Financial instruments	Collateral fair value	
derivatives : interest rate swap	15	-	15	-	-	15
derivatives : currency swap	-	-	-	-	-	-
Total financial assets - derivatives	**15**	**-**	**15**	**-**	**-**	**15**
derivatives : interest rate swap	(68)	-	(68)	-	-	(68)
derivatives : currency swap	-	-	-	-	-	-
Total financial liabilities - derivatives	**(68)**	**-**	**(68)**	**-**	**-**	**(68)**

9.6 Other financial assets

The amounts appearing on the balance sheet as at 31 December 2019 and 31 December 2018 respectively are broken down as follows:

(in millions of euros)	As at Dec 31, 2019	Non-current portion	Current portion
Equity instruments - fair value through P&L*	**59**	**59**	**-**
Loans and receivables excluding finance leases receivables	**646**	**476**	**170**
Receivables & current account from associates	138	95	43
Other receivables and accrued interest related to investments	13	-	13
Guaranteed passenger fee receivable**	85	63	22
Other financial assets	410	318	92
Receivables, as lessor, in respect of finance leases	**138**	**136**	**2**
Derivative financial instruments	**15**	**11**	**4**
Trading swaps	15	11	4
Total	**858**	**682**	**176**

** Classification of equity instruments according to IFRS 9 is disclosed in note 19*

*** see note 6.1.1*

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

The receivable recorded on Fedex, which amounts to €124 million, is presented under the heading "Receivables, as lessor, in respect of finance leases".

NOTE 10 Other operating income and expenses

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

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

NOTE 11 Income tax

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

Income taxes include:

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

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

Income taxes are calculated for each entity or taxable unit. The tax consolidation Group encompassing the parent company Aéroports de Paris SA and fourteen French subsidiaries held, in which the parent company, directly or indirectly, holds over 95%: ADP Immobilier, ADP Immobilier Industriel, Hub One, Sysdream, ADP Ingénierie, ADP International, Cœur d'Orly Commerces Investissements SAS, Cœur d'Orly Investissements SAS, ADP Invest, ADPM2, ADPM3, ADP Immobilier Tertiaire, Hôtels Aéroportuaires and Hologarde.

Deferred taxes correspond to future tax expense or income of the company. It is determined according to the balance sheet approach. This method consists in applying to all temporary differences between the tax bases of assets and liabilities and their carrying amounts, the income tax rates that have been voted or almost voted applicable when the temporary differences will be reversed.

Deferred tax assets are only recognized when it is probable that the taxable entity in question will have sufficient future taxable income against which the deductible temporary differences, tax loss carryforward or tax credits can be offset. Non-recognized deferred tax assets are revalue at the end of each accounting period and are recognized to the extent that it has become probable that a future profit will allow them to be recovered.

Current and deferred tax assets and liabilities determined in this way are recognized in return of profit or loss unless they relate to items that are recognized directly in equity, in which case they are recognized in equity or other comprehensive income.

11.1 Tax rate

Following the announcement of the change in the decrease of corporate income tax rate in the following years originally foreseen in the finance act for 2019, the current tax rate used by the Group as at 31 December 2019 amounts to 28% on the first 500 K€ of taxable profit and 33,1/3% above (28,92% and 34,43% including social contribution on profits of 3,30%).

11.2 Analysis of the income tax expense

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

(in millions of euros)	2019	2018*
Current tax expense	(273)	(289)
Deferred tax expense	(20)	(8)
Income tax expense	**(293)**	**(297)**

** Restated figures as described in notes 2.2 & 12*

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

11.3 Tax reconciliation

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

(in millions of euros)	2019	2018*
Net results from continuing activities	582	592
Share of profit or loss from associates and joint ventures	(90)	(81)
Income tax expense	293	297
Income before tax and profit/loss of associates	**785**	**808**
Theoretical tax rate applicable in France	34.43%	34.43%
Theoretical tax expense	**(270)**	**(278)**
Impact on theoretical tax of:		
Different rate on foreign taxable income and payment at source	14	5
Previously unrecognized tax loss carryforwards used in the period	1	(7)
Tax losses incurred in the period for which no deferred tax asset was recognized	(32)	(19)
Changes in unrecognized temporary differences	-	1
Evolution of tax rates	6	6
Non-deductible expenses and non-taxable revenue	(6)	(19)
Tax credits	8	4
Provisions for income tax	(6)	-
Investment incentives applicable in Turkey	(7)	5
Adjustments for prior periods	(1)	5
Effective tax expense	**(293)**	**(297)**
Effective tax rate	37.42%	44.23%

** Restated figures as described in notes 2.2 & 12*

11.4 Deferred tax assets and liabilities broken down by category

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

(in millions of euros)	As at Dec 31, 2019	As at Dec 31, 2018
In respect of deductible temporary differences		
Employee benefit obligation	133	126
Amortisation of fees for the study and overseeing of works	4	9
Provisions and accrued liabilities	11	19
Derivatives	8	6
Investment incentives	22	29
Lease obligations	12	-
Other	78	4
For taxable temporary differences		
Accelerated tax depreciation and other regulated provisions	(319)	(317)
Finance leases	(3)	(5)
Revaluation reserves	(8)	(8)
Purchase Price Allocation	(125)	(187)
Property and equipment, airport operation rights and intangible assets	(95)	(24)
Loans and borrowings	(8)	(2)
Other	(44)	(33)
Net deferred tax assets (liabilities)	**(334)**	**(383)**

11.5 Table of changes in deferred tax assets and liabilities

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

(in millions of euros)	Assets	Liabilities	Net amount
As at Jan 1, 2019	**-**	**383**	**(383)**
Amount recognized directly through equity on employee benefit obligations	1	(16)	17
Amount recognized directly through equity on fair value change	3	(3)	6
Amounts recognized for the period	39	(24)	63
Translation adjustments	(7)	(1)	(6)
Changes in consolidation scope	1	32	(31)
As at Dec 31, 2019	**37**	**371**	**(334)**

Deferred tax assets and deferred tax liabilities of subsidiaries of the sub-group TAV Airports were until now compensated, the sub-group TAV Airports being until 31 December 2018 considered as a single consolidated entity. The deferred tax asset amounting to €37 million as at 31 December 2019 is mainly linked to TAV Milas Bodrum and TAV Ege airport concessions.

11.6 Current tax assets and liabilities

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

These tax assets and liabilities appear as follows:

(in millions of euros)	As at Dec 31, 2019	As at Dec 31, 2018
Current tax assets		
Aéroports de Paris SA and tax-consolidated companies	24	-
Other consolidated entities	41	6
Total	**65**	**6**
Current tax liabilities		
Aéroports de Paris SA and tax-consolidated companies	-	21
Other consolidated entities	107	16
Total	**107**	**37**

The Group has no knowledge of any contingent tax assets or liabilities as of 31 December 2019.

NOTE 12 Net result from discontinued activities

In accordance with IFRS 5 " Non-current Assets Held for Sale and Discontinued Operations", Group ADP disclose a single amount in the statement of comprehensive income on the line net income from discontinued operations, all components* that have been disposed by the Group (shutdown of operations) or which are classified as held for sale, and :

- represents a separate major line of business or geographical area of operations ;
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations ; or
- is a subsidiary acquired exclusively with a view to resale.

For discontinued operations, this reclassification applies at the date the activity has been disposed.

**By component is meant an element that comprises operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the entity.*

The analysis of net income from discontinued operations related to the end of the Atatürk International Airport concession (see note 2.2) is as follows:

(in millions of euros)	2019	2018
Revenue	**124**	**471**
EBITDA	**71**	**281**
Operating income*	**85**	**115**
Financial income	**(4)**	**26**
Income before tax	**82**	**141**
Income tax expense**	(26)	(38)
Net results from discontinued activities	**55**	**103**
Net income attributable to the Group	**26**	**48**

** The operating income for the year 2019 includes a net gain of 47 million euros linked to the DHMI compensation, decreased by the accounting value of the discontinued assets*

*** The income tax expense for the year 2019 includes a net tax expense related to the DHMI compensation decreased by the accounting value of the discontinued assets, for an amount of 16 million euros.*

Earnings per share from discontinued activities are disclosed in note 7.1.7.

Restated accounts 2018

Comparative figures for the 31 December 2018 take into account the end of TAV Istanbul concession. The following tables present the impact of these changes on the consolidated income statement, consolidated statement of comprehensive income and consolidated statement of cash flows:

Consolidated income statement

(in millions of euros)	2018 published	2018 restated
Revenue	**4,478**	**4,007**
EBITDA	**1,961**	**1,680**
Share in associates	81	81
Operating income from ordinary activities	**1,238**	**1,123**
Operating income	**1,236**	**1,121**
Financial income	**(206)**	**(232)**
Income before tax	**1,030**	**889**
Income tax expense	(335)	(297)
Net results from continuing activities	**695**	**592**
Net results from discontinued activities	-	103
Net income	**695**	**695**
Net income attributable to the Group	**610**	**610**

Consolidated statement of comprehensive income

(in millions of euros)	2018 published	2018 restated
Net income	**695**	**695**
Recyclable elements to the consolidated income statement	**22**	**22**
Including share of other comprehensive income linked to discontinued activities	*-*	*(6)*
Non-recyclable elements to the consolidated income statement	**(15)**	**(15)**
Including actuarial gains/losses in benefit obligations linked to discontinued activities	*-*	*(1)*
Total comprehensive income for the period	**702**	**702**
attributable to non-controlling interests	81	81
attributable to the Group	621	621

Consolidated statement of cash flows

(in millions of euros)	2018 published	2018 restated
Operating income	**1,236**	**1,121**
Operating cash flow before change in working capital and tax	**1,836**	**1,576**
Change in working capital	**(3)**	**(44)**
Cash flows from operating activities	**1,552**	**1,551**
including impact of discontinued activities	**-**	**234**
Cash flows from investing activities	**(1,636)**	**(1,636)**
including impact of discontinued activities	**-**	**(1)**
Cash flows from financing activities	**227**	**227**
including impact of discontinued activities	**-**	**(83)**
Change in cash and cash equivalents	**145**	**145**
Net cash and cash equivalents at beginning of the period	1,910	1,910
Net cash and cash equivalents at end of the period	2,055	2,055
of which Cash and cash equivalents	*2,056*	*2,056*
of which Bank overdrafts	*(1)*	*(1)*

NOTE 13 Cash and cash equivalents and Cash flows

13.1 Cash and cash equivalents

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

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

Cash and cash equivalents break down as follows:

(in millions of euros)	As at Dec 31, 2019	As at Dec 31, 2018
Marketable securities	1,195	1,288
Cash*	787	768
Bank overdrafts**	(9)	(1)
Cash and cash equivalents	**1,973**	**2,055**

** Including €36 million of cash dedicated to aid to local residents funding collected through the tax on airborne noise nuisances (TNSA).*

*** Included in Current liabilities under debt*

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

Cash and short-term cash equivalents for the Group include the bank accounts of certain subsidiaries for which repatriation conditions are complex in the short term for mainly regulatory reasons. As of 31 December 2019, the amount of this items is less than €1 million.

13.2 Cash flows

13.2.1 Cash flows from operating activities

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

(in millions of euros)	2019	2018*
Depreciation, amortisation and impairment losses (excluding current assets)	730	600
Profit/loss of associates	(90)	(81)
Net gains on disposals	(7)	(3)
Other	(14)	3
Income and expense with no impact on net cash	**619**	**519**

** Restated figures as described in notes 1.4, 2.2 & 12*

- **Change in working capital**

(in millions of euros)	2019	2018*
Inventories	7	-
Trade and other receivables	70	11
Trade and other payables	68	(55)
Change in working capital	**145**	**(44)**

** Restated figures as described in notes 2.2 & 12*

13.2.2 Cash flows from investing activities

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

(in millions of euros)	2019	2018*
Acquisitions of subsidiaries and investments (net of cash acquired)	(35)	(630)
Proceeds from sale of subsidiaries (net of cash sold) and investments	-	1

** Restated figures as described in notes 2.2 & 12*

In 2019, the flow related to the financial investments, the acquisitions of subsidiaries and equity interests is mainly due to:

- the additional acquisition of TAV Tunisia shares by TAV Airports for an amount of € 12 million.
- the additional acquisition of Tibah Development shares by TAV Airports for an amount of €4 million,
- the acquisition by TAV Airports of 70% of GIS (see Note 3.2) for an amount of €2 million net of cash acquired,
- €10 million of cash acquired for the change of method for SDA and Relay@ADP (see note 3.2).

In 2018, the flow related to acquisition of subsidiaries and financial investments was mainly due to the additional acquisition of 41,5% of AIG shares, the acquisition of 49% of Antalya by TAV Airports, the acquisition of 100% of Sysdream by Hub One, the additional investments over Ravinala Airports, Nuevo Pudahel, TGS (investment security of Havas) and SAS Coeur of Orly Investment.

Purchase of property, plant & equipment and intangible assets

The investments made by the ADP Group are classified within a nomenclature, composed of the following seven investment programs:

- **Renovation and quality** : investments meant to renovate current property in order to reduce obsolescence or improving its quality, as well as investments in retail spaces;
- **Increases in capacity** : investments to increase assets capacity;
- **Cost of studies and supervision of works (FEST)**: design and work supervision costs for the production of an asset;
- **Real estate development** : investments to develop property as well as cargo and aeronautical facilities maintenance;
- **Restructuring** : Investments to reconfigure the arrangement of existing assets ;
- **Security**: Investments financed by the airport tax, mainly related to airport safety and security services.
- **Other.**

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

(in millions of euros)	Notes	2019	2018*
Purchase of intangible assets	6	(86)	(46)
Purchase of tangible assets and investment property (excluding rights of use)	6	(1,117)	(1,031)
Purchase of tangible assets, intangible assets and investment property		**(1,203)**	**(1,077)**

** Restated figures as described in notes 2.2 & 12*

Details of this expenditure are as follows:

(in millions of euros)	2019	2018*
Renovation and quality	(383)	(285)
Increases in capacity	(279)	(293)
Cost of studies and supervision of works (FEST)	(119)	(103)
Real estate development	(67)	(143)
Restructuring	(157)	(139)
Security	(108)	(84)
Other	(90)	(30)
Total	**(1,203)**	**(1,077)**

** Restated figures as described in notes 2.2 & 12*

The main investments in 2019 are as follows:

- For the Paris-Charles de Gaulle Airport:
  - the renovation of terminal 2B and its junction with terminal 2D ;
  - the construction of the international satellite junction of Terminal 1;
  - the purchase of standard 3 hold baggage screening equipment related to European regulations (CDG);
  - the construction of a connecting baggage sorter under Hall M of CDG 2 (TBS4);
  - the works of road accesses to CDG;
  - the overhaul of the atmosphere in Hall L of Terminal 2E;
  - the preparatory works for the construction of the CDG Express;
  - the extension of the Delta and Quebec City lanes north of Terminal 1;
  - study costs related to the construction project for Terminal 4;
  - the overhaul of the shops in Hall L of Terminal 2E;
  - improved orientation on the passenger route ;

- the installation of guidance charts and information screens ("timers") for pilots and ramp attendants;
- the extension of the India areas at CDG;
- the creation of a single Air France lounge in terminal 2F;
- the renovation of the AB car park;
- the works on the upper floor of the PR car park;
- the overhaul of the screening stations in terminal 2E;
- the reconfiguration of the TME baggage sorter in terminal 2E.

◆ For Paris-Orly Airport:

- the renovation of runway 3;
- the end of construction work on the junction between Orly 2 and Orly 4 (formerly the West terminal and South terminal);
- the regulatory compliance of Orly 4 (formerly Orly South) East baggage sorting;
- the works in preparation for the construction of the future Grand Paris station;
- the resumption of the waterproofing and reinforcement of bridge n°2 under runway 3;
- the creation of a new shopping area in the international departure zone at Orly 4 (formerly Orly Sud);
- the creation of a pedestrian link between Orly 3 (junction building) and Orly 4 (formerly Orly Sud);
- the redevelopment of air traffic lanes to the south of Orly 4 (formerly Orly Sud);
- the restructuring of Hall E of Orly 4 (formerly Hall B of Orly Sud);
- the reconfiguration of security controls for international departures from Orly 4 (formerly Orly Sud) and the restructuring of the associated shopping area.

◆ Investments at the Paris-Le Bourget airport, mainly related to the construction of the AFMAE apprentice training center;

◆ On Queen Alia Airport, the investments are mainly ported on the extension of the luggage sorter.

◆ In 2019, Aéroports de Paris also made significant investments for its support functions and for projects common to the IT platforms.

▪ Dividends received

(in millions of euros)	**2019**	**2018***
TAV Antalya	119	-
Schiphol Group	9	12
ATU	8	12
TGS	16	9
RELAY@ADP	-	3
SCI Roissy Sogaris	1	-
Other	20	3
Total	**173**	**39**

** Restated figures as described in notes 2.2 & 12*

NOTE 14 Related parties disclosure

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

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

Transactions with related parties are summarised as follows:

(in millions of euros)	Associates and jointly controlled companies		State or state participations		Other related parties		TOTAL GROUP	
	2019	2018*	2019	2018*	2019	2018*	2019	2018*
Revenue	192	421	1,347	1,326	89	80	1,628	1,827
External expenses (inc. purchases of fixed assets)	90	76	23	40	66	93	179	209
Financial assets	17	15	-	-	12	5	29	20
Other assets	17	66	130	154	95	77	242	297
Financial liabilities	-	-	-	-	212	190	212	190
Other liabilities	25	24	86	73	278	106	389	203

** Restated figures as described in notes 2.2 & 12*

14.1 Relations with associated or jointly controlled companies

CDG EXPRESS

CDG Express, the Infrastructure management company ("GI CDG Express in french") created at the end of 2018 and co-owned by Groupe ADP, SNCF Réseau and the Caisse des Dépôts et Consignations, signed on February 14, 2019 a concession agreement with the French Government relating to all works to be performed for the CDG Express project.

Under this contract, the GI CDG Express has committed to finance, design, build and maintain the CDG Express railway for 50 years. Design and construction have been delegated, to Groupe ADP and SNCF Réseau under two construction contracts. Each company will carry out respectively 11% and 89% of the works.

In this context, Aéroports de Paris SA and the GI CDG Express have entered into a construction and design contract for studies and works carried out on Paris CDG airport land for a price of €204.5 million. These revenues are recognized using the percentage of completion method as per the IFRS 15 norm, ADP having an enforceable right for the payment of costs relating to work carried out to date, including in the event of termination of the contract.

Revenues relating to studies and works contributing to the realization of assets belonging to Groupe ADP having a compensatory nature are recognized in other income. Those made on behalf of the concessionaire are recognized in Revenues.

Revenue recognized in 2019 for studies and works amounted to €34 million of which €29 million (€25 Other Operating Income and €4 million Revenue) were carried out by Aéroports de Paris SA and €5 million income from "CDG Express etudes" share of revenue.

RETAIL JOINT VENTURES

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

- fees collected under the operational rights granted by Aéroports de Paris SA; and
- rents for the occupation of sales areas.
- Similarly, TAV Airports and ATU concluded contracts allowing ATU to operate retail shops within its airport platforms.

14.2 Relations with the French State and State participations

RELATIONS WITH THE FRENCH STATE

The French State holds 50.6% of the share capital of Aéroports de Paris SA and 58.6% of the voting rights as at 31 December 2019. The State is entitled in the same way as any majority shareholder to control decisions that require approval by the shareholders.

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

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

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

Relationship with the Direction Générale de l'Aviation Civile (DGAC) - public service duties such as safety assignments, air transport securities and aircraft firefighting and rescue tasks carried out by Aéroports de Paris. The costs incurred in the performance of these duties are invoiced to Direction Générale de l'Aviation Civile (DGAC), which funds the airport tax charged to airlines to cover these costs. In 2019, revenues linked to airport security and safety amounted to €482 million (€499 million in 2018). At 31

December 2019, the payable to the DGAC amount €16 million (a receivable of €17 million was recognized at 31 December 2018);"

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

RELATIONS WITH THE COMPANY OF GRAND PARIS

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

- an indemnity agreement signed on 9 January 2015, whereby the Société du Grand Paris compensates Aéroports de Paris SA for the additional costs to bear in the context of the construction of the aforementioned connecting building due to the fact that two tunnels, for Lines 14 and 18, will pass under this building. An amendment was made to this agreement on 9 August 2015;
- a joint project management agreement signed on 16 July 2015, relating to the construction at Paris-Orly Airport of a metro station to accommodate the 2 metro lines and airport facilities. Aéroports de Paris is named as the sole contractor for this project and will manage all works which are due for completion in 2024. An amendment n°1 to this agreement was signed between SGP and ADP on 6 March 2017 to clarify the different sub-projects, the budget allocated to the construction works, the amount of indemnities to be paid to ADP for the losses and additional costs related to the buildings affected by the construction of the metro station, and the allocation of the missions between the parties. A new amendment is under negociation aiming to readjust the final estimated cost of the works following final tender offers and additional costs linked to the delay in the commissioning of Line 18 initially planned for 2024 and postponed to 2027.

Furthermore, two additional agreements were signed with the SGP in 2019 related to studies and ancillary works for line 14 and 18 and a new storage and maintenance warehouse for line 14.

RELATIONS WITH REGIE AUTONOME DES TRANSPORTS PARISIENS (RATP)

- An agreement was signed in 2019 with RATP for the ancillary works of line 14 south of the Grand Paris Express and for the support of RATP Teams who must go to safe areas in the airport with regulated acces.

RELATIONS WITH AIR FRANCE-KLM

Transactions with Air France-KLM primarily concern:

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

14.3 Relations with senior executives and shareholders

REMUNERATION OF SENIOR EXECUTIVES

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

The remuneration granted to these executives amounted to €6,6 million in 2019, compared with €6.1 million in 2018. This change was mainly due to the decrease in directors' fees, the turnover in the members of the Executive Committee and lump sum payments to members who left in 2019. This remuneration includes the short-term benefits (fixed and variable remuneration and benefits in kind), as well as the corresponding employers' charges and directors' fees. The details of the remunerations are as follows:

(In thousand	2019	2018
Rémunération des dirigeants	**6,612**	**6,116**
Salaries and wages	4,493	4,142
Social security expenses	1,636	1,601
Total short term remuneration	**6,129**	**5,743**
Post employment benefit	176	187
Directors' fees	307	186

RELATIONS WITH VINCI

The most significant transactions between Aéroports de Paris SA and Vinci are mainly related to the partnership with Vinci Airports in the context of the Santiago de Chile International Airport concession and the construction of a connecting building between the western and southern terminals of Paris-Orly Airport, delivered in 2019.

NOTE 15 Off-balance sheet commitments

15.1 Minimum lease payments

Futhermore, the future minimum lease payments receivable for Aéroports de Paris SA as a lessor on existing contracts as at 31 December 2019 are as follows:

(in millions of euros)	Total As at Dec 31, 2019	0 - 1 year	1 - 5 years	Over 5 years
Minimum lease payments receivable	3,262	279	1,052	1,931

15.2 Backlog

(in millions of euros)	Total As at Dec 31, 2019	0 - 1 year	1 - 5 years	Over 5 years
Revenue expected on contracts	254	39	82	134

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

Thus, the revenue expected on contracts presented in the Group backlog amounts to €254 million as of 31 December 2019 and are a result of contracts which fulfill the following characteristics:

- Signed at the closing date with third parties;
- Whose execution began on the closing date, or, if the contract is not fully performed, where the customer has a right to cancel this contract without penalty payment;
- A duration of more than 1 year.

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

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

15.3 Commitments granted and received

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

(in millions of euros)	As at Dec 31, 2019	As at Dec 31, 2018
Guarantees	532	495
Guarantees on first demand	35	90
Irrevocable commitments to acquire assets	677	914
Other	101	71
Commitments granted	**1,345**	**1,570**
Guarantees	137	113
Guarantees on first demand	144	158
Other	3	3
Commitments received	**284**	**274**

AÉROPORTS DE PARIS SA

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

Off-balance sheet commitments on the acquisition of fixed assets by ADP SA amounted to €677 million 31 December 2019 (€948 million of off-balance sheet commitments less €271 million of fund reserves).

Compared to the 31 December 2018 (€914 million), irrevocable commitments to acquire assets decreased by €238 million.

This decrease in off-balance sheet commitments on fixed asset acquisitions is due to a combination of two effects:

- on the one hand, the natural decrease in commitments due to the progress of projects during 2019 ;
- on the other hand, a relatively low level of new medium-term commitments, insofar as no commitments beyond 2020 can be activated on the regulated perimeter, pending the signature of economic regulation contract no. 4, covering the period 2021-2025.

The main investments made in 2019, which contributed to the decrease in the amount of off-balance sheet commitments, are as follows:

- the rehabilitation of terminal 2B and the junction with terminal 2D ;
- the renovation of runway 3 of Paris-Orly ;
- the creation of a connecting baggage sorter under Hall M of CDG2 ;
- the Orly 3 junction building, located between Orly 2 (formerly Orly Ouest) and Orly 4 (formerly Orly Sud) ;
- the construction of the international satellite junction of Terminal 1.

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

The commitments received are mainly guarantees from the beneficiaries of AOTs (temporary authorisations to occupy public property or *Autorisation d'Occupation Temporaire du domaine public*), civil code leases, commercial concessions and suppliers.

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

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

ADP INGENIERIE AND ADP INTERNATIONAL

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

TAV AIRPORTS

Commitments given by TAV Airports and its subsidiaries amount to €498 million as at 31 December 2019 and are mainly letters of guarantee:

- given mainly to third parties (customs, lenders and customers), to the General Directorate of State Airports Authority (DHMI) as well as Saudi

Arabian, Tunisian and Macedonian governments;

- issued from Build – Operate – Terminate agreements (BOT agreements), from concession agreements and lease contracts.

Main guarantees given to DHMI:

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

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

The Group is obliged as 31 December 2019 to give a letter of guarantee at an amount equivalent of $13 million (i.e. €12 million) to GACA according to the BTO agreement signed with GACA in Saudi Arabia, as well as a letter of guarantee equivalent of $162 million (i.e. €145 million) to National Commercial Bank which is included in letters of guarantee given to third parties.

Main guarantees given to OACA (Office de l'aviation Civile et des Aéroports) in Tunisia:

The Group is obliged as of 31 December 2019 to give a letter of guarantee at an amount equivalent of €12 to the Ministry of State Property and Land Affairs and €7 to OACA according to the BOT agreements and its amendments signed with OACA in Tunisia.

NOTE 16 Litigations, legal and arbitration proceedings

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

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

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

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

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

◆ Litigation JSC investments

- In 2013, JSC Investments and SODEC sued Aéroports de Paris for nonperformance of a developer contract for the Aeroville shopping centre dating from 2003 and in resolution for nonperformance of a 2004 amendment providing the implementation of a consultation procedure (won by Unibail). The claimants estimated their disadvantages at a total amount of €412 million.
- The Administrative Court (having exclusive jurisdiction to settle the litigation according to the decision of the Jurisdiction Court, in charge of settling conflicts of jurisdiction, dismissed JSC's claims in 2017. The latter appealed against the decision on 30 March 2017.
- By a judgement dated 24 April 2019, the Administrative Court of Appeal rejected JSC Investissements and SODEC's request and ordered them to pay €1500 each to ADP.
- JSC Investments and SODEC appealed to the Conseil d'Etat against this decision. This appeal is currently subject to an admission procedure. If admitted, the procedure will continue; if it is not admitted, the judgment of the Administrative Court of Appeal will become final.
- The Group estimates that these complaints are unfounded. As a result, no provision has been recorded to date.

◆ TAV/HERVE litigation on the definitive general account of the work relating to the construction of the head office.

- As part of the construction of the buildings, that include Groupe ADP's headquarter, the members of the construction consortium, TAV Construction and Hervé SA, have filed a claim on March 25, 2019 against Groupe ADP before the Tribunal de Grande Instance de Paris. TAV Construction et Hervé SA contest the remuneration of the construction work and they demand that Groupe ADP be sentenced to pay their claim. The case is still pending.

- Tax litigation
  - Discussions are ongoing regarding the rate of withholding tax applied to dividends received from foreign subsidiaries.

NOTE 17 Subsequent events

There are no subsequent events known to date.

NOTE 18 Auditor's fees

The amounts of auditors' fees recorded are as follows:

	As at Dec 31, 2019		As at Dec 31, 2018	
(in thousands of euros)	**DELOITTE**	**EY**	**DELOITTE**	**EY**
Parent company	530	607	450	527
Fully consolidated subsidiaries	349	752	333	498
Audit, certification, inspection of individual and consolidated financial statements:	**879**	**1,359**	**783**	**1,025**
Parent company	48	58	45	7
Fully consolidated subsidiaries	-	36	25	22
Services other than certification:	**48**	**94**	**70**	**29**
Total	**927**	**1,453**	**853**	**1,054**

In 2019, services other than the certification of accounts concern mainly:

- The review of environmental, social and societal information,
- Various certificates.

NOTE 19 Scope of consolidation and non-consolidated companies

The main changes in consolidation scope and in corporate name of Group entities for the year 2019 are described in note 3.2.1).

As at 31 December 2019, the list of companies within the scope of consolidation is as follows:

Entity	Address	Country	% stake	% control
Aéroports de Paris SA (Multi activities)	1 rue de France – 93290 Tremblay-en-France	France	PARENT	PARENT
Fully Consolidated Subsidiaries				
Aviation:				
Fondation d'entreprise Aéroports de Paris	1 rue de France – 93290 Tremblay-en-France	France	100%	100%
Retail and services :				
Société de Distribution Aéroportuaire	114 avenue Charles de Gaulle 92200 NEUILLY-SUR-SEINE	France	50%	50%
Média Aéroports de Paris	17 rue Soyer 92200 Neuilly sur Seine	France	50%	50%

Entity	Address	Country	% stake	% control
RELAY@ADP	55 rue Deguingand 92300 Levallois Perret	France	50%	50%
Real estate:				
Cœur d'Orly Investissement	Orlytech - Bat. 532 5 allée Hélène Boucher 91550 PARAY-VIELLE-POSTE	France	100%	100%
Cœur d'Orly Commerces Investissement	Orlytech - Bat. 532 5 allée Hélène Boucher 91550 PARAY-VIELLE-POSTE	France	100%	100%
ADP Immobilier Tertiaire	1 rue de France – 93290 Tremblay-en-France	France	100%	100%
ADP Immobilier	1 rue de France – 93290 Tremblay-en-France	France	100%	100%
Ville Aéroportuaire Immobilier 1*	1 rue de France – 93290 Tremblay-en-France	France	100%	100%
ADP Immobilier Industriel	Orlytech - Bat. 532 5 allée Hélène Boucher 91550 PARAY-VIELLE-POSTE	France	100%	100%
SCI ROMEO	1 rue de France – 93290 Tremblay-en-France	France	100%	100%
Hôtels Aéroportuaires**	1 rue de France – 93290 Tremblay-en-France	France	100%	100%
Aéroports de Paris Investissement Nederland Bv	Locatellikade 1 1076AZ AMSTERDAM	Netherlands	100%	100%
International and airport developments:				
TAV Germany Operation Services GmbH (“TAV İşletme Germany”)	Neue Mainzer StraBe 22, 60311 Frankfurt Am Main	Germany	46%	100%
GIS Premium Deutschland Gmbh (“GIS Germany”)	c/o Klier & Ott GmbH Steuerberatungsgesellschaft Rechtsanwaltsgesellschaft Reinhardstraße 52 10117 Berlin	Germany	32%	100%
TAV Information and Technologies Saudi Ltd. Company (“TAV IT Saudi”)	Prince Mohammed Bin Abdulaziz Int. Airport P.O Box 4878, Al-Madinah Al Munawarah 42342 KSA	Saudi Arabia	46%	100%
GIS Premium Argentina SRL (“GIS Argentina”)	Avenida Leandro N. Alem 734, piso 50, oficina "16", Ciudad Autónoma de Buenos Aires.	Argentina	32%	100%
Tank Öwa Alpha Gmbh	Teinfaltstrasse 8/4 A-1010 Vienna, AUSTRIA	Austria	100%	100%
Tank Öwc Beta Gmbh	Teinfaltstrasse 8/4 A-1010 Vienna, AUSTRIA	Austria	100%	100%
GIS Premium Brasil Servicos Aeroportuarios LTDA (“GIS Brazil”)	Av Paulista,2444 ,Andar 18,CONJ 182,SL 7 Bela Vista Sao Paulo SP	Brazil	32%	100%
ADPi (Beijing) Architects and Engineers Design Co	ADPI Architects and Engineers Design Co, LTD Unit 1407A - No A302 Hua Teng Tower Jinsong 3rd zone Chaoyang District Beijing	China	100%	100%

Entity	Address	Country	% stake	% control
GIS Premium Colombia S.A.A. ("GIS Colombia")	Carrera 9, 74-08 Of 504, Bogotá 110.221 Bogotá -Colombia	Colombia	32%	100%
AMS - Airport Management Services (OSC)	Ulica Rudolfa Fizira 1 10150 Velika Gorica Croatie	Croatia	78%	78%
MZLZ-TRGOVINA D.o.o ("SDA Zagreb")	Ulica Rudolfa Fizira 1 10150 Velika Gorica Croatie	Croatia	50%	50%
MZLZ-Ugostiteljstvo D.o.o ("BTA MZLZ")	Velika Gorica, Rudolfa Fizira 1 Zagreb Hrvatska	Croatia	46%	100%
Havaş Adriatic	Roberta Frangesa Mihanovica 9, Zagreb, Croatie	Croatia	46%	100%
Gestio I Servies Trade Center S.A. ("GIS Spain")	Avda. Diagonal 611 9ª pl. 08028- Barcelona	Spain	32%	100%
TAV USA Operation Services Co. ("TAV İşletme America")	22648 Glenn Drive, Sterling VA 20164, Unit 101	United States	46%	100%
ADP International Americas LLC	54W 40th Street, NY 10018, New York City	United States	100%	100%
Merchant Aviation	382 Springfield Avenue SUMMIT, NJ-07901	United States	100%	100%
TAV Washington Operation Services Ltd. ("TAV İşletme Washington")	22648 Glenn Drive, Sterling VA 20164, Unit 101	United States	46%	100%
TAV New York Operation Services LLC	JFK International Airport. Terminal One Primeclass lounge next to gate 8.10 Queens, NY 11430 US	United States	46%	100%
ADP Ingénierie	Aéroport d'Orly Parc central Zone sud - Bâtiment 641 91200 ATHIS-MONS	France	100%	100%
ADP International	1 rue de France – 93290 Tremblay-en-France	France	100%	100%
BTA Frances SAS. ("BTA France")	Orly Sud Terminal S1 Etage 3 Bureau 3103-3104 94390 Orly Aérogare	France	46%	100%
GIS Premium France SAS ("GIS France")	1 Bis Rue Veron 94140 Alfortville	France	32%	100%
TAV Batumi Operations LLC ("TAV Batumi")	Tbilisi International Airport, Tbilisi, Georgia, 0158	Georgia	35%	76%
Batumi Airport LLC	Airport Highway #220, Batumi /Georgia, 6010	Georgia	35%	76%
TAV Urban Georgia LLC ("TAV Tbilisi")	Tbilisi International Airport, Tbilisi, Georgia, 0158	Georgia	37%	80%
BTA Georgia LLC ("BTA Georgia")	Tbilisi International Airport Tbilisi, Georgia	Georgia	46%	100%
TAV Georgia Operation Services LLC ("TAV İşletme Georgia")	International Airport, Tbilisi, Georgia, Post Code:0158	Georgia	46%	100%
ADPM Mauritius	C/o Legis Corporate Secretarial Services Ltd 3 rd Floor, Jamalacs Building, Vieux Conseil Street, PORT-LOUIS	Mauritius	100%	100%
ADPI India Private Limited	Workafella Business Centre 150/1 Infantry Road 560001 BENGALORE	India	100%	100%

Entity	Address	Country	% stake	% control
GIS Premium Italy SRL ("GIS Italy")	Piazza Filippo Meda 3 CAP 20121 Milano (MI)	Italy	32%	100%
Jordan Airport Management	Ali Sharif Zu'bi Law Office PO Box 35267 AMMAN 11180	Jordan	100%	100%
Airport International Group P.S.C ("AIG)	P.O. Box 39052 Amman 11104 Jordan	Jordan	51%	100%
Airport International Group For Training And Development	P.O. Box 39052 Amman 11104 Jordan	Jordan	51%	100%
TAV Africa Operation Services Ltd. ("TAV İşletme Kenya")	P.O.BOX 42279-00100 Panari Hotel Centre, First Floor Office No:12, LR.12918 Mombasa Road, Nairobi PIN:P051576403E	Kenya	46%	100%
SIA TAV Latvia ("TAV Latvia")	RIGA Airport 10/1, Marupe district, LV 1053, Latvia	Latvia	46%	100%
Havas Latvia SIA ("HAVAŞ Europe")	Lidosta, Rīga, 10/1, Mārupes novads, LV-1053	Latvia	46%	100%
SIA Cakes and Bakes Latvia ("BTA Latvia")	Lidosta "Riga" 10/1, Marupes Novads, LV-1053 Latvia	Latvia	46%	100%
TAV Latvia Operation Services SIA ("TAV İşletme Latvia")	Starptautiskā lidosta Rīga 10/1, Mārupes novads, Rīga, LV-1053, Latvia	Latvia	46%	100%
ADPi Middle East	Immeuble Baz - Rue Sursock BEYROUTH	Lebanon	100%	100%
ADPi Libya	El Nasser Street TRIPOLI	Libya	65%	100%
TAV Macedonia Dooel Petrovec ("TAV Macedonia")	Orce Nikolov 98, 1000 Skopje, Republic of Macedonia	Macedonia	46%	100%
BTA Macedonia Dooel Petrovec ("BTA Macedonia")	Skopje Alexander The Great Airport 1043 Petrovec, Skopje, Macedonia	Macedonia	46%	100%
TAV Macedonia Operation Services Dooel ("TAV İşletme Macedonia")	Skopje Alexander The Great Airport 1043 Petrovec, Skopje, Macedonia	Macedonia	46%	100%
TAV Madagascar Operation Services SA	Escalier C, Zone Tana Water Front – Ambodivona – 101 Antananarivo	Madagascar	46%	100%
GIS Premium Mexico SadCV ("GIS Mexico")	Av.Paseo de la Reforma n° 393 Despacho 801 Colonia Cuauhtémoc, alcaldía Cuauhtémoc 06500 Ciudad de México	Mexico	32%	100%
Aviator Netherlands B.V. ("Aviator Netherlands")	Strawinskylaan 3127 1077 ZX Amsterdam, Netherlands	Netherlands	46%	100%
TAV Technologies B.V. ("TAV IT Netherlands")	Gustav Mahlerlaan 1212, 1081 LA, Amsterdam, Netherlands	Netherlands	46%	100%
ADPI (Thailand) Ltd	No. 11/1 AIA Sathorn Tower, 9th & 10th Floor, South Sathon Road, Yannawa Sub-district, Sathon District, Bangkok, Thailande	Thailand	49%	100%

Entity	Address	Country	% stake	% control
TAV Tunisie SA (" TAV Tunisia")	Rue de la Bourse, Cité les Pins, Immeubles "Horizon", Bloc B, 3ème étage, les Berges du Lac, 1053 Tunisia	Tunisia	38%	100%
BTA Tunisie SARL ("BTA Tunisia")	Enfidha International Airport A 1 Motorway, 91st Km.Enfidha 4030 Tunisia	Tunisia	46%	100%
TAV Tunisie Operation Services SARL ("TAV İşletme Tunisia")	Rue de la Bourse, Cité les Pins, Immeubles "Horizon", Bloc B, 3ème étage, les Berges du Lac, 1053 Tunisia	Tunisia	46%	100%
TAV Tunisie Operation Services Plus SARL ("TAV İşletme Tunisia Plus")	Aéroport Enfidha-Hammamet. 4080 Sousse-Tunisie	Tunisia	46%	100%
TAV Havalimanları Holding A.Ş. ("TAV Airports Holding")	Ayazağa Mahallesi Cendere Caddesi No. 109 L 2C Blok İç Kapı No:6 (6.kat) Sarıyer/İstanbul, TURKEY	Turkey	46%	100%
TAV İstanbul Terminal İşletmeciliği A.Ş. ("TAV İstanbul")	İstanbul Atatürk Havalimanı Dış Hatlar Terminali 34149 Yeşilköy. İstanbul, TURKEY	Turkey	46%	100%
TAV Milas Bodrum Terminal İşletmeciliği A.Ş. ("TAV Milas Bodrum")	Ayazağa Mahallesi Cendere Caddesi No. 109 L 2C Blok İç Kapı No:6 (6.kat) Sarıyer/İstanbul, TURKEY	Turkey	46%	100%
TAV Ege Terminal Yatırım Yapım ve İşletme A.Ş. ("TAV Ege")	Ayazağa Mahallesi Cendere Caddesi No. 109 L 2C Blok İç Kapı No:6 (6.kat) Sarıyer/İstanbul, TURKEY	Turkey	46%	100%
TAV Esenboğa Yatırım Yapım ve İşletme A.Ş. ("TAV Esenboğa")	Esenboğa Havalimanı İç-Dış Hatlar Terminali 06750 Esenboğa Ankara, TURKEY	Turkey	46%	100%
TAV Gazipaşa Alanya Havalimanı İşletmeciliği A.Ş. ("TAV Gazipaşa")	Ayazağa Mahallesi Cendere Caddesi No. 109 L 2C Blok İç Kapı No:6 (6.kat) Sarıyer/İstanbul, TURKEY	Turkey	46%	100%
TAV Özel Güvenlik Hizmetleri A.Ş. ("TAV Güvenlik")	Ayazağa Mahallesi Cendere Caddesi No. 109 L 2C Blok İç Kapı No:7 (7.kat) Sarıyer/İstanbul, TURKEY	Turkey	46%	100%
BTA Havalimanları Yiyecek ve İçecek Hizmetleri A.Ş. ("BTA")	Ayazağa Mahallesi Cendere Caddesi No. 109 L 2C Blok İç Kapı No:2 (2.kat) Sarıyer/İstanbul, TURKEY	Turkey	46%	100%
BTA Unlu Mamülleri Pasta Üretim Turizm Gıda Yiyecek İçecek Hizmetleri San. ve Tic. A.Ş. ("Cakes & Bakes")	Osmangazi Mah. 2647 SK. No:5 Esenyurt, İstanbul, TURKEY	Turkey	46%	100%
BTA Tedarik Dağıtım ve Ticaret A.Ş. ("BTA Tedarik")	Osmangazi Mah. 2647 SK. No:5 Esenyurt, İstanbul, TURKEY	Turkey	46%	100%
BTA Denizyolları ve Limanları Yiyecek ve İçecek Hizmetleri Tic. A.Ş. ("BTA Denizyolları")	Kennedy Cad.Hızlı Feribot iskelesi YeniKapı-Fatih/İstanbul	Turkey	46%	100%
BTA Uluslararası Yiyecek İçecek Hizmetleri Sanayi ve Ticaret A.Ş ("BTA Uluslararası Yiyecek")	Ayazağa Mahallesi Cendere Caddesi No. 109 L 2C Blok İç Kapı No:2 (2.kat) Sarıyer/İstanbul, TURKEY	Turkey	46%	100%

Entity	Address	Country	% stake	% control
Havaş Havaalanları Yer Hizmetleri A.Ş. ("HAVAŞ")	Ayazağa Mahallesi Cendere Caddesi No. 109 L 2C Blok İç Kapı No:4 (4.kat) Sarıyer/İstanbul, TURKEY	Turkey	46%	100%
TAV İşletme Hizmetleri A.Ş. ("TAV İşletme")	Ayazağa Mahallesi Cendere Caddesi No. 109 L 2C Blok İç Kapı No:4 (4.kat) Sarıyer/İstanbul, TURKEY	Turkey	46%	100%
TAV Havacılık A.Ş. ("TAV Havacılık")	İstanbul Atatürk Havalimanı Dış Hatlar Terminali 34149 Yeşilköy. İstanbul. Turkey	Turkey	46%	100%
TAV Bilişim Hizmetleri A.Ş. ("TAV Bilişim")	Ayazağa Mahallesi Cendere Caddesi No. 109 L 2C Blok İç Kapı No:3 (3.kat) Sarıyer/İstanbul, TURKEY	Turkey	46%	100%
TAV Akademi Eğitim ve Danışmanlık Hizmetleri A.Ş. ("TAV Akademi")	Ayazağa Mahallesi Cendere Caddesi No. 109 L 2C Blok İç Kapı No:6 (6.kat) Sarıyer/İstanbul, TURKEY	Turkey	46%	100%
TAV Aviation Minds Eğitim ve Danışmanlık Hizmetleri A.Ş. ("TAV Aviation Minds")	İstanbul Atatürk Havalimanı Dış Hatlar Terminali 34149 Yeşilköy. İstanbul. Turkey	Turkey	24%	100%
Autres activités:				
Hub One	Continental Square, 2 place de Londres 93290 TREMBLAY-EN-FRANCE	France	100%	100%
ADP Invest	1 rue de France – 93290 Tremblay-en-France	France	100%	100%
Hologarde***	1 rue de France – 93290 Tremblay-en-France	France	100%	100%
Sysdream	14 PLACE MARIE JEANNE BASSOT 92593 LEVALLOIS PERRET CEDEX	France	100%	100%
JOINT-VENTURE (Integrated up to Group's share of balance sheet and profit & loss)				
Autres activités:				
CDG Express Etudes	1 rue de France – 93290 Tremblay-en-France	France	33%	33%

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

** Previously named SAS HOTEL RO3 until June 2018
*** Previously named ADP Invest 1 until May 2019

Entity	Address	Country	% stake	% control
Associates				
Retail and services:				
ADPLS Présidence	1 rue de France – 93290 Tremblay-en-France	France	50%	50%
EPIGO	3 place de Londres – bâtiment Uranus – Continental Square 1 – Aéroport Roissy Charles de Gaulle – 93290 Tremblay en France	France	50%	50%
EPIGO Présidence	3 place de Londres – bâtiment Uranus – Continental Square 1 – Aéroport Roissy Charles de Gaulle – 93290 Tremblay en France	France	50%	50%
Real estate:				
SCI Cœur d'Orly Bureaux	8 avenue Delcasse 75008 PARIS	France	50%	50%
SCI Heka Le Bourget	151 boulevard Haussmann - 75008 PARIS	France	40%	40%
SAS Chenue Le Bourget	151 boulevard Haussmann - 75008 PARIS	France	40%	40%
Transport Beheer	Haarlemmermeer de Beekstraat 314 1118CX SCHIPHOL AIRPORT	Netherlands	40%	40%
Transport CV	Haarlemmermeer de Beekstraat 314 1118CX SCHIPHOL AIRPORT	Netherlands	40%	40%
SCI Roissy Sogaris	Avenue de Versailles RN 186 94150 RUNGIS	France	40%	40%
International and airport developments:				
Madinah Airport Hotel Company ("Medinah Hotel")	Prince Mohammed Bin Abdul Aziz International Airport, Post Office Box: 52681 Al Madinah Al Munawarah, 11573, Kingdom of Saudi Arabia.	Saudi Arabia	15%	33%
Tibah Airports Operation Limited ("Tibah Operation")	Prince Mohammed Bin Abdulaziz Int. Airport P.O Box 21291, AlMadinah Al Munawarah 41475	Saudi Arabia	24%	51%
Tibah Airports Development Company CJSC ("Tibah Development")	Prince Mohammed Bin Abdulaziz Int. Airport P.O Box 21291, AlMadinah Al Munawarah 41475	Saudi Arabia	23%	50%
Saudi ATU Trading Limited Co. ("ATU Medinah")	Prince Muhammad Bin Abdul Aziz International Airport / Madina, K.S.A	Saudi Arabia	23%	50%
SAUDI HAVAŞ Ground Handling Services Limited ("SAUDI HAVAŞ")	Prince Mohammed bın Abdul Aziz Internatıonal Airport Po box 42342/4878 Medına,KSA	Saudi Arabia	31%	67%
Saudi BTA Airports Food And Beverages Serv.Ltd. ("BTA Medinah")	Imam Saud Bin Migren St. Opposite of Imam university gate no 1 P.O B. 18927, Riyadh 11425 / KSA	Saudi Arabia	31%	67%
TAV Operation Services Saudi Arabia LLC. ("TAV İşletme Saudi")	PO Box 4878, Postal code 42342, Prince Mohammad bin Abdulaziz International Airport/Medina	Saudi Arabia	31%	67%

Entity	Address	Country	% stake	% control
Liège Airport	Aéroport de Bierset 4460 GRÂCE-HOLLOGNE	Belgium	26%	26%
Sociedad Concesionaria Nuevo Pudahuel SA (SCNP)	Aeropuerto Internacional Arturo Merino Benítez de Santiago, Rotonda Oriente, 4° piso, comuna de Pudahuel, Santiago, Chili	Chile	45%	45%
Primeclass Pasifico JSV. (“TAV İşletme Chile”)	AV.NUEVA COSTANERA, Nro. 3698, Depto: 603, Comuna: VITACURA, Ciudad: SANTIAGO	Chile	23%	50%
Medunarodna Zračna Luka Zagreb ("MZLZ")	Ulica Rudolfa Fizira 1 10150 Velika Gorica Croatie	Croatia	28%	28%
Upravitelj Zračne Luke Zagreb ("MZLZ Operator")	Ulica Rudolfa Fizira 1 10150 Velika Gorica Croatie	Croatia	28%	28%
MZLZ-ZASTITA d.o.o. (MZLZ Security)	Ulica Rudolfa Fizira 1 10150 Velika Gorica Croatie	Croatia	28%	28%
MZLZ-ZEMALJSKE USLUGE d.o.o (MZLZ Ground Handling)	Ulica Rudolfa Fizira 1 10150 Velika Gorica Croatie	Croatia	28%	28%
MZLZ-HRANA d.o.o (MZLZ Food)	Ulica Rudolfa Fizira 1 10150 Velika Gorica Croatie	Croatia	28%	28%
MZLZ-TISKOVINE d.o.o (MZLZ Press)	Ulica Rudolfa Fizira 1 10150 Velika Gorica Croatie	Croatia	28%	28%
ATU Americas LLC (“ATU America”)	1704 Rankin Rd,SUITE 110, HOUSTON,USA	United States	23%	50%
Future Stewart Partners LLC	54 West 40th Street New York, NY 10018	United States	50%	50%
ATU Georgia Operation Services LLC (“ATU Georgia”)	TBILISI INTERNATIONAL AIRPORT, Georgia	Georgia	23%	50%
Société de gestion et d'exploitation de l'aéroport de Conakry ("SOGEAC")	Aéroport de Gbessia, B.P 3126 Conakry République de Guinée	Guinea	29%	29%
Airport Terminal Operations LTD ("ATOL")	SSR INTERNATIONAL AIRPORT PLAINE MAGNIEN	Mauritius	10%	10%
AS Riga Airport Commercial Development (“ATU Latvia”)	MARUPES NOV.LIDOSTA RIGA 10/1 LV-1053 LATVIA	Latvia	23%	50%
ATU Macedonia Dooel (“ATU Macedonia“)	SKOPJE 'ALEXANDER THE GREAT' AIRPORT 1043 PETROVEC Macedonia	Macedonia	23%	50%
Ravinala Airports	Escalier C, Zone Tana Water Front – Ambodivona 101 Antananarivo, Madagascar	Madagascar	35%	35%
Consorcio PM Terminal Tocumen SA	Terminal Sur S.A. AV DOMINGO DIAZ Panama , Rep. De Panama	Panama	36%	36%
Schiphol Group	Evert van de Beekstraat 202 1118CP LUCHTHAVEN SCHIPHOL	Netherlands	8%	8%
Zaic-A Limited	1 Park Row, Leeds, LS1 5AB, United Kingdom	United Kingdom	28%	28%
Tunisia Duty Free S.A. (“ATU Tunisia Duty Free”)	RUE DU LAC TOBA-IMMEUBLE-BOUGASSASS-LES BERGES DU LAC 1053	Tunisia	7%	15%

Entity	Address	Country	% stake	% control
ATU Tunisie SARL ("ATU Tunisia")	AEROPORT INTERNATIONAL ENFIDHA-HAMMAMET AUTOROUTE AL KM 91 ENFIDHA 4080 SOUSSE	Tunisia	23%	50%
TAV Gözen Havacılık İşletme ve Ticaret A.Ş. ("TAV Gözen")	Atatürk Havalimanı 34149 Yeşilköy / İstanbul	Turkey	15%	32%
Fraport IC İçtaş Antalya Havalimanı Terminal Yatırım ve İşletmeciliği A.Ş. ("TAV Antalya")	Antalya Havalimanı 1. Dış Hatlar Terminali 07230 Antalya TURKEY	Turkey	23%	50%
ATU Turizm İşletmeciliği A.Ş. ("ATU")	Büyükdere Cad.Bengün Han No:107/8 Gayrettepe - İstanbul	Turkey	23%	50%
ATU Mağazacılık İşletmeleri A.Ş. ("ATU Mağazacılık")	Büyükdere Cad.Bengün Han No:107/8 Gayrettepe - İstanbul	Turkey	23%	50%
ATU Uluslararası Mağaza Yiyecek ve İçecek İşletmeciliği A.Ş. ("ATU Uluslararası Mağazacılık")	Büyükdere Cad.Bengün Han No:107/8 Gayrettepe - İstanbul	Turkey	22%	48%
BS Kahve Yiyecek ve İçecek Hizmetleri A.Ş. ("BS Kahve")	Atatürk Havalimanı Dış Hatlar Terminali Hava Tarafı Asma Kat No:ML3101 Yeşilköy, İstanbul	Turkey	28%	60%
TGS Yer Hizmetleri A.Ş. ("TGS")	İstanbul Dünya Ticaret Merkezi A3 Blok Kat:6 Yeşilköy Bakırköy /İstanbul	Turkey	23%	50%
Other activities :				
Egidium	114 avenue Charles de Gaulle 92200 NEUILLY-SUR-SEINE	France	20%	20%
Safety Line	12 Rue Clavel, 75019 Paris	France	12%	12%
Gestionnaire d'Infrastructure CDG Express	1 rue de France – 93290 Tremblay-en-France	France	33%	33%
Innov'ATM	15 rue Alfred Sauvy 31270 Cugnaux	France	17%	17%
Hub Safe	Roissypole - Le Dôme 4 rue de la Haye 93290 TREMBLAY-EN-FRANCE	France	20%	20%
Alacrité	299 boulevard de Leeds – World Trade center Lille Services SAS espace International – 59777 Euralille	France	19%	19%

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

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

Entity		Activities	Country	% ownership	Owned by
INVESTMENTS IN COMPANIES NOT RELEVANT TO THE SCOPE (without activity or negligible activity)					
International and airport developments :					
Management of Airports Terminals and Aprons Co.	*	For airport operations	Saudi Arabia	5%	ADP International
Matar	*	Operating contract of the Hadj terminal in Djeddah	Saudi Arabia	5%	ADP International
ADP do Brasil - Participacoes	*	For airport operations	Brazil	100%	ADP International
Laguardia Central Terminal LLC	*	For airport operations	United States	27%	ADP International & TAV Holding
ATU Holdings, Inc.	*	Retail and services	United States	23%	ATU
TAV Operation Services California		Retail and services	United States	100%	TAV Operation Services
TAV Operation Services Alabama		Retail and services	United States	100%	TAV Operation Services
Gateway Primeclass		Retail and services	United States	80%	TAV Operation Services
ADPM 2	*	For airport operations	France	100%	ADP International
ADPM 3	*	For airport operations	France	100%	ADP International
Airport Management Company	*	For airport operations	France	73%	ADP International & Aviator Netherland
TAV Operation Services Madagascar		Retail and services	Madagascar	100%	TAV Operation Services
TAV HOLDCO B.V		Holding (inactive)	Netherlands	100%	Aviator Netherland
Avito Technologies LLC Qatar		Retail and services	Qatar	49%	TAV Technologies
TAV Uluslararası Yatırım A.Ş.	*	Holding (inactive)	Turkey	46%	TAV Holding
Autres activités :					
CCS France	**	Computer programming	France	20%	Aéroports de Paris SA
BestMile	*	Experimentation of autonomous vehicle	Suisse	7%	ADP Invest
Civipol Conseil	**	Promotion of the Ministry of Interior skills	France	1%	Aéroports de Paris SA
PACIFA	*	Software company	France	12%	Aéroports de Paris SA
Pole Star	*	Engineering, technical studies	France	11%	Hub One
Bolloré Télécom	*	Telecommunications	France	2%	Hub One

Immobilière 3F	*	Real estate management specialized in low-rent housing	France	<1%	Aéroports de Paris SA
SoftToGo	*	Portage of software	Argentina	100%	Hub One
OnePark	*	Software editor for distribution of parking spaces	France	1%	ADP Invest
FinalCAD	*	Software editor for management of construction projects	France	2%	ADP Invest
Destygo	*	Development of chatbot solutions for airport passengers	France	6%	ADP Invest
FL WH Holdco	*	Manufacturer & airships operator	France	6.6%	Aéroports de Paris SA
Skyports	*	Vertiport operator	England	4.6%	Aéroports de Paris SA
INVESTMENTS IN COMPANIES NOT RELEVANT TO THE SCOPE (Investment funds*)					
Equipe de France	*	Portfolio of equity investments in companies quoted on the Saudian stock exchange	France	N/A	Aéroports de Paris SA
ELAIA Delta Fund	*	Investments in companies operating in the digital and BtoB sectors	France	N/A	Aéroports de Paris SA
Cathay Innovation	*	Investments in high potential companies in Europe, China and USA	France	N/A	Aéroports de Paris SA
X ANGE	*	Investments in innovating companies operating in the digital, mobile services, software, infrastructure and banking sectors	France	N/A	Aéroports de Paris SA
White Star Capital II France S.L.P.	*	Venture capital fund investing in companies acting in the innovative technologies sector in North America and Western Europe	France	N/A	Aéroports de Paris SA
Cathay Innovation II	*	Investments in high potential companies in Europe, China and USA	France	N/A	Aéroports de Paris SA

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