

2016-2020 **Economic Regulation Agreement**

Public consultation document



AÉROPORTS DE PARIS



Augustin de Romanet

Message from the Chairman & CEO

The aviation sector is one of the key sectors for the economy of France and the Ile-de-France. It makes a critical contribution to the country's attractiveness and competitiveness. Everything must therefore be done to strengthen a sector facing competition and new passenger demands and to transform its growth into new business and new jobs for Ile-de-France in future years. Aéroports de Paris will play its full part in this endeavour.

It is in this spirit that we present our Public Consultation Document for the 2016-2020 Economic Regulation Agreement.

This document is the fruit of an in-depth analysis diligently carried out by our teams and those of our partners over a period of more than one year. Their commitment was in keeping with the challenges we face in terms of competitiveness and attractiveness. I particularly want to thank the airlines, the government services, our partners and our staff for the intensive and fruitful exchanges which took place.

Air transport is clearly a growth sector where each additional million passengers in Paris contributes to the creation of over 4,000 jobs and boosts the French economy. But the changes underway are intensifying competition among airlines and among major cities and their airports to capture global growth. Airports can no longer be considered as protected players.

« A tool to win market share and create value for the entire air transport industry in Paris and for our Group »

In that context, the 2016-2020 Economic Regulation Agreement takes on a new dimension, that of a tool to win market share and create value for the entire air transport industry in Paris and for our Group.

I am convinced that it is in the airport community's interest to create a new competitive environment and modify pricing structures, in order to attract a significant share of global traffic growth to Paris.

We have thus made use of all the levers at our disposal to ensure the consistency, effectiveness and fairness of this proposal for all air transport players. The investment programme was closely tailored to the requirements in terms of capacity, safety and quality. The pricing structure project has undergone in-depth changes and will promote the development of international and connecting traffic. The productivity effort which Aéroports de Paris is ready to deploy is unprecedented, in order to reduce the fee burden on airlines while the investment programme will greatly exceed that of the previous period. In 2020, Aéroports de Paris will obtain a fair return on the capital invested in the regulated scope.

This document reflects our trust in our economic model and in its capacity to gain traffic, create value, stimulate and share growth and constantly adapt to the changes in its environment.

2016-2020 Economic Regulation Agreement: A proposal promoting the competitiveness of the air transport sector

Overview of the proposal

A TWO-FOLD CHALLENGE: COMPETITIVENESS AND ATTRACTIVENESS

- **Unique assets and potential:** a world-class airport system and infrastructure enabling us to cope with the traffic growth in Paris to the benefit of France's attractiveness (including two sets of parallel runways at Paris-Charles de Gaulle), and significant land reserves;
- **Renowned expertise** across all segments of the airport value chain;
- **An increasingly competitive environment:** a Group faced with growing competitive pressure from airports in Europe and the Gulf; loss of market share in the connecting traffic segment;
- **Competitiveness challenges to be addressed:** ageing, fragmented infrastructure; operating costs higher than those of some comparable competitors; a fee level which is generally competitive but a pricing structure which penalises growth-driving intercontinental traffic.

A CONQUEST STRATEGY

- **Consolidating the Group's fundamentals** by ensuring the safety and operational reliability of Paris airports, the optimal use of the existing infrastructure and a guaranteed service standard;
- **Enabling the Group to win market share** by modifying the pricing policy in favour of long-haul and connecting traffic, establishing major incentives and offering an increasingly distinctive customer experience;
- **Increasing the competitiveness of Paris airports** through judicious investments to improve operational efficiency, with a pricing structure which promotes the optimal use of the infrastructure (load factor, rapid turnaround) and through moderate pricing achieved through an unprecedented effort to control the operating expenses of the regulated scope;
- **And Creating value based on a stabilised regulation framework** for the benefit of Aéroports de Paris' customers, partners, shareholders and employees, with the objective of bringing the profitability of the regulated scope in line with the Group's weighted average cost of capital by 2020.

A WELL-BALANCED PROPOSAL

Having taken into account the expectations of stakeholders without calling into question Aéroports de Paris' value-creating business model, the proposal seeks to combine, for the increased competitiveness of Paris airports, a selective and ambitious investment programme, a return on capital employed across the regulated scope in line with the weighted average cost of capital by 2020 and moderate pricing for airlines through the implementation of strict internal financial discipline.

KEY FIGURES OF THE PROPOSAL

- **Traffic:** assumption of 2.5% growth per year on average in passenger traffic between 2016 and 2020 including 0.1% growth from the expected impact of the civil aviation tax exemption for connecting passengers;
- **Investment:** an ambitious but well-targeted investment programme of €3.1 billion for the regulated scope, exceeding that of the 2011-2015 Economic Regulation Agreement (ERA) (€2 billion);
- **Tariffs:** a rise limited to the CPI⁽¹⁾ +1.75% a year on average between 2016 and 2020;

(1) Consumer Price Index.

- **Operating expenses:** an unprecedented effort to control the operating expenses of the regulated scope, limited to +2.5% per year (including inflation) on average;
- **Profitability:** a rate of return of the regulated scope (ROCE) of 5.8% in 2020, i.e. in line with the Group's weighted average cost of capital (WACC) as estimated by Aéroports de Paris for the 2016-2020 ERA.

A SELECTIVE AND AMBITIOUS INVESTMENT PROGRAMME

- **Priority to maintenance of assets and regulatory compliance** with a significant portion of the investments aimed at stabilising the condition of the facilities (e.g. renovation of runways and roadways at Paris-Orly) and ensuring their regulatory compliance (e.g. wastewater treatment system at Paris-Charles de Gaulle);
- **Construction of connecting buildings** between the terminals to reduce the fragmentation of the infrastructure (something which sets Aéroports de Paris apart from its main competitors), improve operational performance and quality of service and provide additional capacity: construction of buildings to connect the South and West terminals at Paris-Orly, and to connect terminals 2B and 2D as well as the international satellites of Terminal 1 at Paris-Charles de Gaulle;
- **Operational efficiency and competitiveness of the hub:** extension of baggage sorters of Terminal 2E in the wide body aircrafts areas; providing support to airlines to reduce operating costs (self-boarding, guidance lights, etc.);
- **Improvement of road and rail access,** including the preparatory work for the arrival of the CDG Express on the airport site.

A STRONG FINANCIAL DISCIPLINE

- **For investments:** strong prioritisation of investment projects; benchmarking and challenging of the costs of the biggest projects with budget restrictions imposed (15% reduction in comparison with the current costs recorded) giving rise to the modification of the purchasing policy and certain construction methods; pressure put on project expenses;
- **For regulated operating expenses:** limitation of their average annual increase to 2.5% (including average annual inflation of 1.3%). This proactive and ambitious proposal is based on the strict limitation of general wage increases, the assumption of the non-replacement of one out of two leaving employees, the overhaul of the Group's organisation and a review of its activities with the aim of consolidating its core business based on an analysis of the change in job and skill requirements.

A PROACTIVE SEARCH FOR TRAFFIC

- **Competitive repositioning through an in-depth review of the pricing structure:** reduction of passenger-based fees and increase in aircraft-based fees, in order to tap the growth of intercontinental traffic and promote the performance of airlines with high load factors and thus optimise the use of the infrastructure;
- **Removing night parking charges** for cargo and passenger aircrafts based on site;
- **The introduction of ambitious incentives** without any impact on the profitability of the regulated scope, such as the discount granted for any increase in connecting baggage and passenger traffic and for rapid turnaround;
- **Search for a simpler, clearer pricing structure.**

AN ONGOING COMMITMENT TO QUALITY OF SERVICE

- **Guaranteed quality standards:** this involves consolidating the position of Paris airports through the quality standards introduced in order to guarantee a certain service level, sanctioned where appropriate by a price penalty;
- **An increasingly distinctive passenger experience:** the internationally renowned airports considered as among the world's best have developed distinctive features which underpin their brand identities, each with their own areas of excellence which build their reputations. Aéroports de Paris proposes to focus on a few priority areas, such as connecting traffic, and to back its quality of service policy with a bonus/penalty scheme;
- **A collaborative approach, supplementing the ERA,** aimed at working on quality improvement drivers, an area in which no one party alone has the means sufficient to significantly influence customer perception.

Overall, the proposal will help develop traffic to Paris, upgrade operating conditions for airlines and improve quality of service, availability of infrastructure and hospitality.

Warning

The framework for the economic regulation of Aéroports de Paris was defined by the provisions of the Act of 20th April 2005 relative to airports and its regulatory implementation texts. This framework favours a multi-annual regulation model, which is a factor of visibility and incentive, based on economic regulation agreements (ERA) of up to five years, signed between the French Government and Aéroports de Paris, after in-depth consultation of the airlines and other stakeholders.

This regulation, imposed by the Government on account of the dominance of Aéroports de Paris *vis-à-vis* users of the airport public service, concerns the pricing of fees for services rendered, Aéroports de Paris' investment programmes and its quality of service.

1. PUBLIC CONSULTATION RELATIVE TO THE PROPOSAL OF AÉROPORTS DE PARIS FOR THE 2016-2020 ECONOMIC REGULATION AGREEMENT

In accordance with its commitments and regulatory obligations, in the autumn of 2014 Aéroports de Paris started the preparation of the ERA for the 2016-2020 period, through an in-depth consultation of its customers. This consultation mainly took place within the Consultative Economic Commission of the Paris-Charles de Gaulle and Paris-Orly airports, and within the Consultative Economic Commissions of the Paris-Le Bourget airport.

In compliance with its regulatory requirements, Aéroports de Paris now has to publish a consultation document setting out the company's proposals concerning the 2016-2020 ERA.

Such is the purpose of this dossier, open for public consultation for a period of one month which may be extended by an additional period of 15 days on the Government's decision. During this period, stakeholders are requested to send their comments to the Minister in charge of Civil Aviation and the Minister of the Economy, who will transmit them to Aéroports de Paris.

The Minister in charge of Civil Aviation will then seek the opinion of the Airport Consultative Commission (created under Article L. 228-1 of the Civil Aviation Code) on the orientations of the 2016-2020 ERA. Aéroports de Paris is expecting the signing of the agreement to take place in the summer of 2015, for its coming into force at the beginning of the pricing period starting on 1 April 2016.

2. REGULATORY CONTENT OF THE PUBLIC CONSULTATION DOSSIER

This dossier meets the requirements of Article R. 224-4 of the Civil Aviation Code:

"[...] the operator shall publish a dossier, relative to the scope of activities mentioned in Article R. 224-3-1, which includes the following:

- *a summary of the implementation of the current multi-annual agreement [...];*
- *a presentation of the operator's assumptions for the upcoming agreement, in particular concerning the expected change in traffic at the airport(s) it operates, the change in airport capacity, its investment programmes and, if applicable, their pre-financing, the appropriateness of the public services in relation to users' needs, the quality of said services, the change in prices and, if applicable, adjustments thereto;*
- *an assessment of the economic and financial impact of those assumptions and, where relevant, alternative assumptions; [...]"*

The following correlation table sets out the sections for which the information requirements laid down in Article R. 224-4 of the Civil Aviation Code are met:

| Mandatory information | | Section of the consultation dossier |
|--|---|-------------------------------------|
| Summary of the previous Economic Regulation Agreement | | Appendix 3 |
| Preparation of the upcoming Economic Regulation Agreement | Traffic assumption | Section 1.1 |
| | Change in airport capacity | Section 1.2 |
| | Investment programmes and pre-financing | Section 2 |
| | Appropriateness of the public services in relation to users' needs | Section 2 |
| | Quality of the public services | Section 4 |
| | Change in tariffs and adjustments thereto | Section 3 |
| | Assessment of the economic and financial impact of those assumptions and, where relevant, alternative assumptions | Section 5 |

3. DEFINITION OF THE REGULATED SCOPE COVERED BY THIS DOSSIER

The scope of activities mentioned in Article R. 224-3-1 of the Civil Aviation Code, also called the “regulated scope”, is defined in Article 1 of the Order of 16th September 2005 regarding fees for services rendered in aerodromes. This encompasses the range of activities used to assess the company's profitability in order to determine the level of fees for airport public services.

The Order of 16th September 2005 relating to fees for services rendered in aerodromes, amended as from 1st January 2011 by the Order of 17th December 2009, defines the regulated scope.

The table below gives a breakdown of Aéroports de Paris' regulated and non-regulated activities.

| | Regulated scope | Non-regulated scope |
|------------------------------------|--|---|
| Aviation | <ul style="list-style-type: none"> • Aeronautical fees (passenger, landing, parking) • Ancillary fees ⁽¹⁾ (check-in, baggage, de-icing, etc.) | <ul style="list-style-type: none"> • Revenue from airport safety and security services |
| Non-aeronautical activities | <ul style="list-style-type: none"> • Car parks • Industrial services revenue • Rental services in terminals • Airport real estate | <ul style="list-style-type: none"> • Retail income • Diversificative real estate • Subsidiaries and affiliates |

(1) With the exception of the fee for assistance to disabled people and people with reduced mobility (PHMR).



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Part 1

Aéroports de Paris Proposal



Proposal of Aéroports de Paris for the creation of a new Economic Regulation Agreement

Aéroports de Paris is a world-class Group covering the main segments of the airport value chain in France and abroad. It owns and operates the three main Paris airports – Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget – which handled over 90 million passengers in 2013 (see A1.1 – *Aéroports de Paris Group*).

Aéroports de Paris' ambition is to be the leading player in airport design, construction and operation. Over the 2016-2020 period, the Aéroports de Paris thus wishes to unlock its full potential by setting itself three strategic priorities: "Optimising" its resources, "Attracting" customers and skills by targeting excellence and "Expanding" its horizons by nurturing and sharing sustainable growth.

This ambition firstly entails strengthening the position of Paris airports, in particular that of Paris-Charles de Gaulle as a leading international hub, that of Paris-Orly as an exemplary short-haul airport, and that of Paris-Le Bourget as Europe's true industrial hub for business aviation (see A1.2 – *Parisian airports*).

In the face of the current difficulties in the European aviation sector, the changes in its main players, the increasing competitive pressure from airports across Europe, and new consumer behaviours, Aéroports de Paris must continually adapt its services and improve the competitiveness of its airports for the benefit of its customers and partners, and the inhabitants of the territories surrounding them.

Through the full use of its infrastructure, Aéroports de Paris has set itself the common-interest mission of capturing global growth for the benefit of the Paris region's economy and employment. The growth in traffic must be reflected in the activities of all customers, partners and employees, as well as those of the region and neighbouring municipalities. On average, Aéroports de Paris' activity generates 4,100 jobs, including 1,400 direct jobs, per million passengers (see A3 – *Summary of the 2011-2015 ERA*).

Consequently, for Aéroports de Paris Group, the preparation of the Economic Regulation Agreement (ERA) covering the 2016-2020 period is a key opportunity to engage in discussions with all the stakeholders (see A1.3 – *Economic regulation regime*). The public consultation on the proposal drawn up by Aéroports de Paris feeds the work on the overall competitiveness of the air transport sector, and in particular its contribution to the French economy.

The regulation agreements are important vectors of change for the Aéroports de Paris. Since 2006, when the first ERA came into force, Aéroports de Paris thus radically modernised its infrastructure, for instance the Paris-Charles de Gaulle hub, increasing the airport's capacity by nearly 30 million passengers and significantly improving the satisfaction of its passenger and airline customers (see A3 – *Summary of the 2011-2015 ERA*).

Made possible by the unprecedented motivation of the Group's employees, this metamorphosis was carried out in a difficult economic context. For this reason, since 2010, Aéroports de Paris has been committed to maintaining a moderate pricing policy along with stringent financial discipline.

For the upcoming 2016-2020 ERA, Aéroports de Paris wishes to amplify this strategy:

- by strengthening its fundamentals, particularly in terms of operational reliability and quality of service;
- by positioning itself as a company out to conquer traffic;
- by improving its competitiveness in terms of costs and prices;
- by creating value for the benefit of its customers, partners, shareholders and employees, based on a stabilised regulation framework that embeds trust.

I. Strengthened fundamentals

Aéroports de Paris has the required infrastructure to cope with the growth in traffic. It also has a solid business model and considerable potential on the strength of its land reserves and unique position across the entire airport value chain.

Aéroports de Paris thus intends to make the most of its resources. To this effect, the consolidation of its fundamentals has been set as a priority in the 2016-2020 Economic Regulation Agreement. This involves major efforts in maintenance and regulatory upgrades, the optimisation of facilities and the deployment of service quality standards.

I.A Top priority given to safety and operational robustness

Our relations with our customers and partners must reflect our confidence in the operating security and safety conditions we offer them, the reliability and availability of the equipment, facilities and services that we place at their disposal, and the seamlessness and flawless continuity of our day-to-day operations. This requirement is particularly significant for the 2016-2020 period, given the stiffer regulatory requirements and ageing of the facilities.

ENSURING COMPLIANCE IN TERMS OF SECURITY, SAFETY AND CONTROL OF ENVIRONMENTAL IMPACTS

Over the 2016-2020 period, Aéroports de Paris will have to comply with increasingly stringent regulatory and environmental requirements (see 2.3 – *Regulatory upgrades*).

The investment programme thus includes several regulatory upgrade projects: regulatory upgrade further to the new regulations on runways (providing extra taxiway width in curves, extension of some runways to reduce the risk of longitudinal runway excursion, etc.); regulatory upgrade of the wastewater treatment system at Paris-Charles de Gaulle, ...

Outside the regulated scope covered by this document, major investments will be made in the regulatory upgrade of security equipment (switch to Standard-3 equipment to detect explosives in hold baggage; screening of passengers and cabin baggage for explosives; ending of restrictions on the carrying of Liquids, Aerosols and Gels [LAG]).

RENOVATING OUR FACILITIES

After the creation of major infrastructure over the past 10 years, Aéroports de Paris now wishes to focus on the renovation and optimisation of existing facilities, in order to ensure their safety and robustness (see 2.2 – *Maintenance operations*).

To deal with the growing deterioration of the oldest part of its airport infrastructure and of its IT system, Aéroports de Paris will strive to stabilise the overall condition of Paris-Charles de Gaulle and Paris-Orly over the 2016-2020 period. The level of maintenance required and priorities have been set according to a methodology which takes account of criticality.⁽¹⁾

In addition to the renovation of terminal 2B, Paris-Charles de Gaulle intends to launch the renovation of several runways and aircraft parking areas at both Paris-Orly and Paris-Charles de Gaulle, and invest in the proper upkeep in good operating condition of airport facilities, including IT systems and networks (periodic renewal and heavy maintenance).

(1) TB Maestro methodology.

I.B Optimal use of existing infrastructure

The optimisation of the facilities should remedy the current fragmentation and disparity of the terminals, thus improving operational performance, productivity and quality of service. This optimisation is based on the link-up of the terminals (One-Roof concept), while ensuring an accurate match between airport capacity and the expected increase in traffic over the 2016-2020 period.

SUPPORTING THE GROWTH IN TRAFFIC, PROPELLED BY THE DYNAMISM OF INTERNATIONAL ROUTES

Aéroports de Paris has retained the assumption of average annual growth of 2.5% in passenger traffic over the 2016-2020 period.

This forecast takes account of the eurozone's moderate economic growth prospects as well as the growth prospects of the regions of destination, which are more dynamic, in particular for long-haul routes. It also includes an additional 0.1 point of growth stemming from the expected favourable effect of the civil aviation tax exemption for connecting passengers, adopted within the scope of the second amended Finance Act in 2014.

Given the expected increase in load factor, the average annual growth in the number of movements over the 2016-2020 period is estimated at 0.14%. The downward trend observed over the 2011-2015 period is expected to turn around in the middle of the next ERA period. The total landing weight should also benefit from the increase in the number of long-haul destinations. The average annual increase in the total landing weight should thus be 1.5% (see 1.1 – *Traffic outlook*).

The proposal drawn up by Aéroports de Paris includes a mechanism to adjust the price cap according to the difference between the traffic actually recorded and the initial forecast. This adjustment factor is in line with the specific nature of an airport operator's business model, whose cost structure is not very adaptable to the volume of activity in the short term. Consequently, Aéroports de Paris proposes to define a new zone that will convert the associated penalty into new capacity investments if a sharp rise in traffic requires the provision of new airport infrastructure. The proposed adjustment principle is biased to the advantage of the airlines, in keeping with the principle of equitable sharing of the traffic risk (see 3.4 – *Proposed methods for adjusting the price increase cap*).

REDUCING THE FRAGMENTATION OF THE INFRASTRUCTURE WHILE PROVIDING ADDITIONAL CAPACITY

Based on the traffic forecasts and for optimisation purposes, Aéroports de Paris wishes to pursue an investment policy which will ensure an accurate match between its airport capacity and the expected changes in traffic (see 12 – *Change in capacity*).

At Paris-Orly, the construction of a building between the South and West terminals will overcome the current capacity shortfalls due to increasing traffic. At Paris-Charles de Gaulle, the optimisation of existing facilities will entail the renovation of terminal 2B for its re-opening, as well as the construction of connecting buildings (One-Roof concept) between terminals 2B and 2D and between the international satellites of terminal 1. This will reduce the fragmentation of the infrastructure, something which currently sets Aéroports de Paris apart from its main competitors. It will improve the airports' operational performance and productivity by generating economies of scale, thereby improving the competitiveness of the airlines and the quality of service (see 2.4 – *Capacity optimisation and One-Roof concept*).

The implementation of this strategy will also provide additional capacity through the more intensive use of airport resources, without having to launch into the building of a new terminal at too early a date. Thus the cost of the construction of the connecting buildings, which will increase the capacity of Paris-Charles de Gaulle by 2.5 million passengers, will be lower than that of the earthwork and servicing on the site of the future terminal 4 of which the first phase is due to be delivered in 2025.

This infrastructure optimisation strategy will be based on targeted investments in order to tackle certain capacity constraints in the terminals (refurbishing of terminal 2E, extension of baggage sorting systems of terminal 2E, etc.), as well as in aircraft parking areas (construction of wide body aircrafts areas at Paris-Charles de Gaulle, relocation of the VIP pavilion at Paris-Orly, etc.), and investments to improve aircraft movement (preparatory work for the arrival of the A350 at Paris-Orly; adaptation of taxiways, etc.).

Moreover, Aéroports de Paris proposes to focus on terrestrial access (see section 3.5 – *Access improvement*), in particular by improving road access, this being necessary to maintain the operating conditions of the Paris-Charles de Gaulle airport. Aéroports de Paris also proposes to acquire new trains for the CDG Val line (which provides a link between the Paris-Charles de Gaulle terminals) and rehabilitate the P0 car park at Paris-Orly. Aéroports de Paris is also working on the creation of a direct rail link between Paris and the Paris-Charles de Gaulle airport, named CDG Express, tailored to the needs of air passengers. Over the 2016-2020 period, preparatory work will be carried out on the airport site in readiness for the arrival of the CDG Express by 2023.

ADJUSTING THE TARIFFS STRUCTURE TO ENCOURAGE THE OPTIMAL USE OF FACILITIES

In support of the investment policy, the Group's tariff policy must translate Aéroports de Paris' strategic resolve to optimise its infrastructure. The current tariff structure, which is essentially based on the charges applicable to departing passengers and aircraft landing weight, actually penalises the airlines which use the airport facilities in the most efficient way. This situation is detrimental to the optimisation of infrastructure.

Along with a traffic growth policy (see 3.5 and 3.6 – *Clarifications on changes to the pricing structure – A proposal to introduce financial incentives for the growth of traffic and an improved use of infrastructure*), Aéroports de Paris proposes an in-depth review of its pricing policy in order to optimise the use of time slots, by increasing the portion of the landing fees based on the number of movements, and reducing the portion based on landing weight and promote an increase in load factors by reducing the portion of the fees based on the number of passengers.

In addition to the change in its pricing structure, Aéroports de Paris proposes to bear the full cost of an incentive measure by neutralising its impact on the calculation of the profitability of the regulated scope. This measure, aimed at promoting a more intensive use of the infrastructure, is to reward the rapid turnaround of aircraft.

By promoting an increase in the average load factor at Paris-Orly, i.e. from 121 passengers in 2013 to 155 in 2030, the limit of 250,000 slots a year may not be reached until 2030, instead of 2020, i.e. ten years later.

I.C Guaranteeing a service standard

After a decisive improvement in quality of service over the 2011-2015 period, in particular through new facilities, the company wishes to further strengthen its position over the 2016-2020 period by building on the quality standards implemented to guarantee the service level provided to its customers.

DEPLOYING SERVICE QUALITY STANDARDS

The major efforts made since 2012 to build Aéroports de Paris customer standards now enable us to define the fundamentals of the passenger experience. Standards have been established and are gradually being implemented, in terms of infrastructure and services, as well as operating processes, orientation and hospitality. They ensure accurate tracking and the ongoing monitoring of quality levels.

On this basis, Aéroports de Paris wishes to improve its quality of service through the effective control and continuous improvement of its processes and facilities over the 2016-2020 period. The performance targeted over this period will primarily involve greater regularity and the proactive reduction of situations which downgrade the quality level.

Aéroports de Paris thus proposes to establish "quality standard" indicators related to fundamentals expected by its customers. They concern the standard services provided by all airports to their customers (airlines and passengers) and the levels they are expecting.

IMPOSING TARIFF PENALTIES FOR NON-COMPLIANCE WITH THE STANDARDS

The incentive system associated with these indicators would be based solely on a minimum required level, sanctioned by a tariff penalty where appropriate (see 4.2 – *Proposed indicators and objectives*). To establish these indicators, the expectations voiced by all airline representatives were taken into account.

Accordingly, Aéroports de Paris decided to base the satisfaction indicators on the ASQ survey conducted under the aegis of the ACI⁽¹⁾ rather than on the "Observatoire du passager aérien Départ" (departing passenger survey), as was the case in the previous two ERAs. The advantage of the ASQ survey is that its methodology was approved by the 254 participating airports and that it is managed by ACI-World. It provides airlines with an independent international framework and enables the manager to track the rating of Paris airports in comparison with a reference group. However, it has the drawback of being a departure survey only, and accordingly, the "Observatoire du passager aérien aux Arrivées" (arriving passenger survey) will still need to be used.

Regarding the equipment availability indicators, after having heard the comments concerning the discrepancy between customer perception and the results of the previous ERA indicators, it was proposed to take account of all equipment shutdowns, in particular safety shutdowns, excluding works subject to advance notice.

(1) Airports Council International.

II. A conquering positioning

Air transport is confronted with transformations which have impacts on the traditional model of European airports and airlines. Within this sector, there is ever growing competition among airports, which can no longer be considered as protected players. In order to increase its capacity to capture global growth, Aéroports de Paris thus has to continuously improve its services and the competitiveness of its airports for the benefit of its customers, partners and territories.

With considerable international and connecting traffic, Aéroports de Paris is up against stiff competition. A hub is indispensable to attract and develop international traffic, which is profitable for both airlines and airports. The hub is emblematic of a world-class metropolis and is a major source of employment and economic development. Yet, while the connecting passenger market is growing, French airports are losing market shares, not only to the new international hubs, but also to competing European hubs.

To tackle this challenge, Aéroports de Paris proposes to use all the levers at its disposal over the 2016-2020 period to develop traffic. These levers include: an in-depth review of the pricing policy along with the introduction of financial incentives and the offer of a unique passenger experience.

Aéroports de Paris, which sees itself as a company in competition with other airports, intends to bear the risk and financial impacts of the measures it proposes to implement to develop traffic, in support of its economic model and the competitiveness of the sector.

II.A A pricing strategy in line with the competitive challenges

In addition to the measures laid down as part of the strategy to make more intensive use of its facilities, Aéroports de Paris proposes, during the elaboration of the Economic Regulation Agreement, to thoroughly review its pricing policy in order to improve its position in relation to its direct competitors, in particular in the intercontinental traffic segment, as well as improve the attractiveness of Paris as an aircraft base. It also intends to make its price structure clearer.

CREATING A PRICING TREND WHICH PROMOTES THE GROWTH OF LONG-HAUL TRAFFIC

While the level of airport fees is generally competitive when compared with those of similar European airports, given the existence of a moderate pricing policy, the current pricing structure is detrimental to the ambition of Aéroports de Paris to firmly establish itself as a leading international hub.

Due to low Schengen rates charged in Paris, competing European hubs are thus fed by the Paris airports. On the other hand, Paris charges less competitive prices for long-haul traffic which are not ideal to capture international traffic. In other words, the strong competitive position of the Parisian airports for intra-European traffic – a market which is generally mature – is achieved at the expense of its competitiveness on the international segment, a growth market for all French air transport players.

Aéroports de Paris thus proposes to review the profiles of the three main fees (passenger, landing and parking) for the 2016-2020 period, in order to restore a trend based on market share growth in intercontinental traffic.

The tariff structure adjustment consists in lowering passenger-based fees on all routes (Schengen and international) and, at the same time, substantially raising aircraft parking and landing fees. The fixed portion of the landing fee is set to increase sharply while the variable portion would be reduced.

For medium-haul airlines, the impact of the rise in landing fees will be offset if they have a high payload. As for long-haul traffic, the impact of the new pricing structure on both passenger fees and aircraft fees will boost the attractiveness of Paris for international traffic.

By choosing to increase the weight of aircraft-based fees in the tariff structure, while lowering passenger fees, Aéroports de Paris favours the competitiveness of airlines to the expense of a portion of its revenue drivers linked to the increase in traffic, as the passenger base is more dynamic than the movement and landing base. The review of the tariff structure is conducted under neutral economic conditions for the first year of its entry into force. Over the next years, Aéroports de Paris assumes the economic risk of the deformation of its price scale, considering it as an investment in the development of the aviation sector.

REMOVING NIGHT PARKING CHARGES FOR CARGO AND PASSENGER AIRCRAFT BASED ON SITE

Based airlines are an asset to the regional employment. To promote their growth, we propose to remove night parking charges on aircraft based on site, on the example of a certain number of competing airports. To make up for this loss of revenue and ensure economic neutrality for Aéroports de Paris, the daytime contact parking fee would increase.

This measure would have a favourable impact on employment due to the increased presence of aircraft based on site and the positive effects on freight activity. It would also allow medium-haul airlines, by leaving at the crack of dawn, to increase their number of daily turnarounds in Paris airports.

SIMPLIFYING AND IMPROVING THE CLARITY OF THE PRICING STRUCTURE

Taking into account the common request for a simpler pricing policy, Aéroports de Paris proposes:

- to include the fixed portion of the de-icing fee charged on landing in the fixed portion of the landing fee. The variable portion, invoiced on a fee-for-service basis, would be maintained;
- to modify the charges for the handling of connecting passenger baggage at Paris-Charles de Gaulle by setting up an ancillary fee applicable to the connecting passenger. This measure will allow for fair billing and help to assign airlines within the terminals. It will have absolutely no impact on airlines not operating in connecting traffic.

II.B The establishment of powerful incentive measures

Aéroports de Paris aims to implement a tariff policy with greater incentivisation in growth markets, and to reward companies with high performance. While not denying the legitimacy of a regulatory mechanism, the current competitive environment leads Aéroports de Paris to propose that the cost of these measures not be included in the calculation of the profitability of the regulated scope.

ENCOURAGING THE GROWTH OF TRAFFIC

To encourage growth in traffic and better use of infrastructure, the previous economic regulation agreement included an adjustment of the passenger-based fee regardless of the traffic type ("origin-destination" and "connecting"). Aéroports de Paris proposes to implement two distinct incentive measures, specific to the two categories of traffic:

- a reduction of 30% on the origin/destination passenger fee on traffic which increases by more than double the annual growth rate of the agreement's reference traffic;
- an exemption of connecting passenger and baggage fees for all growth in connecting passenger traffic and baggage.

The reduction of 40% on the fee per connecting passenger compared to the "origin-destination" passenger fee, with respect to services provided for each of these two categories of traffic, would also be maintained.

BEARING THE FINANCIAL COSTS OF THESE INCENTIVE MEASURES

It is proposed that the incentive measures for the development of air traffic or the optimisation of the use of its platforms not be taken into account in the income statement of the regulated scope, and hence in the calculation of its profitability.

Thus, as part of the convergence between the ROCE of the regulated scope and the weighted average cost of capital of the Group, the effect of this proposal will be that not re-invoice to airlines via the general tariff increases, all the incentives granted to certain of them to develop the traffic of the most promising bundles or reward performance of the companies. In this way, Aéroports de Paris will bear the financial costs of its strategic development decisions.

OFFSETTING THE EFFECTS OF THE CIVIL AVIATION TAX EXEMPTION FOR THE CONNECTING PASSENGERS IN ADVANCE

Adopted with the active support of Aéroports de Paris, the exemption from civil aviation tax for connecting passengers, which was the first of its kind in Europe, will reduce our competitive disadvantage in this traffic segment with respect to other European hubs.

In order that the French aviation industry may benefit from the profits of this measure and offset this cost fully and effectively on the price of tickets, Aéroports de Paris proposes to take the additional traffic that is likely to generate into account in its forecasts. This measure would allow, allowing thereby a price adjustment equivalent to 0.1 point in annual growth for all airlines.

As with other measures, Aéroports de Paris proposes to fully bear the risks linked to the effects of this measure.

II.C An increasingly distinctive passenger experience

The internationally renowned airports considered as among the world's best have developed distinctive features which underpin their brand identities, each with their own areas of excellence which build their reputations. Aéroports de Paris wishes to offer its customers a unique experience in its airports in order to enhance their reputation, and thereby their appeal. To do this, it is appears necessary to federate the entire airport community around priority areas of excellence, which will increase the impact and understanding of such measures.

DEVELOPING THE DISTINCTIVENESS OF OUR CONNECTING TRAFFIC

In line with the strategy, the major area of improvement in customer satisfaction for the 2016-2020 ERA will be connections. This will require the improvement of facilities (transit hubs, review of certain pathways, etc.) and the provision of attractive and distinctive services:

- the “Centre de Correspondance Longue” (area for long connections), set to open in 2016, will include hotel services, restaurants, relaxation facilities, and a variety of original services provided free of charge and renewed on a regular basis;
- another priority, to be implemented by the Orientation team set up in 2013, will be to make it much easier for connecting passengers to find their way. Over the 2016-2020 period, special emphasis will be placed on the fluidity of checks dedicated to transit pathways, and on the speed of links between terminals.

CREATING AN INCENTIVE MECHANISM TO ENCOURAGE EXCELLENCE

Aéroports de Paris' conquering positioning aims to stand out from its competitors and requires the implementation of ambitious targets. In addition to the “standard” quality of service indicators, indicators of “excellence” will be put in place where a significant improvement is expected, as in the case of connections, and/or when the target level represents a level of excellence in comparison with other European airports.

The system of incentives associated with these indicators should be based both on minimum requirement levels below which penalties would be applied to Aéroports de Paris, and the surpassing of a high level of ambition, rewarded with bonuses (*see 4.2 – Proposed indicators and targets*).

IN ADDITION TO THE ERA, STRENGTHEN COLLABORATIVE APPROACHES

Aware that quality of service cannot be limited to indicators and backed by strong progress made during the first two ERA, Aéroports de Paris proposes, in order to continue improvements to the passenger experience, to select collaborative methods for quality improvement, an area in which no one party alone has the means sufficient to significantly influence customer perception. This approach, which does not fall within the scope of the economic regulation agreement of Aéroports de Paris, will form the basis of initiatives in mid-2015 (*for more details see 4.3 – Joint collaborative approach in addition to the ERA*).

III. Enhanced competitiveness

While guaranteeing its customers robust and high-quality service and by proactively seeking to increase traffic, Aéroports de Paris intends to implement the measures necessary to ensure its competitiveness in terms of costs and prices over the 2016-2020 period.

To this effect, and after an in-depth study of the position of Aéroports de Paris in relation to its main competitors, in terms of both infrastructure and operating costs, the company has opted for a major investment programme which places pre-eminent emphasis on cost control. This is the only strategy which can improve the competitiveness of Aéroports de Paris on the short, medium and long terms.

III.A A major investment plan to foster competitiveness

To improve its competitiveness, Aéroports de Paris has decided to implement an ambitious investment plan but with well managed costs.

INCREASE INVESTMENT IN COMPETITIVENESS

The investment plan proposed by Aéroports de Paris represents work requirements to ensure safety, to cope with increased traffic and to reduce the operating costs of airlines:

- for the airport, this driver appears crucial to capturing growing traffic, while our major competitors, such as London-Heathrow and Frankfurt airports, have invested heavily over the past decade and will continue in their efforts. In addition, the upgrade of existing infrastructure is absolutely essential to ensuring security, robustness, flexibility of operation and its adequacy in view of the changing expectations of our airline and passenger clients;
- for our airline clients, investments carried out by Aéroports de Paris are an important support in reducing their operating costs, since a high level of infrastructure allows them to limit or even reduce their expenses. This is the case, for example, in the installation of self-boarding counters, the construction of baggage sorters or the deployment of guidance lights;
- for the regions, given the current weak economic growth, investment in infrastructure is a key support for growth both through the direct local employment it generates and the positive influence on the competitiveness of the economic fabric surrounding the airport.

The investment plan in the regulated scope would undergo a net increase from 2 billion euros over the 2011-2015 period to 3.1 billion euros over the 2016-2020 period. This increase is warranted by the priorities related to maintenance, optimisation of the infrastructure and the implementation of facilities to improve the operational efficiency of airlines (see 02 – *Investment programme*).

INTENSIFY COST MANAGEMENT OF INVESTMENT EXPENDITURE

While it is ambitious, the extensive iterative process which informed this plan led to a more detailed understanding of requirements according to the strategic choices of the Group and the optimisation of project costs and expenses (see 3.1 – *Key figures of the investment program*). These optimisation efforts include:

- the prioritisation of investment projects: capacity optimisation and “One-Roof” principle to reduce costs and gain flexibility;
- a benchmark with similar projects at other airports and pressure on project costs, as with the expertise of the junction building linking the South and West terminals at Paris-Orly;
- a flat-rate reduction of up to 15% of the unit cost of all projects through a budget constraint, leading to a review of some constructive procedures and the procurement policy (better allocation and transition to design/development, etc.);
- pressure on project expenses, assuming a reorganisation of internal processes.

Finally, and in continuity with the 2011-2015 ERA, it is proposed to extend the principle of an adjustment factor prompting Aéroports de Paris to meet a delivery schedule for structural projects (see 3.4 – *Proposed methods for adjusting the price increase cap*).

III.B An unprecedented effort to control operating expenses⁽¹⁾ in the regulated scope

For the airport, cost control is a guarantee of competitiveness and profitability. It is also a key factor of its independence and to protect its business model which creates value for shareholders. For airlines, because of the sensitivity of the profitability of the regulated scope to changes in operating expenses, cost control is a determining factor for moderate pricing (see section 5.5 – *Sensitivity Analysis*).

CONTAINING PRICE INCREASES

Aéroports de Paris is working with a proactive and ambitious scenario for managing current expenses in order to meet the standards of comparable European airports. The adjusted-till system allows the airport manager to identify measures required in aeronautical activities.

While the mechanical growth in current expenses within the regulated scope would total close to 4.4% particularly in view of provisions relating to payroll, indexation clauses in outsourcing contracts, change in traffic and capacity increase, Aéroports de Paris proposes to initially limit this increase to 3.4%.

This scenario is founded on a limitation of the general wage increases and a hypothesis of non-replacement of one out of two leaving staff. Aéroports de Paris has set itself an additional objective in terms of structural savings by targeting an average annual increase of 2.5% in the operating expenses of the regulated scope⁽¹⁾. This proposal is established on the assumption of an average annual increase of 1.3% in the consumer price index (see section 5.2 – *Change in operating costs of the regulated scope*).

To achieve this ambitious goal, and following the efforts made between 2012 and 2015 in terms of purchasing policy, savings over the 2016-2020 period will take three main forms: an adjustment of the remuneration policy, an overhaul of the organisation of the business and a review of activities with the aim of consolidating its core business activity.

PENALISING NON-COMPLIANCE WITH THE COST PLAN WHEN NECESSARY

Given the importance of this factor in the overall balance of the 2016-2020 Economic Regulation Agreement, Aéroports de Paris proposes to implement a price ceiling adjustment factor linked to the increase in the cost/revenue ratio of the regulated scope. This would take the form of a penalty. In other words, if the ambitious cost plan proposed by Aéroports de Paris were not met, Aéroports de Paris would be doubly penalised: firstly through the penalty imposed on the increase in tariffs provided for in the agreement and secondly through higher than expected costs (see 3.4.1 – *Adjustment linked to cost control*). To obtain a fair return on the capital invested, significant additional compensation efforts would thus be required.

III.C Boosting the competitiveness of tariffs

Building on its financial discipline, Aéroports de Paris proposes to implement a moderate pricing policy for the pricing periods covered by the next economic regulation agreement.

This policy would result in an annual increase in fees of the rate of inflation plus 1.75 points over the 2016-2020 period (see 3.2 – *Proposed average adjustment of fees subject to the cap*).

The tariff path proposed by Aéroports de Paris is thus less than that over the last two years of the 2011-2015 Economic Regulation Agreement (CPI +2.2%) while the investment plan is higher and traffic forecasts are lower.

⁽¹⁾ Internal regulated costs and external regulated costs excluding depreciation and taxes.

IV. A stabilised regulated framework which creates value

The economic regulatory framework provides the visibility and stability required for the appropriate level of financing of aviation activity and encourages, through the adjusted-till system, the optimisation of the various activities of the Aéroports de Paris Group.

Aéroports de Paris's proposal for the regulatory framework in the 2016-2020 period creates value for the company, but more generally, creates value for all stakeholders in the airline industry and the territories through performance and competitiveness incentive measures inherent in the framework.

To promote the competitiveness of the airline industry, Aéroports de Paris has developed a balanced proposal which combines significant investment efforts while reducing their unit costs, improvements to the profitability of the regulated scope, productivity efforts allowing for a moderate pricing policy.

IV.A The target of fair return on capital employed in 2020

In the context of the five-year economic regulation agreement signed with the State, Aéroports de Paris is authorised to raise the main aeronautical fees as well as certain ancillary fees up to a defined cap. The level of fees takes into account the return on the capital employed and allows the profitability of the regulated scope to gradually improve. These price changes are associated with the implementation of an investment program, and service quality commitments (see A1 – Economic regulation of Aéroports de Paris).

ENSURING FAIR RETURN ON CAPITAL INVESTED IN THE REGULATED SCOPE, IN TERMS OF COST OF CAPITAL

The law of 20 April 2005 provides that the amount of aeronautical fees must reflect the return on capital employed. The decrees and implementing orders specify that the fair return on invested capital is assessed by comparing the level of the weighted average cost of capital (WACC) for the Group and the return on capital employed (ROCE) for the regulated scope.

Each year, Aéroports de Paris produces documentation relating to the profitability levels of the regulated scope. In 2013, while the WACC amounted to 6.1%, the ROCE of the regulated scope stood at 2.9%. In other words, Aéroports de Paris has seen a destruction of value in its regulated scope, which represents its core business.

This is explained by the fact that the 2011-2015 ERA was designed as a transitional agreement including moderation tariffs following the establishment of the adjusted-till system. Aéroports de Paris has made a significant effort: rate freeze in 2010 (while the cap allowed an increase of more than 10%) and moderate tariffs in the early years when the investment program was at its highest. Furthermore, the performance of the 2011-2015 ERA has not reached its initial target regulated scope particularly because of the level achieved in passenger traffic well below forecasts deductions and a significant increase in taxes (see A3.6 – Change in economic performance).

ACHIEVING FAIR RETURN ON CAPITAL IN 2020 AND NOT ON AVERAGE OVER THE PERIOD

In the light of market parameters, the WACC of Aéroports de Paris is estimated for the 2016-2020 period, central, nominal value after tax at 5.8% (see 5.1 – *Weighted average cost of capital*).

The level of profitability of the regulated scope expected end of 2015 is projected at 3.8%. Aéroports de Paris will adjust, as of 2016 and following a review of the key areas of cost accounting carried out by the Airport Consultative Committee (Cocoaéro)⁽¹⁾, its methods of asset and expense allocation for common terminal building surfaces and roads and access. Without modification to the definition of the regulated scope, these measures will entail the transfer of part of the asset base as well as costs related to the non-regulated scope, improving the profitability regulated scope by 0.5 points (see 5.4 – *Change in regulated operating income and the regulated asset base* and A.4 – *Principles used in preparing the financial statements of the regulated scope*).

For the 2016-2020 Economic Regulation Agreement, Aéroports de Paris aims to generate, by the end of the agreement, a return on the regulated scope equal to the Group's weighted average cost of capital, in order to apply the legislative principle of fair return on capital employed.

However, in order to reconcile its objectives of profitability and competitiveness, Aéroports de Paris waives the contractual proposal of average fair return in order to ensure the achievement of this level of profitability by the end of the agreement in 2020.

IV.B An effort-sharing approach

The objective of fair return on capital employed will be part of an effort-sharing approach between Aéroports de Paris and airlines. The adjusted-till system enables the fee levels to provide a price signal more directly related to the cost of infrastructure and aviation services, promoting sound and responsible economic behaviour both on the part of the airports manager and airlines.

Indeed, airlines are given responsibility for the profitability of aeronautical investments and receive interest on business growth opportunities (traffic increase) and the improvement of the performance of services provided in airports.

Aéroports de Paris is encouraged to control its operating costs, as evidenced by the company's strategy over the 2011-2015 period with the launch of a savings and modernisation plan, a voluntary departure schema and an capex control plan, as well as its reinforcement over the 2016-2020 period (see above).

For Aéroports de Paris, the balance of the next agreement is based on a twofold assumption of responsibility by all players:

- on Aéroports de Paris' part, through proactive efforts to increase traffic (see above, a positioning conquest) and greater financial discipline (see above, enhanced competitiveness);
- on the part of the airlines, through the acceptance of price increases related to investments from which they benefit, especially when this return concerns infrastructure already deployed or covers investments which reduce the operating costs of airlines.

In this context, and with reference to a cost of capital of 5.8%, Aéroports de Paris is committed to making significant efforts, more substantial than those asked of the airlines, by:

- showing unprecedented financial discipline;
- bearing the cost of its strategic choices by funding the incentives for the development of traffic in the non-regulated scope, equivalent to an additional 0.3 points of annual price growth.

In addition to these efforts, Aéroports de Paris takes into account, in order to ensure the balance of the 2016-2020 ERA, a number of provisions the effects of which are exclusively in the hands of airlines. This relates in particular to:

- an expected increase in traffic after the granting of the civil aviation tax exemption measure for connecting passengers, equivalent to 0.1 point of annual price growth;
- risk-taking on the revenue trends, compared to a business as usual price structure scenario.

(1) Notice of the Official Journal of 24 October 2014.

IV.C Close consultation with the airport community

The experience of the 2011-2015 Economic Regulation Agreement (ERA) and preparing this document underlines the usefulness and importance of regular in-depth dialogue between infrastructure managers and the airport community on investment projects, to make sure they address the need for capacity, operating efficiency of the airport and airlines and passenger expectations. The economic consultative commissions for Ile-de-France airports could, besides their existing brief to consult and inform, act as a forum for discussing progress on the investment plan over the lifetime of the ERA, covering topics such as the progress of major projects and any changes to asset allocation methods within the regulated scope.

IV.D A proposal combining investment, profitability and moderation in tariffs

As a result, through the well-balanced efforts required from each of the stakeholders in this proposal, this ERA will allow for the realisation of an ambitious investment plan, along with a return on the capital employed in the regulated scope equal to the Group's weighted average cost of capital in 2020 (5.8%), and moderate pricing for airlines.

In this regard, Aéroports de Paris' proposal forms the balanced plan of an ambitious company for the development of air transport, the economy and employment.







Part 2

Detailed proposal of Aéroports de Paris

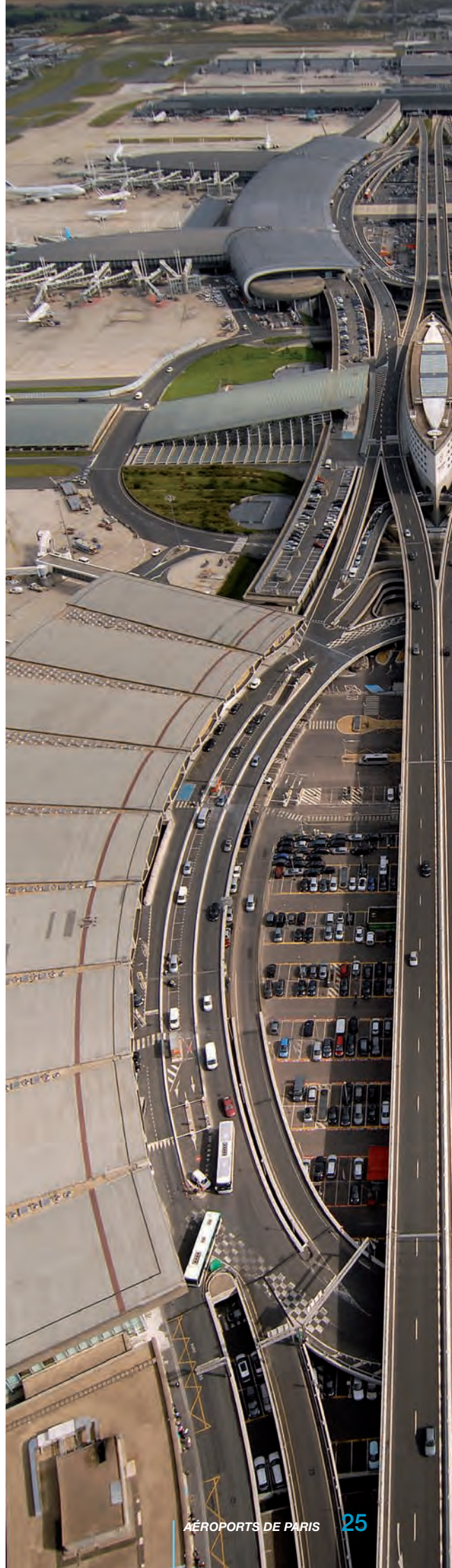
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01

Traffic and capacity

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1.1 Traffic outlook

The traffic forecasts relate to the expected change in the number of passengers, number of air traffic movements (ATM) and landing weight over the 2016-2020 period.

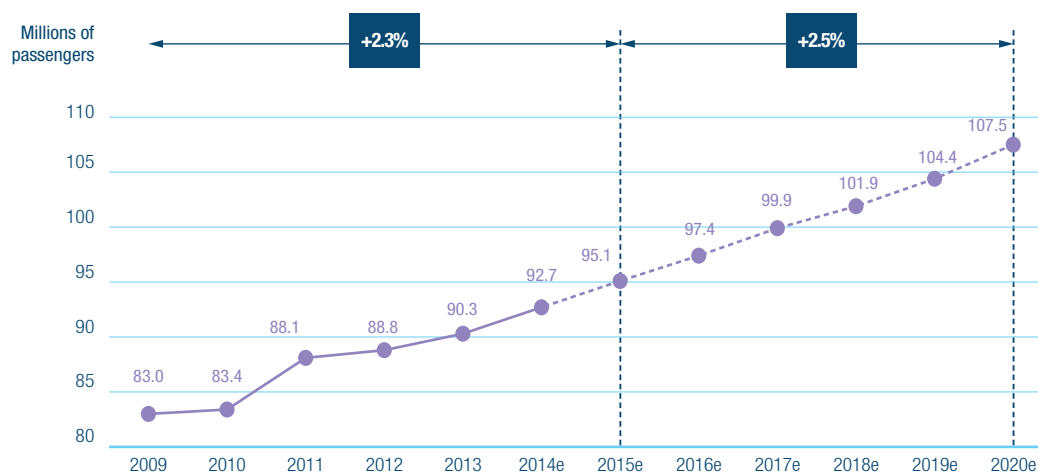
Concerning the change in passenger traffic over the 2016-2020 period, the proposal of Aéroports de Paris takes the following into account:

- eurozone economic growth prospects marked by a deepening economic crisis in the aftermath of the 2009 financial crisis;
- growth prospects which are more dynamic in the regions of destination, in particular for long-haul routes.

The change in the domestic market takes account of the development of high-speed rail on certain destinations over the 2016-2020 period, which will obviously capture part of the traffic and thus have a negative impact on the airlines' flight schedules for those destinations.

Taken on their own, these macroeconomic elements would prompt Aéroports de Paris to retain an assumption of an average increase of 2.4% in passenger traffic over the 2016-2020 ERA period. This scenario was presented to the members of the Economic Consultative Commission and drew no special observation on their part.

Aéroports de Paris also wishes to take account of the expected favourable effect of the civil aviation tax exemption for connecting passengers, adopted within the scope of the second Amending Finance Act of 2014, which will come into full effect on 1 January 2016. This exemption, which will promote the development of the entire French air transport industry, could have a positive effect on traffic, with an expected increase of 0.5 million passengers in 2020, i.e. additional annual growth of 0.1%. This brings the average traffic growth forecast to 2.5% a year over the 2016-2020 ERA period.

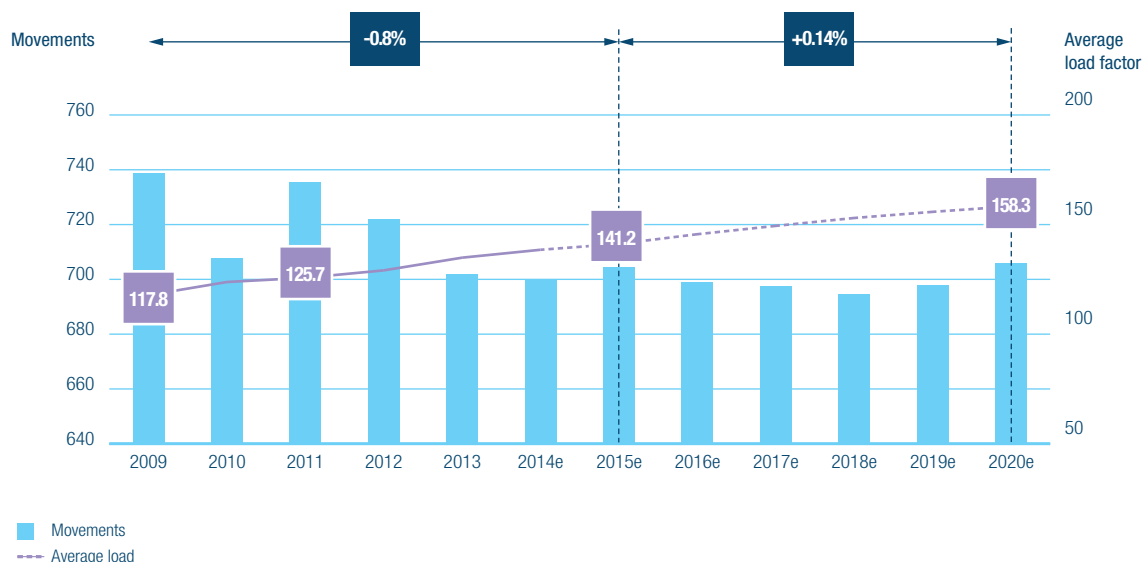


In terms of traffic structure, this forecast is based on growth driven by the dynamism of international traffic, which benefits from the economic development of the destination regions and enables the Paris-Charles de Gaulle hub to capture both direct flows and connecting flows.

| Passenger traffic | AAGR, 2016-2020 ERA |
|-----------------------------|---------------------|
| National | 0.1% |
| Schengen | 2.6% |
| EU, EEA, outside Schengen | 1.6% |
| French Overseas Territories | 1.3% |
| International | 3.6% |
| TOTAL | 2.5% |

In terms of aircraft movements, the increase in the average load factor should be in line with the situation observed over recent years:

- at Paris-Orly, the load factor is expected to increase from 128 passengers per movement (excluding cargo) in 2015 to 138.5 in 2020, as the growth in passenger traffic will mainly stem from the increase in the size of the aircraft and from higher fill rates but will not be affected by the limitation of 250,000 time slots allocated per year;
- at Paris-Charles de Gaulle, the positive trend for long-haul destinations and the upscaling of aircraft on all routes are expected to raise the average load factor from 148.3 in 2015 to 168.6 in 2020.



Given the expected increase in the average load, the average annual growth in the number of movements is expected to be 0.14% over the 2016-2020 ERA. The number of movements is expected to pick up from the second half of the 2016-2020 ERA.

The total landing weight should benefit from the increase in the relative number of long-haul destinations. The average annual landing weight should increase by 1.5% over the 2016-2020 period.

After the decline recorded over the past five years, business traffic at Paris-Le Bourget is expected to return to a growth path over the 2016-2020 ERA, with average annual growth of 1.9% in the number of movements.



1.2 Change in capacity

Over the 2016-2020 period, Aéroports de Paris wishes to pursue an investment policy which will ensure an accurate match between its capacity and the expected change in traffic. This strategy involves the optimisation of existing infrastructures. It rules out the construction of any new terminals.

It includes the renovation of certain terminals, targeted investments to tackle certain capacity constraints and the construction of junction buildings between terminals at both Paris-Charles de Gaulle and Paris-Orly. Here, in the light of the experience gained with the junction of terminals 2A and 2C, this would reduce the fragmentation of the infrastructures – something which sets Aéroports de Paris apart from its main competitors – which penalises our operating performance, productivity and quality of service.



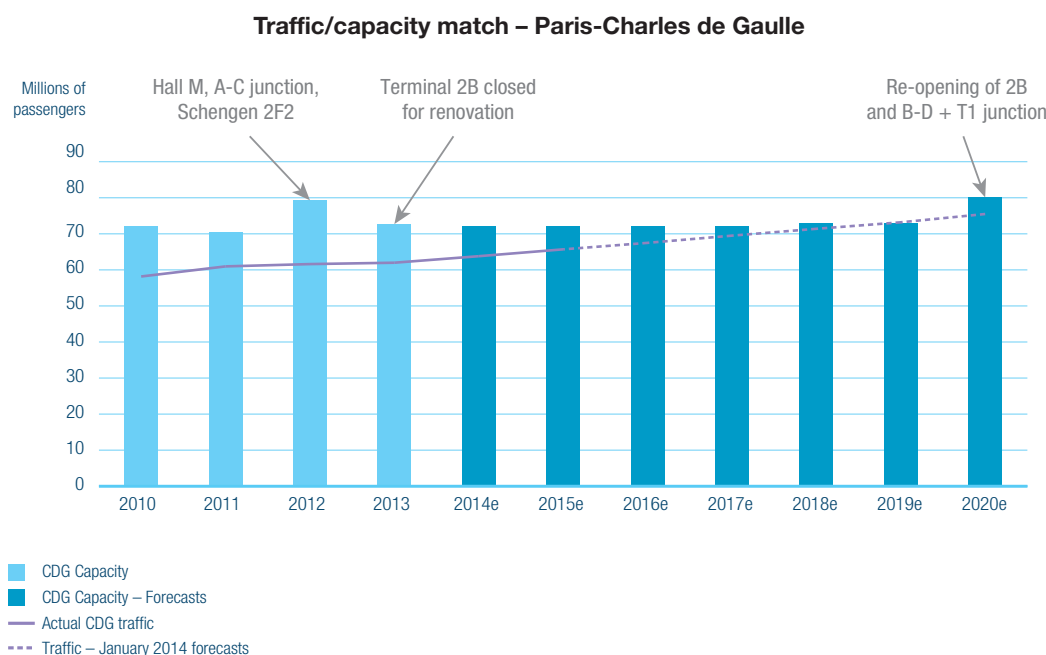
1.2.1 Change in the capacity of Paris-Charles de Gaulle terminals

The major structural investments made at Paris-Charles de Gaulle over the past ten years now provide the required flexibility for the renovation/improvement of existing facilities. The need for additional capacity over the 2016-2020 period can be covered by the more intensive use of airport resources.

The total capacity of the Paris-Charles de Gaulle terminals (currently 72.2 million passengers) will make it possible to cover its capacity needs until 2020 through targeted renovation and optimisation operations. Thus, in order to enable airlines and alliances to develop within a specific terminal, to authorise the opening of new lines and to support traffic growth, in particular at peak times and for wide body aircrafts, it is necessary to:

- renovate terminal 2B (currently closed) and part of terminal 2D;
- create a junction building between terminals 2B and 2D;
- merge international satellites of terminal 1.

After the delivery of these facilities, the capacity of the Paris-Charles de Gaulle terminals should be **around 80 million passengers per year starting in 2020**.



The capacity assessment, presented here in a nominal way, reflects a balance between airside capacity, defined as the number of aircraft stands and their performance driven by the number of aircraft stands and the capacity and frequency of associated aircraft (rising with the average size of aircraft), and landside capacity for which performance can be improved through the progressive optimisation of passenger flows and the technological upgrade of the check-in, baggage-handling and boarding systems.

It does not take account of any reductions in traffic peaks due to the extension of the daily high-activity period, set to increase annual capacity on a like-for-like basis (same facilities and aircraft sizes).

The various investments planned in the 2016-2020 ERA are aimed at improving performance in terms of airside capacity by creating new aircraft stands (re-opening of terminal 2B, creation of wide body aircrafts parking areas), or at improving the performance of existing stands by optimising the facilities (connection of terminals 2B and 2D, merger of the international satellites of terminal 1), or at achieving a better match between existing landside and airside capacity (extension of the baggage sorter of terminal 2E, pooling of passenger flows in connecting buildings).

After 2020, the Paris-Charles de Gaulle site plan provides for the construction of a terminal 4 to the north of the Roissypôle area, whose phased-in capacity could eventually reach some 30 to 35 million passengers.

The number of movements (i.e. 118 movements per hour by the summer of 2015), should further increase over the 2016-2020 period, as the two parallel runways of Paris-Charles de Gaulle will allow 130 movements per hour at the end of this period.

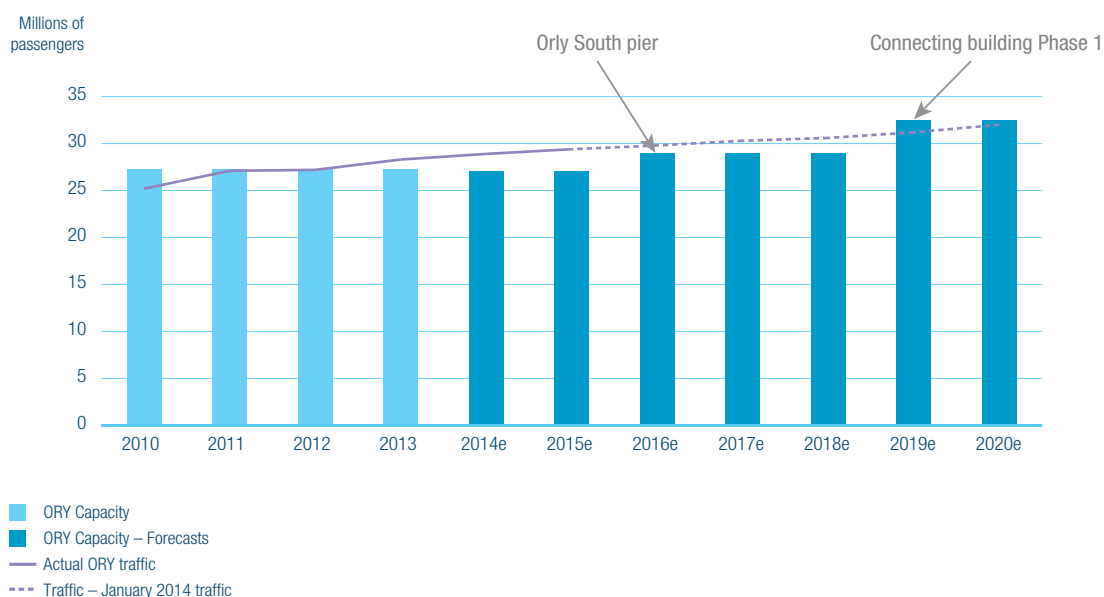
1.2.2 Change in the capacity of Paris-Orly terminals

The capacity of the Paris-Orly airport terminals is currently estimated at around 27 million passengers, including 16.5 million passengers at Orly West and 10.5 million passengers at Orly South. To meet the requirements associated with the development of traffic, the modernisation/improvement of the infrastructures must be supported by the creation of additional annual capacity.

Aéroports de Paris launched the “Paris-Orly, a new departure” project to not only to optimise passenger flows but also adapt and offer more flexibility to Schengen/non-Schengen passenger flows, in particular for the central area, the junction building that will join the two currently separate terminals of Orly South and Orly West.

Paris-Orly's capacity will increase in 2016 through the commissioning of the “East Pier” (consisting of a new boarding room and aircraft stands for wide body aircrafts) capable of handling an additional 1.9 million passengers. In 2019, phase one of the connecting building will provide additional capacity of 3.5 million passengers a year and will improve the passenger accommodation capacity from IATA D standard to IATA C.

Traffic/capacity match – Paris-Orly



The gradual increase in average aircraft size and changes in check-in and boarding technology could lead to an upward review of these capacities. The runway system of the Paris-Orly airport is capable of handling the expected traffic growth. However, the regulatory cap of 250,000 landing and take-off slots imposes a high increase in the average payload in order to limit the number of movements while accommodating the expected traffic growth. The current forecasts are compatible with this limitation up to 2020.

02

Investment programme

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The figures presented in this document concern the regulated scope only. They either cover the entire investment project, where the project is fully allocated to the regulated scope, or the part of the project relating to the regulated scope established using analytical keys (see details in Part 5.4 and appendix A.4). In this regard, Aéroports de Paris proposes, through the review of the key areas of cost accounting carried out by the Airport Consultative Committee (Cocoaero), to adjust its methods of asset and expense allocation for common areas of terminal buildings, roads and access. This would reduce the 2020 regulated asset base by over €300 million.

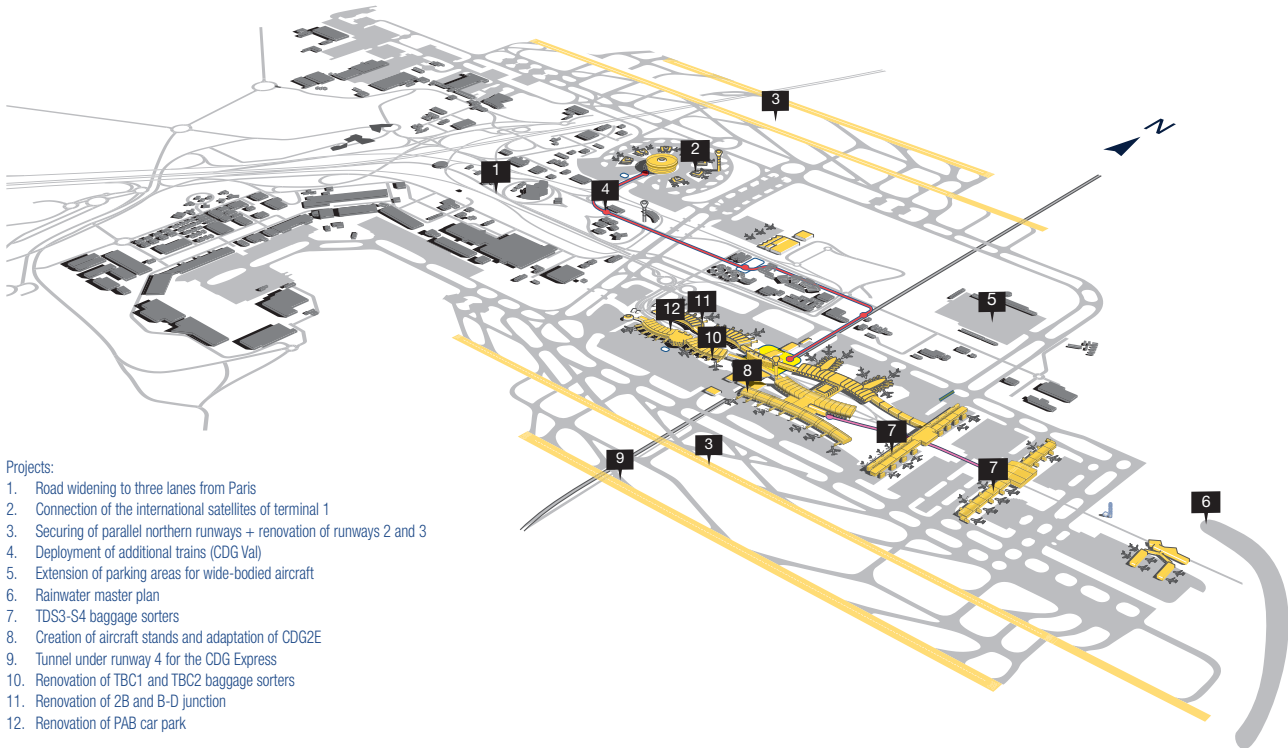
While ensuring aeronautical safety, the 2016-2020 investment programme proposed by Aéroports de Paris will make it possible to cope with the increase in traffic and improve operational efficiency for airlines and airports alike. It amounts to €3,068 million (2014 euros), representing a significant increase compared with the 2011-2015 period, due mainly to the increased focus on infrastructure maintenance and optimisation.

Aéroports de Paris SA investment programme of the 2016-2020 CRE– Regulated scope

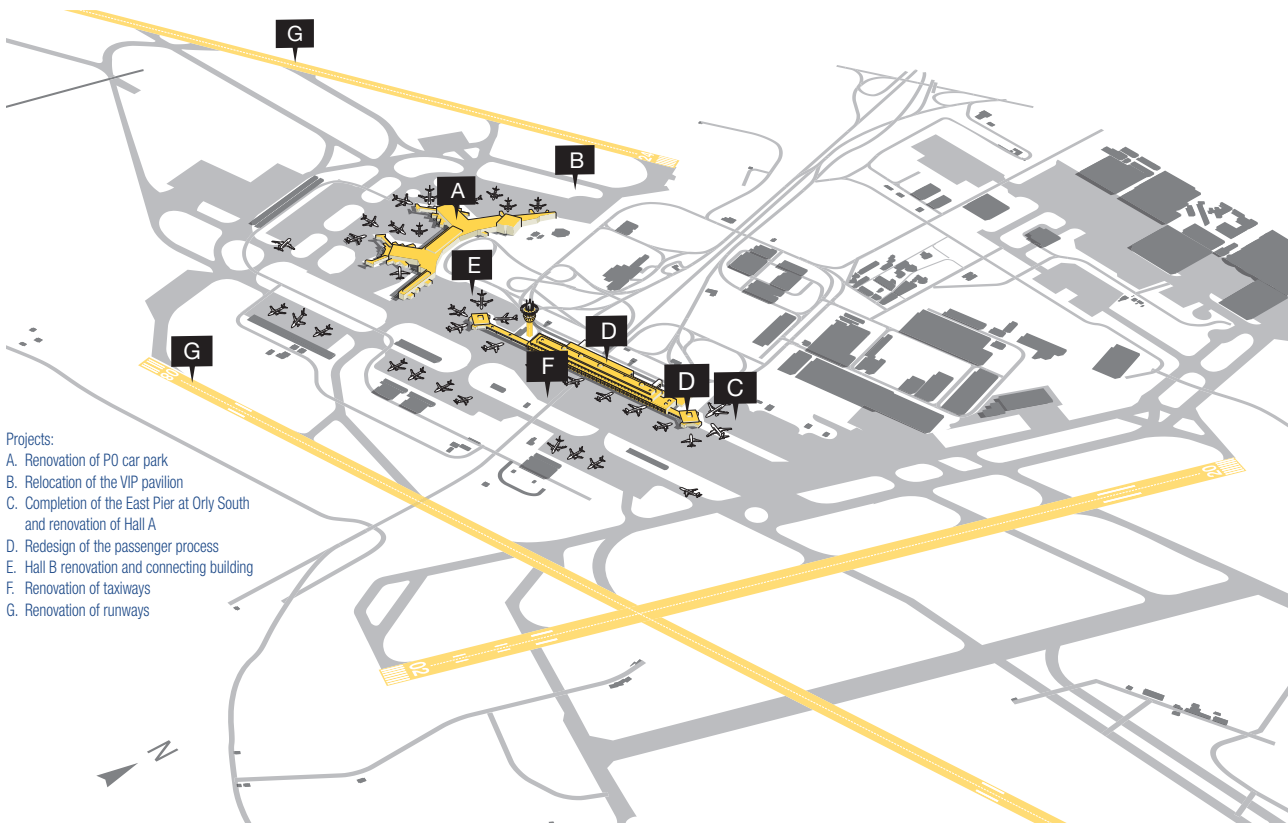
(in 2014 € millions)



Mapping of investments planned for the Paris-Charles de Gaulle airport



Mapping of investments planned for the Paris-Orly airport



2.1 Investment programme key figures

The investment plan comprises choices and sacrifices, from an iterative process which has given us a better grasp of each business line's investment needs, in keeping with the Group's strategic choices, and has enabled us to optimise project costs and expenses (see insert).

Aéroports de Paris firstly proposes to invest heavily in the upkeep of its buildings rather than letting them decay until demolition and reconstruction are required. The proposed maintenance investments amount to more than €1 billion. The amount proposed for Paris-Orly is particularly significant, with a budget of almost three times that of the previous ERA.

Aéroports de Paris also intends to push ahead with the One-Roof concept to overcome the structural handicap caused by the fragmentation of the terminals. To this effect, three key projects are planned: the link-up of the South and West terminals at Paris-Orly, and the link-up of terminals 2B and 2D for Paris-Charles de Gaulle, and that of the international satellites of terminal 1. These investments of around €720 million will increase flexibility, operational reliability and quality of service. They will also reduce operating costs for the company and for the airlines. Furthermore, they will enable Paris-Charles de Gaulle and Paris-Orly to meet additional capacity needs by the end of 2016-2020 ERA (see 1.2) generated by the increase in passenger traffic.

Moreover, Aéroports de Paris intends to boost the competitiveness of the hub and various processes against a background of growing competition and changing expectations on the part of passengers and airlines. These investments, which amount to around €650 million, will concern facilities such as the S3 and S4 baggage sorting systems, the wide body aircrafts areas, the deployment of guidance lights, improvements to the 2E-2F complex, the renovation of the lounges and the set-up of airline support measures for self-boarding gates.

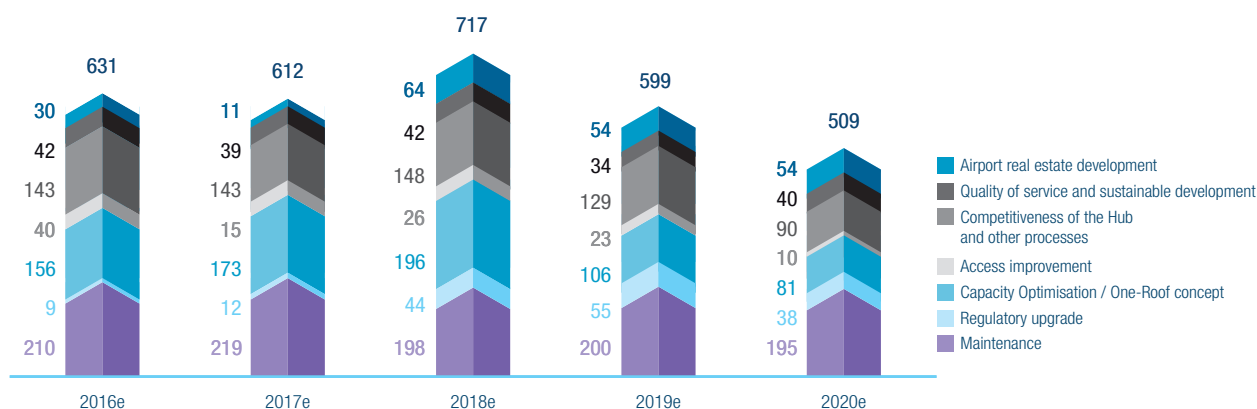
The ERA will also focus on overland connections with the revival of the CDG Express project, the improvement of Paris-Charles de Gaulle's western road access and secondary road network, the creation of a taxi base and the rehabilitation of the P0 car park at Paris-Orly.

Other investments proposed by Aéroports de Paris concern quality of service, sustainable development, airport real estate (in particular to meet the requirements of the freight activity) and regulatory upgrades. With the aim of pushing ahead with the efforts already initiated, the overall total of these investments will be practically identical to that of the previous ERA.

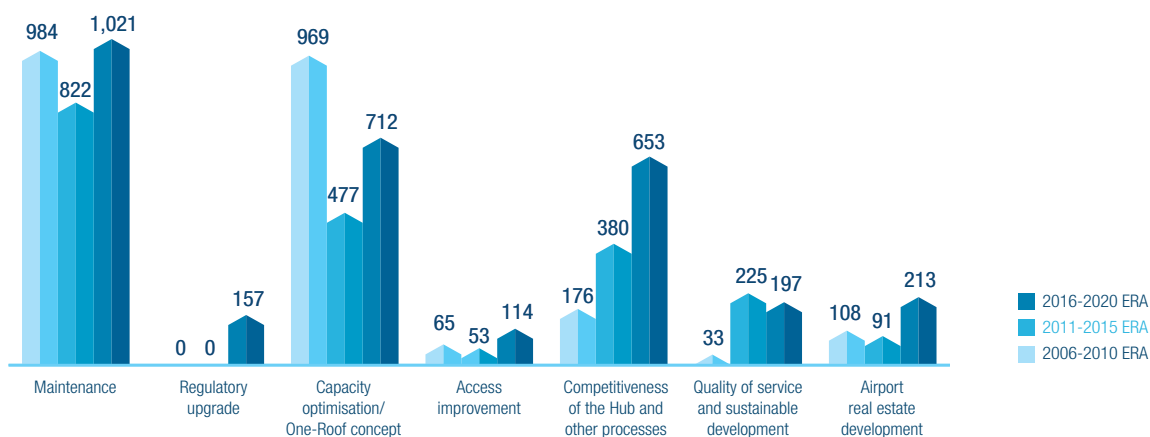
The diagram below presents a per-category breakdown of the investment programme for the regulated scope:

Details of the investment programme for the regulated scope by topic

(in 2014 € millions)



Changes in the Aéroports de Paris SA investment programme, between the ERA of 2006-2010, 2011-2015 and 2016-2020, for the regulated scope, by topic⁽¹⁾ (in 2014 € millions)



The 2016-2020 investment programme was defined after an extensive survey of the needs, their prioritisation and a major effort to optimise costs. The resulting control of investment costs was achieved after the following stages:

1. Costing of projects by the internal design & engineering offices based on the unit costs the most competitive projects completed
2. Benchmarking with comparable projects at other airports;
3. Costs challenged by external economists for the most advanced projects (mainly the connecting building at Paris-Orly);
4. A reduction of unit costs on all projects, considered to be ambitious and up to 15% (budget constraint imposed), based on stages two and three;
5. The review of the internal investment validation process for tighter financial discipline, for a more challenging relevance in investments and related amounts;
6. Lastly, pressure put on cost of studies: assumption of 9% expenses in relation to the total cost of the work used for the 2016-2020 period (except for IT projects that require higher labour costs), compared to an average of 18% over the 2011-2015 period. This reduction by half of the cost of studies implies an in-depth review of the internal processes which is underway and in particular, the removal of the centralised expenses budget in favour of project manager allocation which are now made accountable for the compliance with this budget.

(1) The data concerning the 2006-2010 and 2011-2015 investment programmes by topic is given as an indication only.

2.2 Maintenance operations

■ DETAILS OF THE 2016-2020 ERA PROGRAMME BY YEAR

| In 2014 € millions - including project expenses | 2016e | 2017e | 2018e | 2019e | 2020e | Total 2016e-2020e |
|---|------------|------------|------------|------------|------------|-------------------|
| Maintenance | | | | | | |
| Renovation of 2B | 20 | 24 | 23 | 10 | - | 78 |
| Renovation of 2D | - | 2 | 6 | 8 | 12 | 27 |
| Paris-Charles de Gaulle - Current investments | 66 | 85 | 75 | 85 | 73 | 384 |
| Paris-Orly - Current investments | 100 | 72 | 69 | 78 | 82 | 401 |
| Airport real estate - Current investments | 3 | 3 | 4 | 4 | 4 | 18 |
| Upkeep of networks and IT systems | 13 | 13 | 13 | 13 | 13 | 63 |
| Others | 9 | 19 | 8 | 3 | 11 | 50 |
| TOTAL MAINTENANCE | 210 | 219 | 198 | 200 | 195 | 1,021 |

To ensure the safety and reliability of its facilities, Aéroports de Paris wishes to place special emphasis on maintenance investments over the 2016-2020 period. The aim is to stabilise the condition of Paris-Charles de Gaulle and to improve that of Paris-Orly.

In comparison with the 2011-2015 ERA, these investments would increase by more than €200 million to deal with the growing deterioration of the infrastructures, in particular at Paris-Orly, and the growing obsolescence of the IT equipment. An objective maintenance level and priorities have been set according to a methodology which takes account of criticality (TB Maestro methodology).

The main maintenance operations planned for the 2016-2020 ERA would be the following:

- **Renovation of terminal 2B** at the Paris-Charles de Gaulle airport. This project concerns the renovation of facilities covering 39,900 sqm and comprises two distinct components:
 - A technical section, mainly covering a major renovation of outdated key systems: the passenger handling processes (check-in, boarding rooms, baggage systems) and support systems (electricity, air conditioning, etc.) as most of them are identical to the original systems installed for the opening of the terminal in 1989;
 - A functional section required following the B-D Junction project: in keeping with the One-Roof principle, the commissioning of the 2BD connecting building will pool arrivals and departures in this area, requiring the functional restructuring of terminal 2B into an arrival and boarding room “wing”, i.e. the conversion into a boarding and arrival room.
- Start of **renovation of terminal 2D** at the Paris-Charles de Gaulle airport. The renovation of CDG terminal 2D follows on from the renovation of terminal 2B and completion of the BD connecting building (see below) which also addresses the need for the major technical renovation of outdated systems as well as the functional renovation and harmonising of the 2BD complex; this renovation project will start at the end of the 2016-2020 ERA and be continued over the next regulated period.
- **Other maintenance investments** (current investment budgets) that are intended to deal both with the condition of terminals (renovation of walls and surfaces, or replacement of equipment, etc.), and that of runways and aircraft parking areas, of accesses and networks.
- **Lastly, maintenance of IT systems and networks** to keep them in good operating condition (periodic renewal and heavy maintenance).

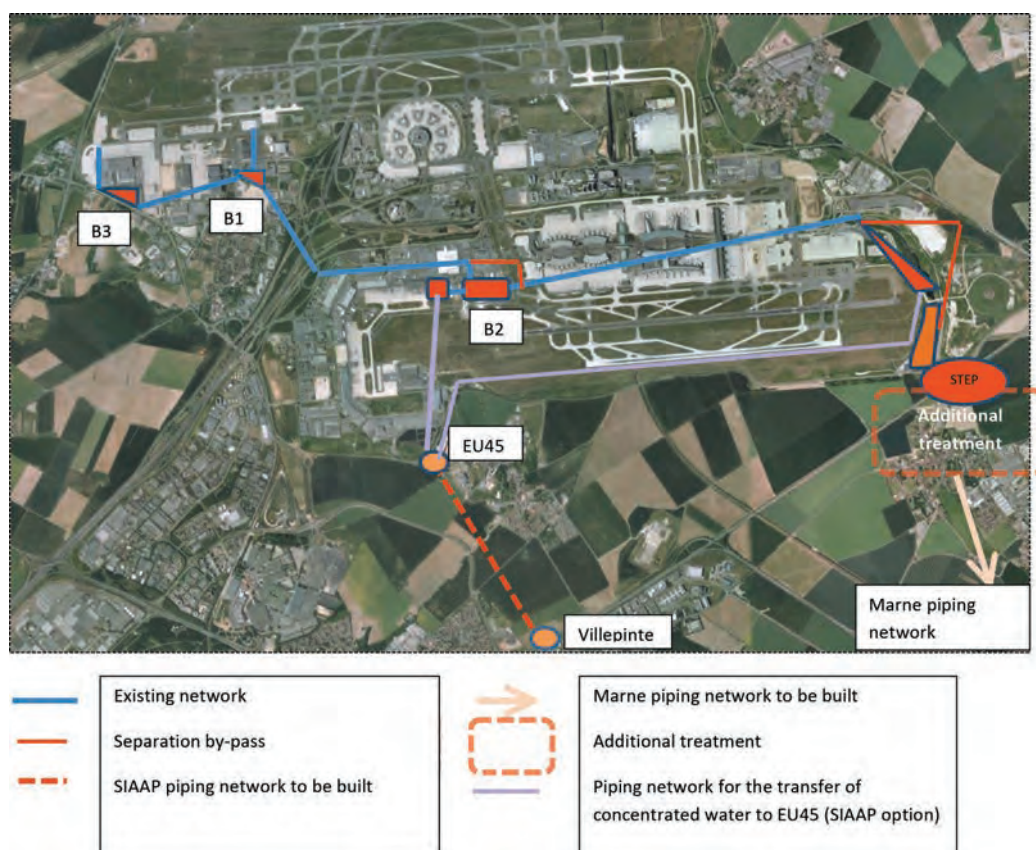
2.3 Regulatory upgrades

■ DETAILS OF THE 2016-2020 ERA PROGRAMME BY YEAR

| In 2014 € millions - including project expenses | 2016e | 2017e | 2018e | 2019e | 2020e | Total 2016e-2020e |
|---|----------|-----------|-----------|-----------|-----------|-------------------|
| Regulatory upgrade | | | | | | |
| Regulatory upgrade, runways | 8 | 8 | 41 | 41 | 8 | 106 |
| Rain water | - | - | - | 14 | 30 | 44 |
| Others | 1 | 3 | 3 | - | 0 | 8 |
| TOTAL REGULATORY UPGRADES | 9 | 12 | 44 | 55 | 38 | 157 |

The main regulatory upgrades planned over the 2016-2020 ERA relate to the following:

- **upgrade project to comply with the new runway regulations at Paris-Charles de Gaulle and Paris-Orly.** This project concerns the upgrade of airport infrastructure in compliance with the Aviation Safety Agency (EASA) regulations:
 - providing extra taxiway width in curves,
 - fitting-out of safety areas at the end of the runways to limit the damage caused by runway excursion or undershot landing.
- **“Rain water” project at Paris-Charles de Gaulle.** This project will make it possible to manage polluted water during the winter in compliance with qualitative and quantitative discharge criteria set by the regulations. It is broken down into two phases:
 - separation of heavily polluted water from other water near the areas of use by creating several by-passes and sending part of the polluted water towards the SIAAP wastewater treatment facilities (covering greater Paris), via the network of the Seine-Saint-Denis departmental council,
 - creation of a piping network going to the Marne river (8-9 km) for treated water.



2.4 Capacity optimisation and One-Roof concept

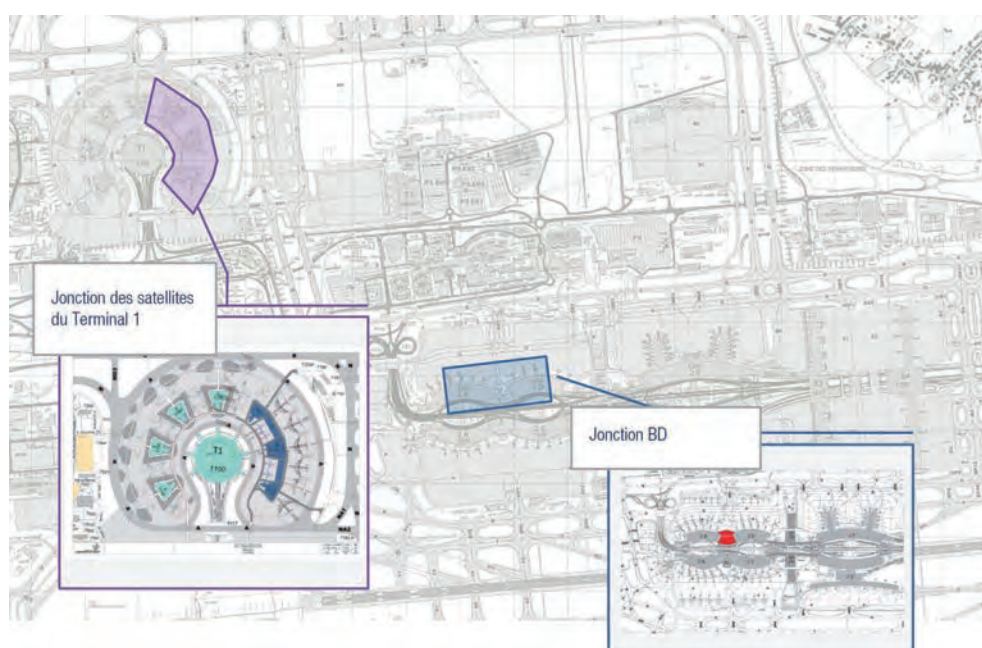
■ DETAILS OF THE 2016-2020 ERA PROGRAMME BY YEAR

| In 2014 € millions - including project expenses | 2016e | 2017e | 2018e | 2019e | 2020e | Total 2016e-2020e |
|---|------------|------------|------------|------------|-----------|-------------------|
| Capacity optimisation/One-Roof concept | | | | | | |
| B-D junction at Paris-Charles de Gaulle | 24 | 33 | 33 | 9 | - | 98 |
| Junction of South and West terminals at Paris-Orly | 102 | 100 | 104 | 48 | 31 | 385 |
| Junction of Paris-Charles de Gaulle terminal 1 satellites | 20 | 20 | 20 | 20 | 20 | 98 |
| Airport infrastructure | 8 | 7 | 20 | 20 | 23 | 77 |
| Paris-Charles de Gaulle terminal 4 - cost of studies | - | - | 7 | 7 | 7 | 20 |
| Others | 2 | 15 | 12 | 3 | 0 | 33 |
| TOTAL CAPACITY OPTIMISATION/ ONE-ROOF CONCEPT | 156 | 173 | 196 | 106 | 81 | 712 |

In the light of the experience gained in the connection of terminals 2A and 2C, Aéroports de Paris wishes to create three new connecting buildings between 2016 and 2020: at Paris-Orly, with the construction of a building between Orly South and Orly West; at Paris-Charles de Gaulle, a building linking terminals 2B and 2D and another linking international satellites of terminal 1.

This will reduce the fragmentation of the infrastructures, something which currently sets Aéroports de Paris apart from its main competitors and penalises our operational performance, our productivity and our quality of service. This strategy will also provide additional capacity through the more intensive use of airport resources, without having to launch into the building of a new terminal at too early a date and simplify passenger pathways.

■ MAPPING OF STRUCTURAL PROJECTS RELATED TO CAPACITY OPTIMISATION AND ONE-ROOF CONCEPT AT PARIS-CHARLES DE GAULLE ⁽¹⁾



(1) Project diagram, liable to undergo changes following more in-depth studies.

Why build connecting buildings?

Connecting buildings offer numerous advantages that help to keep investment costs under control:

1. Pooling and optimisation of the departure function:

- operational flexibility for airlines: airlines can carry out check-in and boarding operations in either of the terminals;
- centralisation of the security check function, lowering the cost of outsourced security services and reducing passenger waiting times through a more dynamic management of security checkpoints (SCPS) opening times and the installation of more ergonomic SCPS;
- centralisation of the emigration function, allowing greater efficiency for government services and more effective management of booth opening times.

2. Pooling of arrivals:

- optimisation of baggage delivery halls, generating improvements in baggage handling and waiting times,
- optimisation of passenger arrival pathway.

3. Intensification of the use of airport resources resulting in a capacity gain:

- optimisation of passengers flows by removing capacity constraints, in particular at check-in, SCPS, boarding rooms and gates.

4. Improvement of the general atmosphere and passenger services:

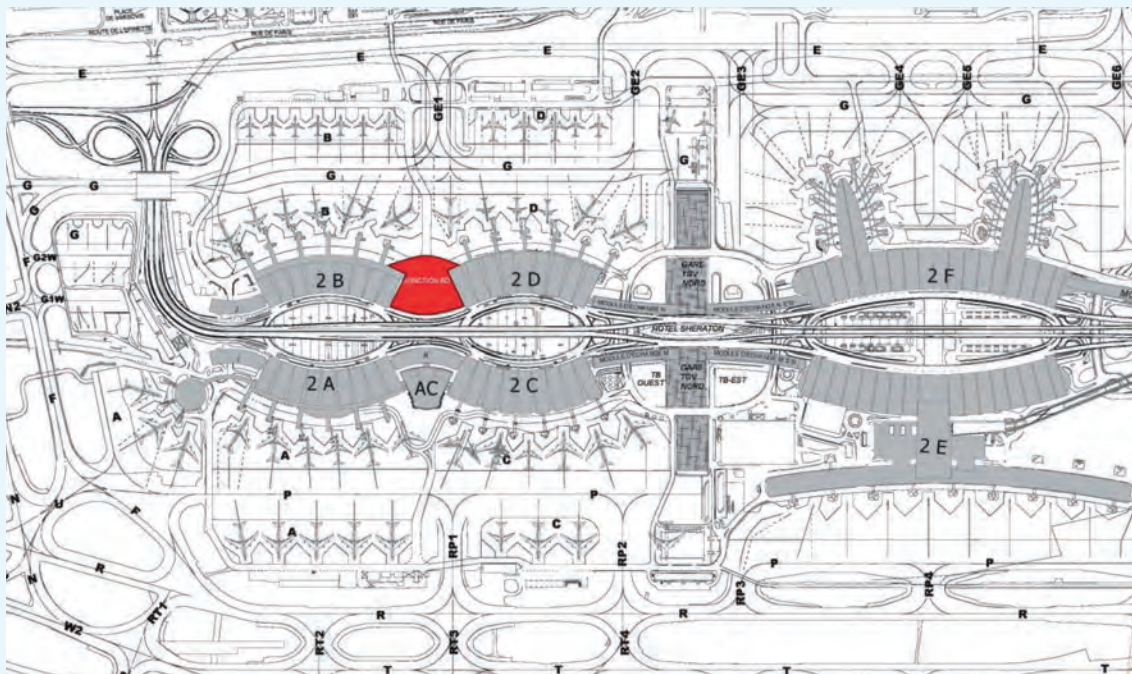
- atmosphere and comfort: more light and space, modernised façades, better thermal insulation. Accordingly, the overall satisfaction of departing passengers increased by 10 points on the opening of the A-C junction;
- clarity of the passenger pathway: single intuitive pathway;
- implementation of the new airport equipment standards, which better meet customer expectations: new toilet blocks, new ergonomic layout of SCPS.

5. Improvement of services provided to airlines:

- creation of top-standard airline lounges;
- additional income for Aéroports de Paris (regulated scope).

6. Optimisation of operating costs for all airport stakeholders: airlines, government services and Aéroports de Paris thanks to sharing of facilities.

■ Link-up of Paris-Charles de Gaulle terminals 2B and 2D ⁽¹⁾



Key information:

- Creation of a 34,800 sqm building between the current terminals 2B and 2D, making it possible to centralise and pool the security check and emigration control functions for departures, as well as the immigration control and baggage delivery functions for arrivals;
- Refurbishment of terminals 2B and 2D in keeping with the new functional scheme of the 2BD complex, in particular the facilities to combine the Schengen and international flows of the 2B and 2D terminals (excluding the technical and functional renovation included in the 2B and 2D renovation projects);
- Decommissioning and relocation of functions and offices currently located on the site of the future connecting building.

Relevance of the project

The project to link-up terminals 2B and 2D will allow:

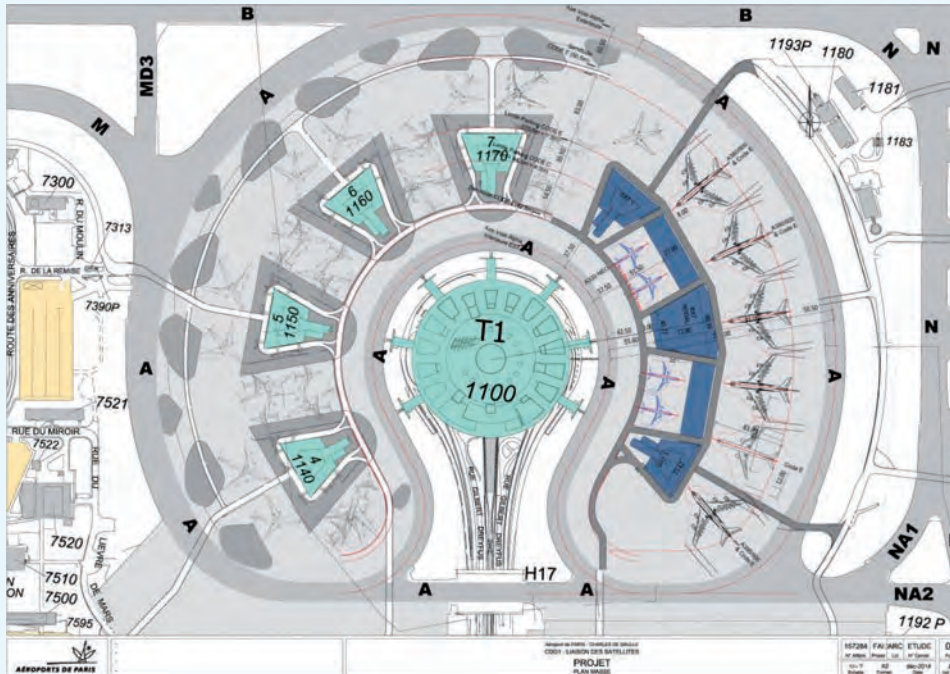
- The pooling of key processes (security check, border control, baggage delivery, etc.);
- The flexibility of accommodation between Schengen and International traffic;
- Improved quality of service through the freeing of airside space (transfer of baggage carousels to Level -1 of the connecting building), improved passenger comfort, and smoothing of traffic peaks at security checkpoints;
- Optimisation of operating costs for airlines, government services and Aéroports de Paris;

Expected capacity gain

- The new 2BD complex will be able to handle an additional 1.1 million passengers, thanks to the flexible reception facilities between Schengen and international traffic and the pooling of key processes.

(1) Project diagram, liable to undergo changes following more in-depth studies.

- Link-up of the satellites of terminal 1 at the Paris-Charles de Gaulle airport⁽¹⁾



Key information:

- Construction of 2 boarding rooms linking up the international satellites of terminal 1;
- Renovation of the central body of satellite 2.

Relevance of the project:

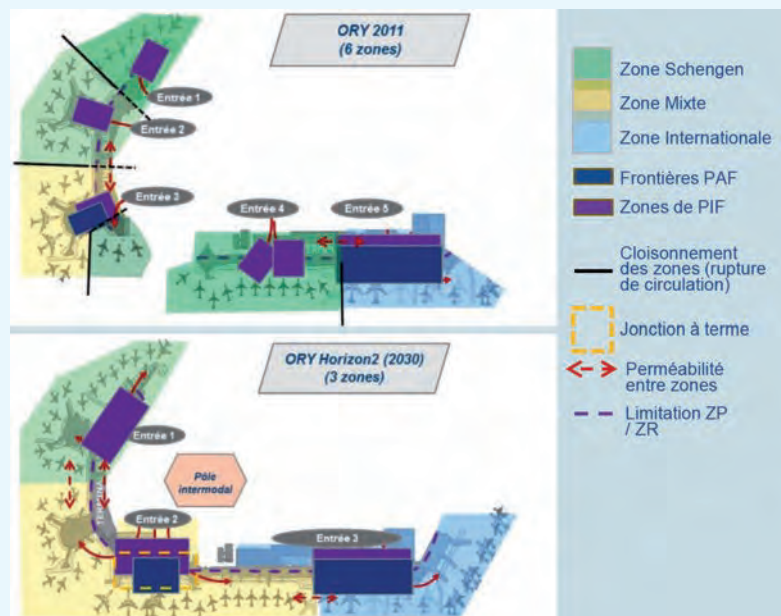
- The project to link up the international satellites of Paris-Charles de Gaulle terminal 1 is a capacity-increase investment. It enables:
 - to support of the growth of long-haul traffic and in particular the expected increase in the peak rate,
 - to adapt capacities to the upgrade of airline fleets, as airlines are acquiring greater-capacity aircraft (B787, A350);
- This project must also help to improve the customer experience of international long-haul passengers;
- Ultimately, it will reduce safety costs and operating costs by pooling the safety-check functions of the merged satellites.

Expected capacity gain:

- The link-up of the satellites will make it possible to handle an additional 1.2 million passengers per year.

(1) Project diagram, liable to undergo changes following more in-depth studies.

■ Link-up of the two terminals of Paris-Orly airport ⁽¹⁾



Key information:

- Construction of a 74,000 sqm “junction” or connecting building with SCs, security check and booths, check-in and boarding, capable of handling 8 million passengers,
- Renovation of existing facilities involving in particular with the renovation of Hall B (5,500 sqm) and of the interfaces between Hall B, Hall 3 and the connecting building (3,500 sqm),
- Installation of a baggage sorting system (for 8 million passengers),
- Creation of 4 dual aircraft stands (4 wide-bodied and 8 mid-sized).

Relevance of the project:

The commissioning of the connecting building and related organisational facilities should allow the following:

- Greatly simplify the overall functioning of the Paris-Orly airport, providing it with three connecting areas (instead of the current six areas solely connected on the land side);
- Solve the current saturation of the security checkpoints and check-in desks;
- Allow the grouping of airlines having the same type of traffic, including “bi-status” airlines (Schengen and International);
- Simplify passenger flows, thereby improving customer satisfaction.

Expected capacity gain:

- The connecting building will allow the handling of 3.5 million passengers while supporting the growth of long-haul traffic through the creation of four mixed aircraft stands.



(1) Project diagram, liable to undergo changes following more in-depth studies.

- The 2016-2020 investment programme includes a budget for **preliminary studies concerning the terminal 4** construction project which could be launched during the 2021-2025 regulation period, as well as a budget for **airport infrastructure**, in particular concerning projects to accommodate the A350 at Paris-Orly and the A380 at Paris-Charles de Gaulle, and lastly, a budget for “**Other**” projects covering, in particular, security-check and border control processes for departures in the international hall of Paris-Orly's South terminal.



2.5 Access improvement

■ DETAILS OF THE 2016-2020 ERA PROGRAMME BY YEAR

| In 2014 € millions - including project expenses | 2016e | 2017e | 2018e | 2019e | 2020e | Total 2016e-2020e |
|--|-----------|-----------|-----------|-----------|-----------|-------------------|
| Access improvement | | | | | | |
| West access/secondary network Paris-Charles de Gaulle | 9 | 2 | 11 | 5 | 5 | 31 |
| CDG Express | 6 | 6 | 12 | 18 | 6 | 49 |
| CDG Val | 5 | 5 | - | - | - | 11 |
| Relocation of the taxi base of Paris-Charles de Gaulle | 13 | - | - | - | - | 13 |
| Miscellaneous, Paris-Orly | 6 | 2 | 3 | - | - | 10 |
| TOTAL ACCESS IMPROVEMENT | 40 | 15 | 26 | 23 | 10 | 114 |

The Aéroports de Paris airports are at the centre of a network of roads, motorways and dense regional rail connections (two RER train stations at Paris-Charles de Gaulle, RER and Orlyval stations at Paris-Orly). This is supplemented by internal links within the airports, which were enhanced by the company's launch of the automatic metro service – CDG Val – at Paris-Charles de Gaulle.

In a globalised economy, good airport access is one of the prerequisites to develop a major city's economy and tourism. Yet, France is significantly lagging behind in this area, especially in comparison with some of its direct competitors in the global metropolitan arena (London, etc.).

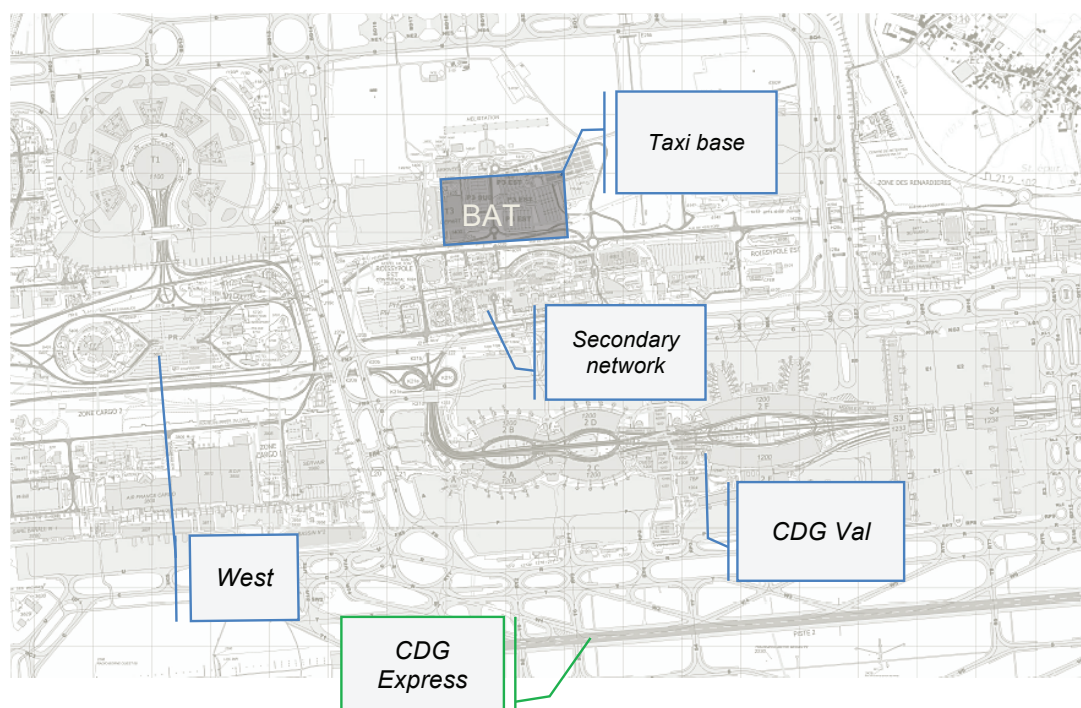
The insufficient quality of current accesses to the Paris-Charles de Gaulle airport (traffic jams on the A1 and A3, saturation of the RER B rail link at peak times) is frowned upon by air passengers on business or tourist trips. As a result of the inadequate rail link, travel between Paris and the Paris-Charles de Gaulle airport is mainly done by road. Indeed, private vehicles, buses and taxis account for more than 70% of travel to and from the airport.

The opening of the CDG Express link by 2023 will better the currently inadequate rail connection providing a 20-minute link between Paris-Charles de Gaulle and central Paris.



The main access-improvement operations planned over the 2016-2020 ERA essentially concern the Paris-Charles de Gaulle airport:

■ MAPPING OF STRUCTURAL PROJECTS RELATED TO ACCESS IMPROVEMENT AT PARIS-CHARLES DE GAULLE ⁽¹⁾



■ Road access improvement

The road access improvement project is a key project for the upkeep of the operating conditions of the Charles de Gaulle airport. The projects identified as having priority include the following:

- **Main access network** to terminals (used by passengers), to the west of the airport, in particular with the widening of the roadway to and from Paris to three lanes,
- **Secondary access network** (used by airport employees), in particular the layout of a two-lane dual carriageway in the Roissy-pôle area, as well as the relocation of the taxi base to the east of Paris-Charles de Gaulle in order to retrieve space and better manage crossings in the Roissy-pôle area.

■ Acquisition of new trains for the CDG Val line

Given the CDG Val's current rate of use and the growth forecast for both air traffic and internal airport flows, Aéroports de Paris is planning to purchase and commission two additional trains for the CDG Val line in order to improve the quality of service between the terminals and car parks / service areas of the airport.

■ Preparatory work for the CDG Express⁽²⁾

The CDG Express project will provide a direct 20-minute link between the Gare de l'Est and the Paris-Charles de Gaulle airport in 2023. Trains will leave every fifteen minutes and cover a broad time range (5am to midnight). This project requires preparatory work over the ERA3 period in readiness for the launch of the CDG Express by 2023:

- Construction of a rail tunnel under runway four,
- Development of the Paris-Charles de Gaulle intermodal station enabling the allocation of specific railway lines, areas and a platform to the CDG Express.

(1) Project diagram, liable to undergo changes following more in-depth studies.

(2) The CDG Express project is legally and financially structured outside the ERA. Any involvement by Aéroports de Paris would be financed outside the regulated scope.

2.6 Hub competitiveness and other processes

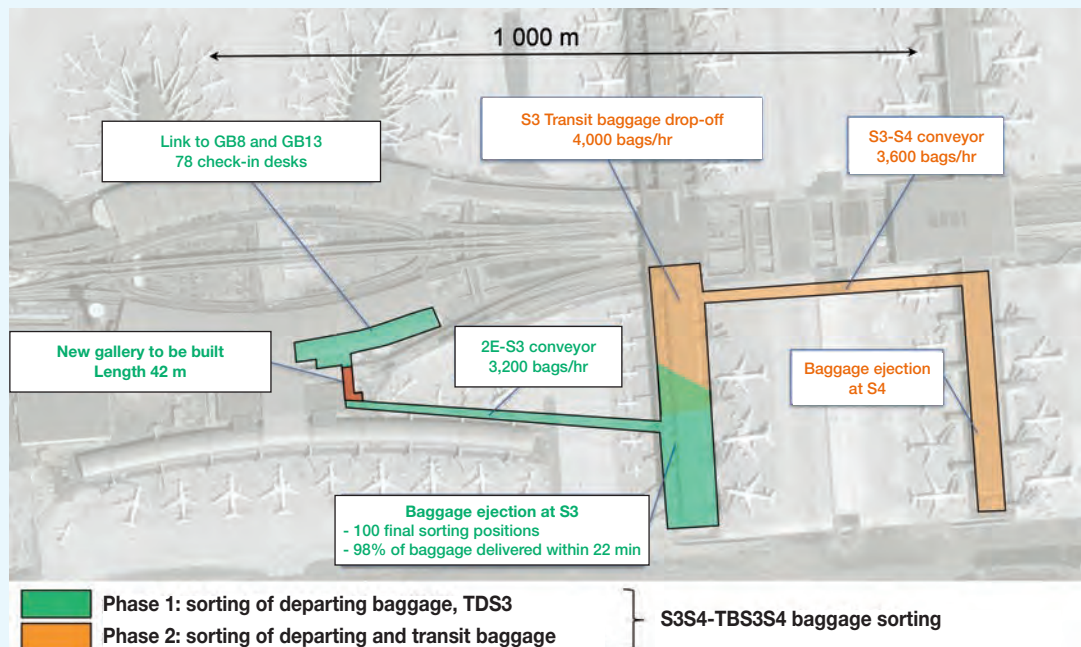
■ DETAILS OF THE 2016-2020 ERA PROGRAMME BY YEAR

| In 2014 € millions - including project expenses | 2016e | 2017e | 2018e | 2019e | 2020e | Total 2016e-2020e |
|--|------------|------------|------------|------------|-----------|-------------------|
| Hub competitiveness and other processes | | | | | | |
| Terminals | 28 | 20 | 8 | 3 | 2 | 61 |
| Aeronautical areas and movements | 18 | 34 | 36 | 36 | 27 | 151 |
| Operational reliability | 14 | 12 | 13 | 24 | 17 | 80 |
| Baggage sorting systems | 44 | 54 | 66 | 41 | 21 | 226 |
| Change in flows | 17 | 2 | 4 | 3 | 2 | 29 |
| IT projects | 21 | 21 | 21 | 21 | 21 | 107 |
| TOTAL HUB COMPETITIVENESS AND OTHER PROCESSES | 143 | 143 | 148 | 129 | 90 | 653 |

The main operations planned over the 2016-2020 ERA to improve the competitiveness of the Hub concern the following:

- **for terminals**, projects which will improve the service provided to airlines and reduce their operating costs through the creation/ grouping of airline lounges, the deployment of guidance lights and self-boarding desks;
- **In aeronautical areas:**
 - **Creation of wide body aircrafts areas** in the outlying part of the Paris-Charles de Gaulle Hub. This project involves the creation of five widebody parking stands and seven narrow-body stands in the north part of the airport (north of terminal 2F). These outlying stands are necessary to allow the development of the Skyteam hub (there is currently a shortage of outlying parking stands for aircraft based on site and/or parked for more than three hours). In the longer term, these parking areas will be used for the future terminal 4,
 - **Optimisation of the capacity of the 2E-2F complex,**
 - **The securing of the two parallel northern runways** of the Paris-Charles de Gaulle airport involves three distinct sub-projects which enables to improve aircraft taxiing times, reinforce safety by preventing runway incursions and increase the capacity of runways:
 - Extension of the Delta taxiway,
 - Extension of the Lima by-pass,
 - Work to allow two-way traffic on the Fox and Novembre taxiways in order to optimise traffic and gain more capacity at peak times on runways.

- **Baggage sorting systems of Hall L (satellite 3) and Hall M (satellite 4) of terminal 2E (TBS3S4) at Paris-Charles de Gaulle ⁽¹⁾:**



Key information:

- The Hall L–Hall M baggage sorting system project involves two separate phases:
 - a first phase to implement an automatic baggage sorting system under the S3 enabling to handle the baggage of flights on departure at Hall L and Hall M, of which baggage is checked-in at desks located to the East of terminal 2E. The system will convey the checked-in baggage, ensure their safety and their sorting. The baggage will be delivered to final sorting positions under the Hall L,
 - phase 2 will allow to sort, secure and transport all departing and transit baggage from Hall L and Hall M by 2021 with an increase in the baggage handling capacity of terminal 2E.

Relevance of the project:

This is a crucial project for the development of transit and international traffic of terminal 2E, in terms of both operational service quality and operating costs:

it will increase the reliability of the baggage handling process (which is currently the major cause of delay in aircraft departures from terminals EFG of terminal 2).

- **A budget for IT projects**, including in particular:

- airport “smartisation” projects which enable to improve the efficiency of passenger handling processes through flow automation/ measurement equipment, self-boarding and various other improvements,
- the installation of equipment as part of the structural projects for the new infrastructure, in particular the terminal link-up projects.

- A budget for projects that will support **operational reliability**: restructuring of fluid facilities (energy, water, waste), electrical installations, single baggage delivery hall at Paris-Orly, etc.;
- A budget for projects that will **improve flows**: automated baggage drop-off systems, deployment of a 400 Hz network by Aéroports de Paris at Paris-Charles de Gaulle.

(1) Project diagram, liable to undergo changes following more in-depth studies.

2.7 Quality of service and sustainable development

| In 2014 € millions - including project expenses | 2016e | 2017e | 2018e | 2019e | 2020e | Total 2016e-2020e |
|---|-----------|-----------|-----------|-----------|-----------|-------------------|
| Quality of Service and sustainable development | | | | | | |
| Sustainable development | 10 | 7 | 11 | 5 | 11 | 45 |
| Quality of service - Cross-functional projects | 26 | 26 | 26 | 26 | 26 | 132 |
| Quality of service - Miscellaneous, Paris-Orly | 5 | 5 | 4 | 3 | 3 | 19 |
| Quality of service - Miscellaneous, Paris-Charles de Gaulle | 1 | - | - | - | - | 1 |
| TOTAL, QUALITY OF SERVICE | 42 | 39 | 42 | 34 | 40 | 197 |

The main operations dedicated to quality of service over the 2016-2020 ERA concern the following:

- Projects focused on improving the space and service offer, with a particular focus on accommodation:
 - Upgrade of boarding rooms which do not yet meet the highest level, i.e. the “gold” level,
 - Deployment of interactive orientation facilities intended for foreign passengers,
 - Efforts to improve the atmosphere, lighting of arrival pathways and disembarkation galleries, the implementation of accommodation processes for passengers in the disembarkation galleries,
 - Reduction of shortfalls particularly in relation to cleanliness internal benchmarks;
- Investments aimed at better control of flows (flow measurement and management of key resources in coordination with the IT Department, atmosphere in transit hubs and gangways):

Investments contributing to sustainable development include in particular measures to improve energy efficiency, a plan to support the reduction of water consumption, the creation of the *Maison de l'Emploi et de la Formation* (employment and training centre) and the installation of electric charging terminals.

2.8 Real estate development

| In 2014 € millions - including project expenses | 2016e | 2017e | 2018e | 2019e | 2020e | Total 2016e-2020e |
|---|-----------|-----------|-----------|-----------|-----------|-------------------|
| Airport real estate development | 30 | 11 | 64 | 49 | 50 | 206 |

The main airport real estate development projects must consolidate the position of Paris-Charles de Gaulle in air cargo, in the face of stiff competition from the other major European cargo hubs, by supporting the growth of existing customers, renovating existing ageing infrastructure, and accommodating new customers.

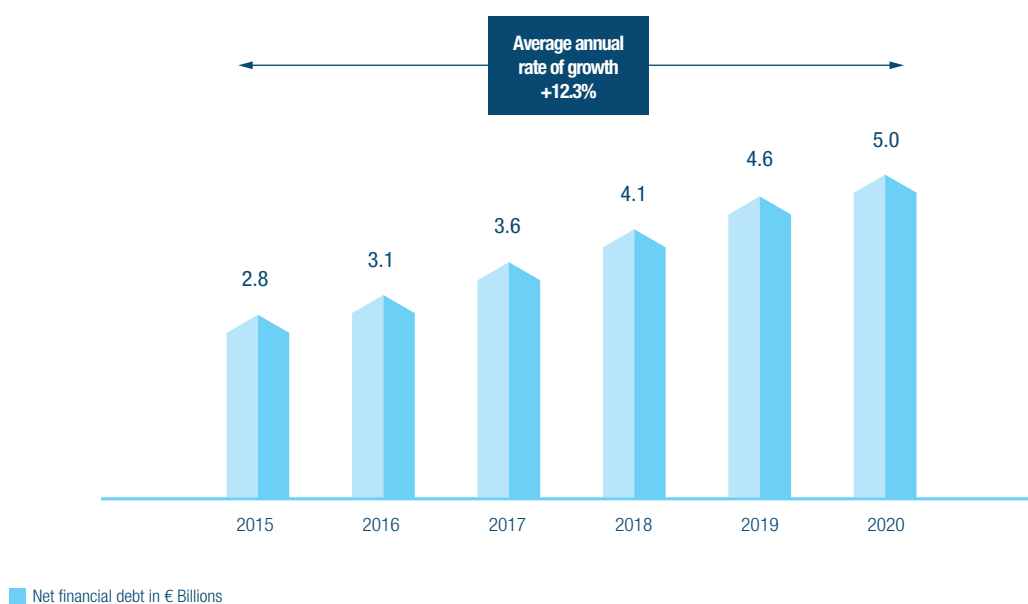
Investment planned under 2016-2020 ERA should create nearly 100,000 sqm of cargo terminal facilities. This investment will substantially increase the tonnage of goods passing through the airport and improve the speed and quality of handling. The new facilities will optimise cargo handling by offering comprehensive access to runways (connections to the restricted area) and optimal conditions for access and traffic movements (monitoring of access points, upgraded road access) in line with the strategic vision for long-term development of the 300 ha cargo cluster set out in the real estate master plan for the cargo business.

2.9 Financing of investments

Aéroport de Paris' financing is to be analysed as a whole, for all activities combined, as the Group's liabilities are not divided per type of activity. This approach is consistent with that of credit and equity analysts concerning the Group's financial rating and its weighted average cost of capital.

The investment flow profile expected for 2016-2020, combined with the assumption of moderate pricing, would result in net debt peaking at around €5 billion in 2020.

■ CHANGE IN THE GROUP'S NET FINANCIAL DEBT (2015-2020)



This change in the debt is consistent with the leverage used in the WACC calculation (see section 5.1).

03

Tariffs proposals

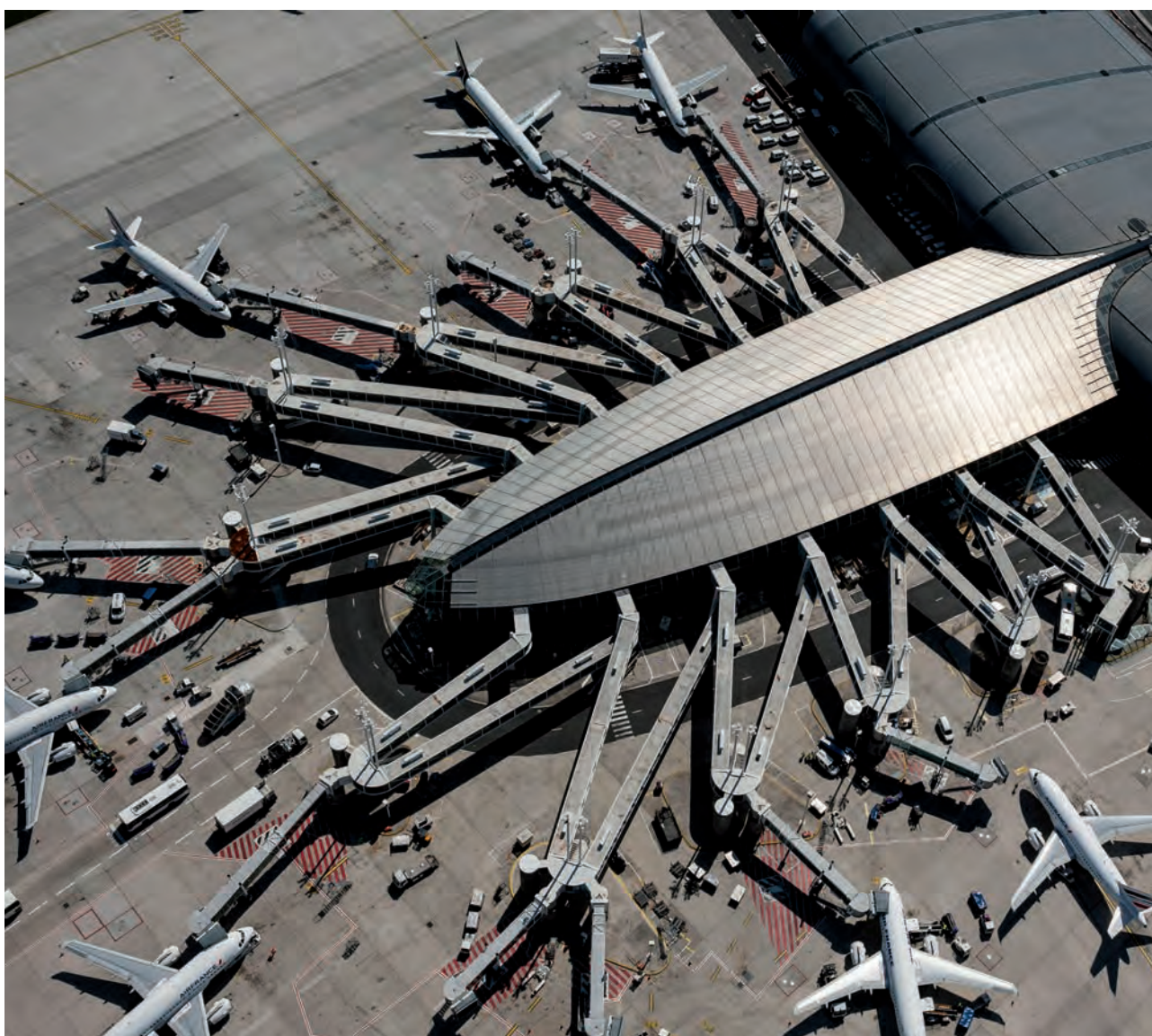
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03 Tariffs proposals

Faced with increasing competitive pressure from airports in Europe and the Middle-East, Aéroports de Paris must continually improve its price competitiveness.

To this end, four main objectives are being pursued simultaneously: during the 2016-2020 period: containing price increases in spite of a significant investment plan; improving our tariff policy to capture the traffic growth in dynamic markets, in particular that of connecting flights, by implementing ambitious incentives; adjusting our pricing structure to encourage the optimal use of facilities; simplifying the price scale to gain clarity.



3.1 Tariffs periods and of fees subject to the cap

Article R. 224-4 of the Civil Aviation Code provides for the setting, through the Economic Regulation Agreement, of successive tariffs periods not exceeding one year: the start of each period corresponds to the expected date of entry into force of the changes in fees covered by the agreement.

In accordance with the choices made in the first two Economic Regulation Agreements and with the aviation seasons, Aéroports de Paris proposes that the successive tariffs periods covered by the next Economic Regulation Agreement be as follows:

- 2016 period: 1 April 2016 to 31 March 2017;
- 2017 period: 1 April 2017 to 31 March 2018;
- 2018 period: 1 April 2018 to 31 March 2019;
- 2019 period: 1 April 2019 31 March 2020;
- 2020 period: 1 April 2020 to 31 March 2021.

Article R. 224-4 of the Civil Aviation Code also sets the fees whose terms of adjustment are outlined in the Economic Regulation Agreement (see insert).

Pursuant to Article R. 224-4 of the Civil Aviation Code, the fees whose terms of adjustment will be outlined in the Economic Regulation Agreement are as follows:

- the passenger fee at Paris-Charles de Gaulle and Paris-Orly airports;
- the landing fee at Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget airports;
- the parking fee at Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget airports;
- the fee for the provision of check-in and boarding counters and the handling of local baggage at the Paris-Charles de Gaulle and Paris-Orly airports;
- the fee for provision of baggage sorting facilities for connecting flights at terminal 1 of Paris-Charles de Gaulle airport;
- the fee for provision of baggage sorting facilities for connecting flights at terminal 2 at Paris-Charles de Gaulle airport;
- the computing fee for check-in and boarding for Paris-Charles de Gaulle and Paris-Orly airports;
- the fee for the provision of fixed electrical supply facilities for aircraft (400 Hz and 50 Hz) at Paris-Charles de Gaulle and Paris-Orly airports;
- the fee for provision of facilities⁽¹⁾ for the de-icing of aircraft at Paris-Charles de Gaulle airport;
- the fee for entry passes to restricted areas (badges) at Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget airports;
- the fee for the use of wastewater sieving stations⁽¹⁾ at Paris-Charles de Gaulle and Paris-Orly airports.

The fee for assisting people with disabilities and reduced mobility (PDRM) is not subject to the tariff adjustment cap. It is set according to an annual basis as provided by the Civil Aviation Code, by (EC) Regulation No. 1107/2006 concerning the rights of persons with disabilities and persons with reduced mobility when travelling by air, so that the projected revenue from this fee is intended to cover at most the costs linked to that activity.

(1) Facilities categorised as centralised ground-handling infrastructure, pursuant to Article R. 216-6 of the Civil Aviation Code.

3.2 Proposed average tariff change of fees subject to the cap

In order to strengthen its price competitiveness in the long term despite a major investment programme aimed at maintaining the airports at their highest operating level, Aéroports de Paris proposes to implement a moderate pricing policy for the pricing periods covered by the next economic regulation agreement.

This tariff change proposal forms part of the financial discipline approach followed by Aéroports de Paris, which reflects the determination to pool efforts between airlines and the airport operator over the period covered by the 2016-2020 ERA.

This moderation in tariffs policy would result in the following average fee tariffs adjustments, while maintaining the current level of services:

| 2016e | 2017e | 2018e | 2019e | 2020e | 2016e-2020e AAGR |
|------------|------------|------------|------------|------------|------------------|
| CPI +1.75% | CPI +1.75% | CPI +1.75% | CPI +1.75% | CPI +1.75% | CPI +1.75% |

CPI: consumer price index (4018E).

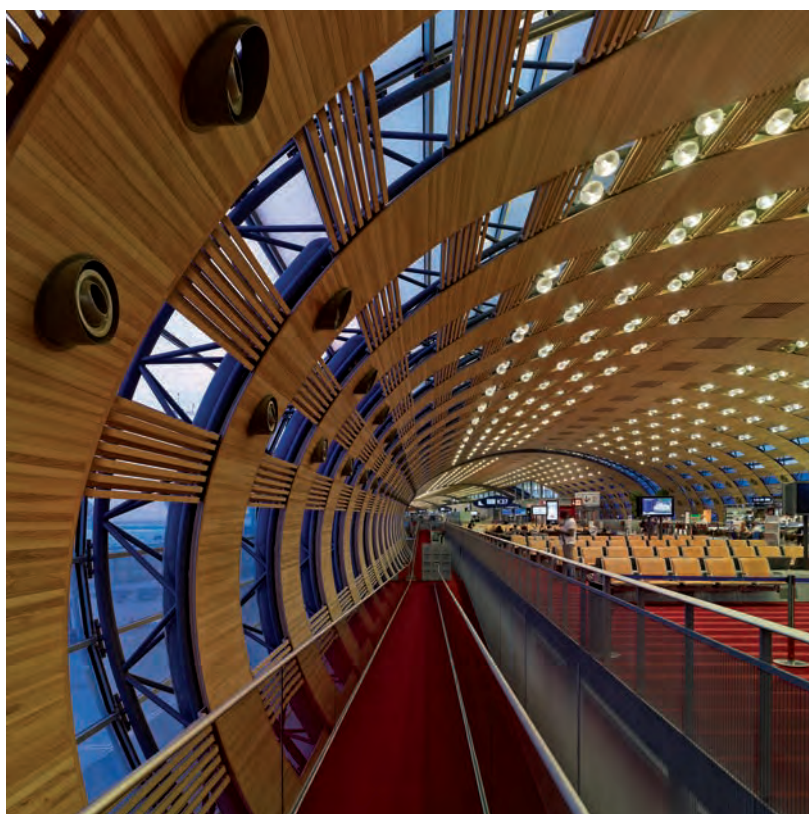
This proposal takes into account the traffic forecast, which predicts annual average growth of 2.4% throughout the 2016-2020 ERA, plus 0.1% growth stemming from the exemption of the civil aviation tax on connecting passengers. Aéroports de Paris thus expects average annual growth of 2.5% in passenger traffic.

3.3 Fee adjustment

The Civil Aviation Code requires the ERA to set limits to the magnitude and duration of fee adjustments for reasons of public interest. However, pursuant to Article R. 224-4 of the Code, an ERA cannot set specific limits on adjustment possibilities which aim to reduce or offset impacts on the environment and which are different to those specified in the regulations.

Aéroports de Paris implemented an adjustment scheme in 2009 covering acoustics for the landing fee in Paris-Charles de Gaulle and Paris-Orly airports. It is proposed that this adjustment be kept as is in the next Economic Regulation Agreement.

In order to improve the quality of service provided to persons with disabilities and reduced mobility, as well as the overall financial performance of the relevant assistance fee, Aéroports de Paris is working on the implementation of a fee adjustment according to notification delays on the part of airlines. Airlines with a very good rate of notification, which allows airport assistants to anticipate and optimize their resources in order to provide the best possible service, would then receive a discount on the PDRM fee, whereas less compliant airlines would incur a fee surcharge, while providing the best possible support for disabled and mobility impaired people in line with EU regulations and the commitments made by Aéroports de Paris. Accordingly, Aéroports de Paris would be encouraged to continue its efforts to control costs, while airlines would be encouraged to notify the appropriate agents of the need for assistance in advance.



3.4 Proposed methods for adjusting the tariff change cap

3.4.1 Adjustment linked to cost control

Aéroports de Paris undertakes, during the 2016-2020 ERA, to share in efforts to finance the necessary investments and significantly improve the profitability of the regulated scope. As a result, Aéroports de Paris wishes to provide guarantees on the strengthening of its financial discipline in support of moderate fees.

It is therefore proposed to create a new adjustment factor based on the regulated scope's cost/revenue ratio (excluding depreciation/amortisation expenses and taxes), i.e. the total costs recognised in the income statement of the regulated scope. To mark Aéroports de Paris' commitment to reduce this cost ratio, this pricing penalty should apply when the reduction target is not reached.

The proposed measure is the following:

- The penalty will only apply to the pricing period of the year 2020;
- In order to take account of the time-lag for the publication of the regulated scope's financial statements (June of the following year), the amount of the potential penalty to be imposed will be based on the regulated scope's cost ratio for the year 2018;
- The calculation will take account of the following:
 - in the numerator, all the costs (external and internal) of the regulated scope, except depreciation/amortisation expenses and taxes,
 - in the denominator, all revenue (including capitalised production);
- Aéroports de Paris is targeting the reduction of this cost ratio and proposes that a penalty be imposed in 2020 if the ratio calculated in 2018 exceeds 60% ⁽¹⁾. Thus:
 - if the ratio is below 60%: no penalty,
 - if the ratio is between 60 and 62%, the penalty (P) is calculated as follows:

$$P = 0.5 \times (\text{2018 cost/revenue ratio} - 60\%)$$
 - if the ratio exceeds 62%, a penalty of 1% will be applied to the price ceiling of the year 2020.

3.4.2 Traffic-related adjustment

Pursuant to the Civil Aviation Code, the tariff change cap for fees governed by the ERA incorporates an adjustment mechanism, based on the discrepancy recorded between actual traffic and the initial forecast.

This adjustment factor is consistent with an equitable sharing of traffic risks between Aéroports de Paris and the airlines. Moreover, it is also in line with the specific nature of an airport operator's business model, whose cost structure is not very adaptable to the volume of activity in the short term.

⁽¹⁾ The 60% rate corresponds to the cost rate presented to the Economic Consultative Commission on 16 December 2014, excluding depreciation/amortisation expenses and taxes, the control of which is not in the hands of Aéroports de Paris.

Such a traffic adjustment method (called the “TRAF factor”) was applied in the 2011-2015 ERA with the following settings:

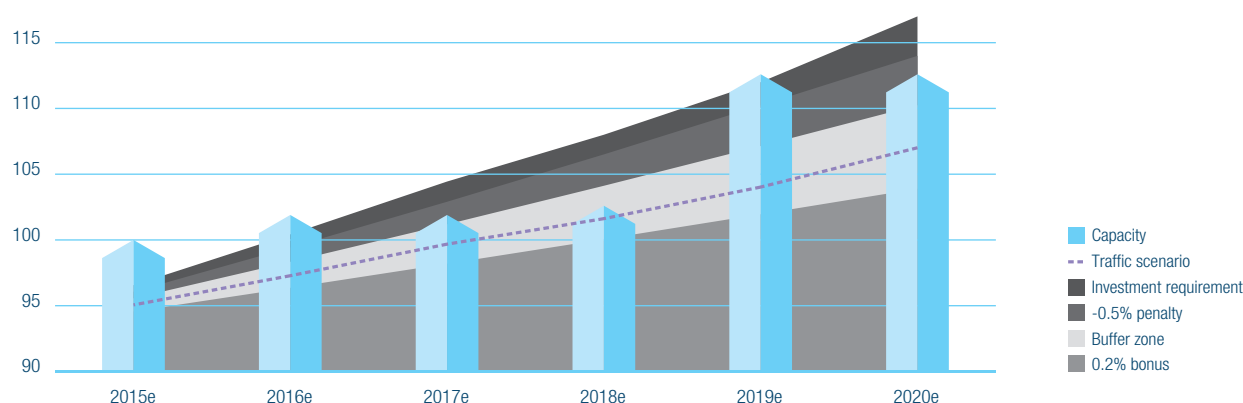
- the traffic indicator implemented was contingent upon on passenger traffic at Paris-Charles de Gaulle and Paris-Orly;
- a buffer zone was chosen, which corresponds to a +/-0.5% variance compared with annual changes in passenger traffic, within which no adjustment was taken into account;
- beyond this buffer zone, 50% of the traffic risk, as measured by the above indicator, led to an adjustment in due proportion of the price adjustment ceiling for all fees in the following year.

Aéroports de Paris proposes to extend this factor for the 2016-2020 ERA with a slight change to the adjustment method in the form of asymmetry between the bonuses/penalties in favour of the airlines. In addition, Aéroports de Paris proposes to define a new zone that will convert the associated penalty into new capacity investments if a sharp rise in traffic requires the provision of new airport infrastructures.

Aéroports de Paris makes the following proposal:

- keeping the indicator contingent upon on the number of passengers;
- buffer zone corresponding to an annual increase in passenger traffic of +/-0.5%;
- beyond the buffer zone, an asymmetrical distribution of the traffic risk borne by the airlines (70% of the risk) compared with Aéroports de Paris (30% of the risk);
- capping of the TRAF factor effect at +0.2%/-0.5% on the tariff change cap of each period of application;
- the price penalty will be relinquished if the growth in passenger traffic exceeds 3.5%, requiring the launch of new capacity-boosting operations not provided for in the investment plan. Such new investments would be financed by the income stemming from the additional traffic;
- an option to convert all or part of the negative TRAF factor into new investments, should passenger traffic experience very dynamic growth of more than 3.5% per year. These new investments would concern operations not initially planned in the 2016-2020 ERA and which would be necessary to accommodate additional traffic. They could be presented to the Economic Consultative Commission;
- introduction of the first application of the TRAF factor based on 2017 traffic, accordingly in the 2018 pricing period.

■ TRAF FACTOR IN MILLIONS OF PASSENGERS BY YEAR



3.4.3 Adjustment linked to quality of service

Aéroports de Paris' proposal, based on a bonus/penalty system, is described in Section 4.2. The bonus/penalty specific to each indicator would be calculated on a straight-line basis between the minimum and maximum proposed levels of performance.

3.4.4 Adjustment linked to the investments made

In keeping with the 2011-2015 ERA, it is proposed to extend the adjustment factor approach, providing an incentive for Aéroports de Paris to meet a schedule for carrying out development projects, as defined below:

| Project | 2016 | | | | 2017 | | | | 2018 | | | | 2019 | | | | 2020 | | | |
|--|------|----|----|----|------|----|----|----|------|----|----|----|------|----|----|----|------|----|----|----|
| | T1 | T2 | T3 | T4 | T1 | T2 | T3 | T4 | T1 | T2 | T3 | T4 | T1 | T2 | T3 | T4 | T1 | T2 | T3 | T4 |
| Extension of the East Pier | | | X | | | | | | | | | | | | | | | | | |
| Renovation of runway 4 at Orly | | | | X | | | | | | | | | | | | | | | | |
| Renovation of 2/3 of runway 3 at Orly | | | | | | | | | | | | | X | | | | | | | |
| Baggage sorter S3 (TDS3) | | | | | | | | | X | | | | | | | | | | | |
| Orly New Departure Junction | | | | | | | | | | | | | X | | | | | | | |
| Junction of B and D terminals | | | | | | | | | | | | | | | | | X | | | |
| Junction of the satellites of terminal 1 at Paris-Charles de Gaulle. | | | | | | | | | | | | | | | | | | | | X |

3.4.5 Other adjustments

As with the measures included in the 2011-2015 ERA, Aéroports de Paris proposes that other adjustment factors be taken into account, especially in the case of legislative or regulatory changes affecting the level of costs or revenue in the regulated scope, or in the event of changes in the scope of services covered by the fees subject to the price adjustment ceiling (see 3.1 – *Pricing periods and lists of fees subject to the ceiling*). The principle adopted in these respective cases would be that of neutrality with respect to these events on the projected margin generated by the regulated scope.

3.5 Clarifications on changes to the tariff structure

In accordance with regulations, changes in the pricing structure are not exclusively related to the ERA, but also draw on discussions and annual decisions on fee adjustments. For the sake of clarity, the key principles of the proposed changes are outlined below.

These pricing structure changes have been presented to the members of the advisory committees of the Paris airports. After opinions have been collected, they will be presented for approval by the Independent Supervision Authority. The structural changes be carried out under the condition of economic neutrality with respect to the revenue of Aéroports de Paris.

Rewarding the performance of airlines

- encouraging increased load factor, through an overall lowering of the passenger fee, benefiting all routes;
- adding value to slots by assigning increased charges to landing fees based on the number of ATM. It is proposed that the aircraft fees calculated on the aircraft base be rejigged to encourage better use of slots and support larger aircrafts. Both airports are in fact limited in runway capacity in terms of ATM per hour.

Consolidating the Paris-Charles de Gaulle Hub and making intercontinental traffic more competitive

Three measures would improve the competitive positioning of the Paris-Charles de Gaulle hub in terms of connecting traffic:

- the current fee structure, with a billing discrepancy estimated at 68% between passengers in mid-sized aircrafts in Schengen flight and those in large aircrafts in international flight, is highly unfavourable to the Parisian airports' objective of capturing an optimal level of intercontinental traffic and establishing its status as a gateway to Europe for passengers from all around the world. It is therefore proposed to revise, in combination, the profiles of the main fees (passenger, landing and parking) for the 2016-2020 ERA, in order to reduce this discrepancy and recover growth in intercontinental traffic;
- with the first economic regulation agreement, Aéroports de Paris applied a discount of 40% to the connecting passenger fee as compared to the "origin-destination" passenger fee in terms of services rendered to each of these two classes of traffic. Aéroports de Paris proposes that this discount, applicable to both Paris-Charles de Gaulle and Paris-Orly, be maintained;
- a change in the billing for transfer baggage handling to Paris-Charles de Gaulle is also proposed, in favour of a one-time fee that would be based on the connecting passenger, as with the change applied to the billing for local baggage handling at the beginning of the 2011-2015 ERA. Current billing is carried out by differentiated fees billed to the baggage terminal (€2.79/bag in T1, €8.84/bag in T2A, 2014 fees) or by specific contracts.

This will allow for fair billing and help to assign airlines within our terminals.

This measure will have absolutely no impact on airlines not operating in connecting traffic.

Encouraging the development of on-site airlines

Based airlines handling either passenger traffic or cargo, are an asset to the region and its development. In order to promote their development, it is proposed that the overnight parking of aircraft no longer be billed at Parisian airports.

Simplifying the tariff

Pursuant to Article R. 224-2 of the Civil Aviation Code, landing fees may fund complementary services which enhance the use by aircraft of the infrastructure necessary for landing, take-off and taxiing. De-icing is a complementary service within the meaning of that provision. Considering carefully the well-meaning desire to simplify the pricing structure applying to all airlines, Aéroports de Paris proposes to group the fixed portion of the de-icing fee billed on landing and the fixed portion of the landing fee. The variable portion, billed upon provision, would of course be maintained.

| | Passenger Fees | Landing Fees | Parking Fees |
|------------------|--|---|--|
| Ambition | Improving the competitiveness of Paris airports | Enhancement and reprofiling in favour of international traffic | Attractiveness for aircraft based on site |
| Impacts sought | <ul style="list-style-type: none"> Promoting an increase in the airlines' payload and performance Improving the competitiveness of Paris airports Improving the competitive positioning of the Paris-Charles de Gaulle hub | <ul style="list-style-type: none"> Promoting an increase in payload Growth driver for international traffic Adjustment of this fee to the number of passengers transported according to carrier type | <ul style="list-style-type: none"> Favourable impact for airlines parking overnight Increase in contact parking |
| Proposed changes | Reduction of 5-10% in passenger-based fees with: <ul style="list-style-type: none"> 7-10% reduction on the Domestic/Sch segment 5-8% reduction on the International segment Ongoing 40% reduction for connecting traffic | Increase of 8-12% in Landing fees with: <ul style="list-style-type: none"> An increase of 140-170% in the Fixed Portion A reduction in the Variable Portion (-40% to -50%) for the benefit of wide bodies Preservation of the structure (2 brackets, 40 Tonnes) | Increase of 16-20% in Parking fees with: <ul style="list-style-type: none"> An increase of 30-40% in the Fixed Portion and of 15-20% in the Variable Portion Removal of night parking/garage fees |



3.6 A proposal to introduce incentives for the growth of traffic and an improved use of infrastructure

In order to boost traffic on Paris airports and in compliance with the provisions of the Civil Aviation Code, Aéroports de Paris plans to implement a set of pricing schemes which are more attractive than during the previous ERA.

While the previous economic regulation agreement set an adjustment to the passenger fee to encourage the growth of traffic and better use of infrastructure for all traffic ("origin-destination" and "connecting" traffic), Aéroports de Paris proposes to examine the implementation of two distinct incentives, specific to each class of traffic.

With a view to improving the performance of aircraft parking stands, Aéroports de Paris also proposes to study the implementation of an incentive relating to the use of contact stands and intended for companies with fast turnarounds.

These various incentives, which are intended to be ambitious, aim to support Aéroports de Paris' strategy of increasing its share of long-haul and connecting traffic. In order to implement its strategic choices without having airlines bear their costs, Aéroports de Paris proposes that the sums related to the incentives not be accounted for when calculating the profitability of the regulated scope.

2011-2015 ERA: A single incentive measure focused on the number of departing passengers (origin-destination [o/d] and connection)

2016-2020 ERA: Two incentive measures

+

+ A new measure

| Measures | O/D passengers | Connecting passengers | Parking |
|-------------------------|---|--|--|
| Ambition | Development of O/D traffic along with the transit measure | Enhancing the function of the Paris-Charles de Gaulle Hub by promoting the use of the satellites and relieving the infrastructure on the city side | Improving the performance of contact aircraft stands by promoting rapid turnaround |
| Proposed measure | Discount of 30% of the O/D passenger fee for an increase in traffic exceeding twice the reference traffic AAGR of the ERA | Discount granted for any increase in transit passengers and baggage | For any contact parking < 45 min, fee discount granted on the total contact parking invoice (fixed and variable portions), excluding night parking |
| Ceiling | €5 m/year | €5 m/year | €5 m/year |

04

Quality of service and customer satisfaction

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Over the 2016-2020 period, Aéroports de Paris wishes to continue to improve its quality of service by building on the achievements of the past five years, through the ongoing control and improvement of its processes and facilities. This measure will also focus on developing certain distinctive areas of excellence, in particular the quality of transit in Paris

By ensuring the upkeep of our fundamentals and targeting excellence, we will offer a unique experience, boosting the reputation and attractiveness of Paris airports for the entire airport community.



4.1 Customer strategy

Covering the three key drivers of the customer experience in an airport (infrastructure and services, information and the management of waiting time, and customer relations), Aéroports de Paris' strategy for the 2016-2020 period is based on the following three areas:

1. **guaranteeing our fundamentals.** The major efforts made since 2012 to build Aéroports de Paris customer standards now enable us to define the fundamentals of the customer experience. Standards have been established and are gradually being implemented, in terms of infrastructure and services, as well as operating processes, orientation and hospitality. They ensure accurate tracking and the ongoing monitoring of quality levels. The performance targeted over 2016-2020 ERA will primarily involve greater regularity and the proactive reduction of situations which downgrade the quality level;
2. **developing a few areas of excellence in customer handling.** The internationally renowned airports considered as among the world's best have developed distinctive features which underpin their brand identities, each with their own areas of excellence which build their reputations. For the 2016-2020 period, Aéroports de Paris wishes to:
 - rally the airport community around common priority areas, thereby boosting their impact and perception,
 - improve the reputation of Paris airports, and thus their attractiveness;
3. **positioning Paris-Charles de Gaulle as an excellent airport in terms of the satisfaction of connecting passengers.** In line with the strategy, the major area of improvement in terms of customer satisfaction over 2016-2020 ERA will be connections. This will require the improvement of facilities (transit hubs, review of certain pathways, etc.) and an attractive and distinctive service offer:
 - the Centre de Correspondance Longue (area for long connections), set to open in 2016, will include hotel services, restaurants, relaxation facilities, and a variety of original services provided free of charge and renewed on a regular basis,
 - priority, to be implemented by the Orientation team set up in 2013, will be to improve the orientation of passengers. Special emphasis will be placed on the fluidity of checks dedicated to pathways of connecting passengers, and on the speed of links between terminals.

4.2 Proposed indicators and objectives

Two categories of indicators are proposed:

- **“Quality standard”** indicators corresponding to standard services provided by all airports to their customers (airlines and passengers). The incentive system associated with these indicators would be based solely on a concept of required minimum level, sanctioned where appropriate by a price penalty. This new category of indicators, which were not used in the two previous ERAs, meets the expectations voiced by all airline representatives during the discussions which took place during the Economic Consultative Commission meetings, as well as those of the ad hoc working groups composed of various airport players;
- **“Excellence”** indicators focusing on areas in which significant improvement is expected, and/or for which the targeted level is a level of excellence on par with that of other European airports. The incentive system associated with these indicators would rely on two concepts: that of a required minimum level, sanctioned where appropriate by a tariff penalty, and that of a high ambition level rewarded by a bonus.

To establish these indicators, the expectations expressed by the majority of airline representatives, were taken into account:

- The satisfaction indicators would be based on the ASQ survey conducted under the aegis of the ACI rather than on the “Observatoire du passager aérien Départ” (departing passenger survey office), as was the case in the previous two ERAs. The advantage of the ASQ survey is that its methodology was approved by the 254 participating airports and that it is managed by ACI-World. It provides airlines with an independent international framework and enables the manager to track the rating of Paris airports in comparison with a reference group. However, given that it is only applicable to passengers on departure, the “Observatoire du passager aérien aux Arrivées” (arriving passenger survey office) will still need to be used;
- regarding the equipment availability indicators, after having heard the comments concerning the discrepancy between customer perception and the results of the previous ERA indicators, it was proposed to take account of all equipment shutdowns (including safety shutdowns, excluding works subject to advance notice). Moreover, it was proposed to give up time weighting on the indicators, as this makes them difficult to understand for airline personnel, without having any real impact on performance improvement;
- It is also proposed to maintain the “Quality Operational Committees” set up during the previous ERA. The Committees’ joint analysis of the results allow the implementation of targeted action plans and the monitoring of their impact. As requested by airlines, the indicator data will also be made available through a shared database accessible at any time to authorised users.



4.2.1 “Quality Standard” indicators sanctioned where appropriate by a penalty

We proposed to use seven “Quality Standard” indicators, including five availability indicators and two satisfaction indicators:

- Availability of electromechanical equipment (indicator already used in the 2011-2015 ERA, scope extended to the shutdown of facilities);
- Availability of baggage carousels (indicator already used in the 2011-2015 ERA, scope extended to the shutdown of facilities);
- Availability of aircraft stands (indicator already used in the 2011-2015 ERA, scope extended to unplanned closures);
- Availability of gangways (indicator already used in the 2011-2015 ERA, scope extended to the shutdown of facilities);
- Availability of 400Hz (new indicator, same calculation method as that of the previous four);
- Satisfaction concerning cleanliness (Source: ASQ/ACI survey; question asked = “Based on what you’ve experienced today, please rate this airport on each of the following aspects: [...] Cleanliness of this airport terminal”);
- Satisfaction concerning orientation (Source: ASQ/ACI survey; question asked = “Based on what you’ve experienced today, please rate this airport on each of the following aspects: [...] Ease of finding your way around the airport”).

Aéroports de Paris deems that the “Quality Standard” indicators should not give rise to a bonus as they relate to the fundamentals expected by customers.

| Period of measurement | Levels | Availability of electromechanical equipment (%) | Availability of baggage carousels (%) | Availability of aircraft stands (%) | Availability of passenger boarding bridges (%) |
|-----------------------|-----------------------|---|---------------------------------------|-------------------------------------|--|
| mid-2015 to mid-2016 | Target level | 95.00% | 98.00% | 94.00% | 95.00% |
| | Maximum penalty level | 93.50% | 96.50% | 92.50% | 93.50% |
| mid-2016 to mid-2017 | Target level | 95.25% | 98.00% | 94.25% | 95.25% |
| | Maximum penalty level | 93.75% | 96.50% | 92.75% | 93.75% |
| mid-2017 to mid-2018 | Target level | 95.50% | 98.00% | 94.50% | 95.50% |
| | Maximum penalty level | 94.00% | 96.50% | 93.00% | 94.00% |
| mid-2018 to mid-2019 | Target level | 95.75% | 98.00% | 94.75% | 95.75% |
| | Maximum penalty level | 94.25% | 96.50% | 93.25% | 94.25% |
| mid-2019 to mid-2020 | Target level | 96.00% | 98.00% | 95.00% | 96.00% |
| | Maximum penalty level | 94.50% | 96.50% | 93.50% | 94.50% |

| Period of measurement | Levels | Availability of 400Hz (%) | Satisfaction concerning cleanliness (Rating out of 5) | Satisfaction concerning orientation (Rating out of 5) |
|-----------------------|-----------------------|---------------------------|---|---|
| mid-2015 to mid-2016 | Target level | 95.50% | 3.88 | 3.71 |
| | Maximum penalty level | 97.00% | 3.85 | 3.68 |
| mid-2016 to mid-2017 | Target level | 95.50% | 3.90 | 3.73 |
| | Maximum penalty level | 97.00% | 3.85 | 3.68 |
| mid-2017 to mid-2018 | Target level | 95.50% | 3.91 | 3.75 |
| | Maximum penalty level | 97.00% | 3.85 | 3.68 |
| mid-2018 to mid-2019 | Target level | 95.50% | 3.93 | 3.76 |
| | Maximum penalty level | 97.00% | 3.85 | 3.68 |
| mid-2019 to mid-2020 | Target level | 95.50% | 4.05 | 3.87 |
| | Maximum penalty level | 97.00% | 3.85 | 3.68 |

4.2.2 Ambitious “Excellence” indicators backed by a bonus/penalty system

Three «Excellence» indicators, corresponding to satisfaction indicators, would supplement the indicators with a financial impact:

- Satisfaction concerning transit (Source: ASQ/ACI survey; question asked = «Based on what you’ve experienced today, please rate this airport on each of the following aspects: [...] Ease of connection with other flights»);
- Overall satisfaction for departures (Source: ASQ/ACI survey; question asked = «Based on what you’ve experienced today, please rate this airport on each of the following aspects: [...] Overall satisfaction with this airport»);
- Overall satisfaction for arrivals (Source: «Observatoire du passager aérien Arrivées» survey on arrivals; question asked = «Overall, how would you rate the services you have used today in this terminal?»).

For the «Excellence» indicators, Aéroports de Paris proposes that the levels giving rise to the maximum bonus/penalty rates be based on ambitious principles. The object is to progress between 2015 and 2020 at the same pace as today’s top two European players in terms of quality of service.

| Period of measurement | Levels | Satisfaction concerning transit (Rating out of 5) | Satisfaction with Departures (Rating out of 5) | Satisfaction with Arrivals (%) |
|-----------------------|-----------------------|---|--|--------------------------------|
| mid-2015 to mid-2016 | Maximum bonus | 3.53 | 3.68 | 95.00% |
| | Target level | 3.51 | 3.66 | 90.00% to 93.00% |
| | Maximum penalty level | 3.48 | 3.63 | 88.00% |
| mid-2016 to mid-2017 | Maximum bonus level | 3.56 | 3.71 | 95.00% |
| | Target level | 3.52 | 3.67 | 90.00% to 93.00% |
| | Maximum penalty level | 3.48 | 3.63 | 88.00% |
| mid-2017 to mid-2018 | Maximum bonus level | 3.58 | 3.74 | 95.00% |
| | Target level | 3.53 | 3.68 | 90.00% to 93.00% |
| | Maximum penalty level | 3.48 | 3.63 | 88.00% |
| mid-2018 to mid-2019 | Maximum bonus level | 3.61 | 3.77 | 95.00% |
| | Target level | 3.55 | 3.70 | 90.00% to 93.00% |
| | Maximum penalty level | 3.48 | 3.63 | 88.00% |
| mid-2019 to mid-2020 | Maximum bonus level | 3.74 | 4.00 | 95.00% |
| | Target level | 3.57 | 3.73 | 90.00% to 93.00% |
| | Maximum penalty level | 3.48 | 3.63 | 88.00% |

4.2.3 “Monitoring” indicators, with no financial impact

Aéroports de Paris proposes an additional set of five monitoring indicators, identical to those of the previous two ERAs, concerning:

- Passenger waiting times at security checkpoints (SCP) (monitoring indicator already used in the 2011-2015 ERA, calculation method being changed from a random manual survey to an automatic and systematic data capture system);
- Boarder Traffic Police waiting times (monitoring indicator already used in the 2011-2015 ERA, calculation method based on a random manual survey; to be upgraded to an automatic and systematic data capture system);
- Baggage delivery time (monitoring indicator already used in the 2011-2015 ERA, calculation method based on a systematic «first bag» and «last bag» data capture system);
- The baggage carousel availability rate (indicator to be created and fine-tuned, complex system);
- The satisfaction with the city/airport connection (existing monitoring indicator, but a change in sources is proposed: ASQ/ACI survey; question asked = «Based on what you’ve experienced today, please rate this airport on each of the following aspects: Transport to/ from the airport»).

These indicators will mobilise the whole aeronautical community around what customers see as the key issues for passenger traffic flow. They will eventually lead to precise commitments, signed up to by all stakeholders: airlines, government services, public transport managers, subcontractors and the airport manager.

4.3 Joint collaborative approach in addition to the ERA

Aéroports de Paris proposes to develop new collaborative approaches to continue to improve the customer experience in Paris airports. Such methods make it possible to work on quality improvement drivers for which no single party has the required means of action to significantly affect customer perception.

This proposal met with keen interest on the part of the airport community. It does not fit into the legal framework of the ERA but is however unanimously considered as to provide improvements. The proposed focuses are the following:

- **punctuality:** the current coding system seems inefficient. The airports which currently have the best performances in this area have developed working methods inspired by CDM (collaborative decision-making);
- **hospitality:** the customer perception results from the entire chain of players encountered on their way. It would be useless to limit our action to a particular player in the chain. This is an issue which naturally lends itself to collaborative work involving all stakeholders in contact with customers;
- **check-in:** for over a year, at Paris-Orly South terminal, collaborative methods based on visual management have been used for this purpose; their results have been highly appreciated by all stakeholders (airlines and ground-handling companies involved, airport and external service providers). Due to the interrelated nature of the various players' responsibilities in this process, such methods are essential to achieve sustainable improvements. The method is being extended to Paris-Orly West terminal Hall 2, and will soon be introduced at Paris-Charles de Gaulle terminal 1;
- **baggage delivery:** a first test on the use of collaborative methods for the baggage delivery process was conducted at Paris-Orly South terminal. As with the check-in process, this is an area where the airline, ground-handling company and airport have interrelated responsibilities, making a collaborative approach highly appropriate;
- **disabled or reduced mobility passengers:** the work undertaken in this area over recent months has confirmed the advantages of a collaborative approach. Efforts will continue in this direction.

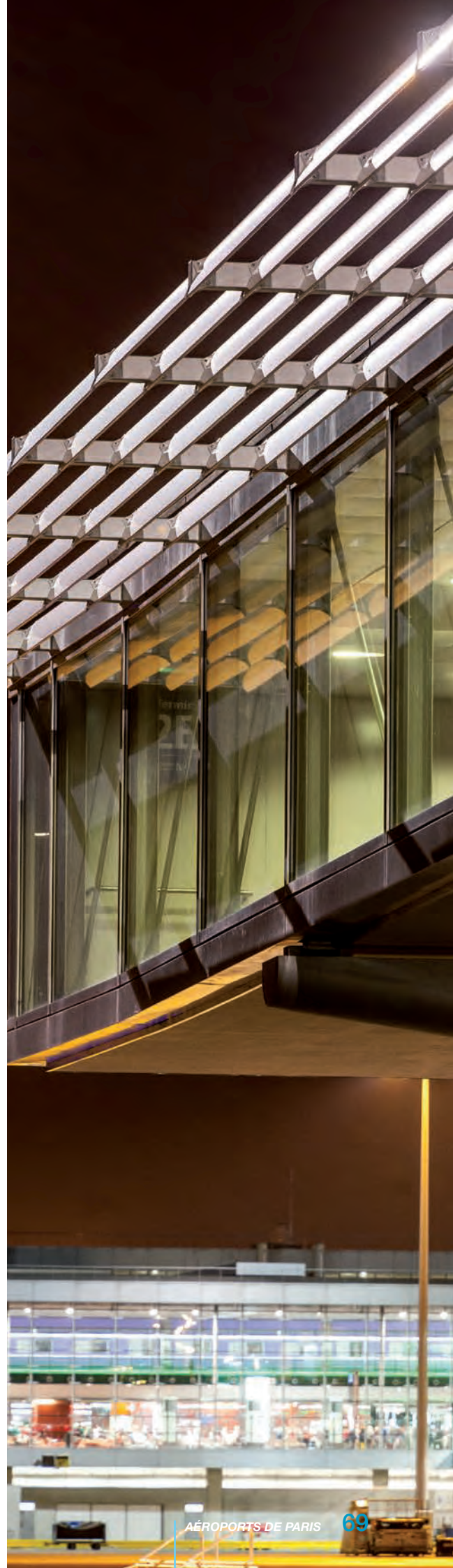
In the course of 2015, Aéroports de Paris will undertake initiatives in addition to the ERA, to introduce a collaborative approach addressing these various topics aimed at constantly improving passenger accommodation.



05

Economic performance change

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The law of 20 April 2005 provides that the amount of aeronautical fees must reflect the return on capital invested. The decrees and implementing orders specify that fair return on invested capital is assessed by comparing the level of the weighted average cost of capital (WACC) and return on capital employed (ROCE) for the regulated scope.

Within this context, the agreement's balance is due to a combination of main components: the level of the weighted average cost of capital; trends in the operational costs of the regulated scope; changes in revenue from the regulated scope, which relate in particular to forecasted changes in traffic and fees, and the level of the regulated asset base, linked to the past and future investment policy.

Each year, Aéroports de Paris produces documentation relating to the profitability levels of the regulated scope. In 2013, while the WACC amounted to 6.1%, the ROCE of the regulated scope stood at 2.9%. This situation was due in particular to the fact that 2011-2015 ERA was designed as a transitional agreement including pricing moderation following the establishment of the adjusted-till system. Aéroports de Paris has already made a significant effort: a rate freeze in 2010 (while the ceiling allowed for an increase of more than 10%) and pricing moderation in the first years when the investment programme was at its highest.

For the next Economic Regulation Agreement, Aéroports de Paris aims to generate, by the end of the agreement, a return on the regulated scope equal to the Group's weighted average cost of capital, in order to apply the legislative principle of fair return on capital invested. Focused on improving the competitiveness of Paris airports and on containing price increases the best as possible, this objective will contribute towards the pooling of efforts between the airport and airlines.

5.1 Aéroports de Paris' weighted average cost of capital

The weighted average cost of capital measures the cost of the capital used by the Company, comprising equity and debt.

In terms of asset evaluation, it assesses the minimum profitability threshold beyond which the company will create value. In economic regulation, it is used to measure the rate of return of the regulated scope.

The insert below shows the calculation of the weighted average cost of capital (WACC) according to the most widely used method (CAPM model).

Definition and calculation of WACC

The weighted average cost of capital (WACC), measured after deduction of corporate tax, is the weighted average of the cost of equity and that of the debt:

$$WACC = k_{CP} \times \frac{V_{CP}}{V_{CP} + V_D} + k_D \times (1 - IS) \times \frac{V_D}{V_{CP} + V_D}$$

where:

- k_{CP} = cost of equity
- k_D = cost of debt before tax
- V_{CP} = market value of equity
- V_D = value of the net debt
- IS = current tax rate

The cost of equity is calculated according to the method generally used for evaluating companies (the CAPM model), as follows:

$$k_{CP} = r_f + \beta_{CP} (r_m - r_f)$$

where:

- r_f = risk-free rate
- β_{CP} = equity beta, measuring the company risk in relation to the equity market average; it is calculated using the sector beta (risk relating to a company such as Aéroports de Paris if it were totally unlevered) and the company's financial structure
- r_m = expected equity market return
- $r_m - r_f$ = risk premium reflecting the variance in expected profitability between the equity market and the risk-free asset

The β_{CP} factor is derived from the sector or economic asset beta (β_e) as follows:

$$\beta_e = \frac{\beta_{CP}}{1 + (1 - IS) \times \frac{V_D}{V_{CP}}}$$

Given the current market parameters, the WACC of the Aéroports de Paris Group currently stands **at 5.8%** as a central value (nominal value after tax):

| Parameters | | Value used | Comments |
|--|---|--------------|---|
| r_f = risk-free rate | ▶ | 2.68% | • 10-year treasury bonds, 5-year average. |
| IS = income tax rate | ▶ | 38.00% | • Tax rate applicable in France under the 2013 Finance Act. |
| $\frac{V_D}{V_{CP} + V_D}$ = leverage | ▶ | 28.93% | • Forecasted leverage of 28.9% (5-year average), in line with the Aéroports de Paris Group's historical 5-year average. |
| $r_m - r_f$ = market risk premium | ▶ | 6.00% | • Damodaran & Factset consensus, 5-year average. |
| k_D = cost of debt before tax | ▶ | 4.35% | • Historical cost of net debt, 5-year average. |
| β_{AE} = asset beta ⁽¹⁾ | ▶ | 0.58 | • Bloomberg 5-year adjusted beta, unlevered based on the historical gearing ratio ² (5-year average). |
| | | 5.80% | |

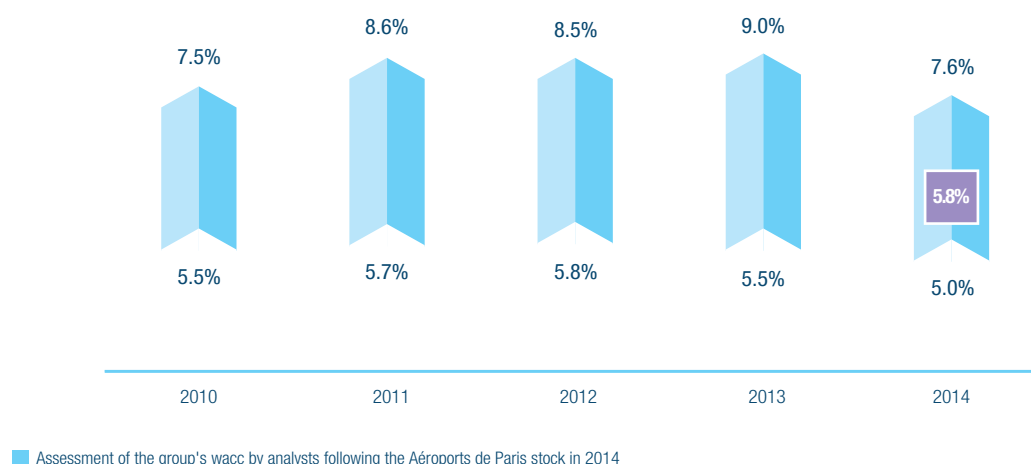
(1) *unlevered beta.*

(2) *Gearing = V_D / V_{CP} .*

The methodological principles used for the assessment of Aéroports de Paris' WACC are the following:

- The parameters of the WACC (risk-free rate, cost of net debt, and beta) were defined using benchmarks covering a long period. Opting for a five-year period is consistent with the duration of the ERA and makes it possible to even out any market anomalies and short-term fluctuations.
- The benchmarks used are the ADP Group's own benchmarks, whenever these are available and relevant. The beta of the ADP Group is thus the most relevant benchmark to assess the asset risk level (the relevance of this benchmark is confirmed by the liquidity of ADP shares and its free float), while the estimated leverage over the 2016-2020 ERA period makes it possible to gauge the relative weight of the ADP Group's equity and net financial debt.
- The cost of the debt is arrived at through the cost of the net financial debt, as set out in the ADP Group's financial statements:
 - the cost of the net financial debt is used rather than the cost of the gross debt, as the weighting of the capital resources is done on a net basis,
 - the current cost of ADP bonds is a good pointer but ADP may not be able to refinance the whole of its debt at that cost,
 - the historical cost of the net financial debt is more representative of the current and short/medium-term cost of ADP's net financial debt.

Moreover, these assessments are at the low end of the WACC valuation range established by the cash equity analysts in 2014 who track the Aéroports de Paris stock. According to their estimates, the WACC of Aéroports de Paris saw a consistent increase from the signing of the second economic regulation agreement until 2012-2013. Since then, European monetary policies have generated a significant drop in risk-free rates in order to restore growth, leading to historically low yields.



The analysis conducted shows that the WACC of the regulated activities is close to, or even slightly higher than, the Group's overall WACC:

- given that the large majority of Group activities come under the regulated scope (over two thirds of the capital employed by the Group), it seems reasonable to consider that the WACC of the current regulated scope is similar to the overall WACC;
- the inclusion of diversified activities following different economic cycles entails a diversification of risks which lowers the Group's WACC. Conversely, a WACC of regulated activities would intrinsically reflect a risk predominantly linked to traffic, partly offset by the existence of an economic regulation agreement;
- furthermore, the activities outside the regulated scope are associated with WACCs which are equal to or lower than the Group's WACC: activities with a significant asset base, i.e. real-estate diversification activities like those concerning commercial property, are associated with WACCs at the lower end of the above-mentioned range, based on an analysis of comparable assets, whereas administrative activities financed by the airport tax are currently remunerated on a regulatory basis of around 3% after tax.

5.2 Operating costs of the regulated scope

The financial discipline that the company determines, demonstrates the efforts it intends to make in promoting the global competitiveness of its airports and moving toward moderation in tariffs for airlines. This discipline is also a key factor of its independence and to protect its business model.

In order to improve its financial performance, Aéroports de Paris will use all available levers affecting investments and operating costs, while ensuring its customers enjoy quality service at the right price.

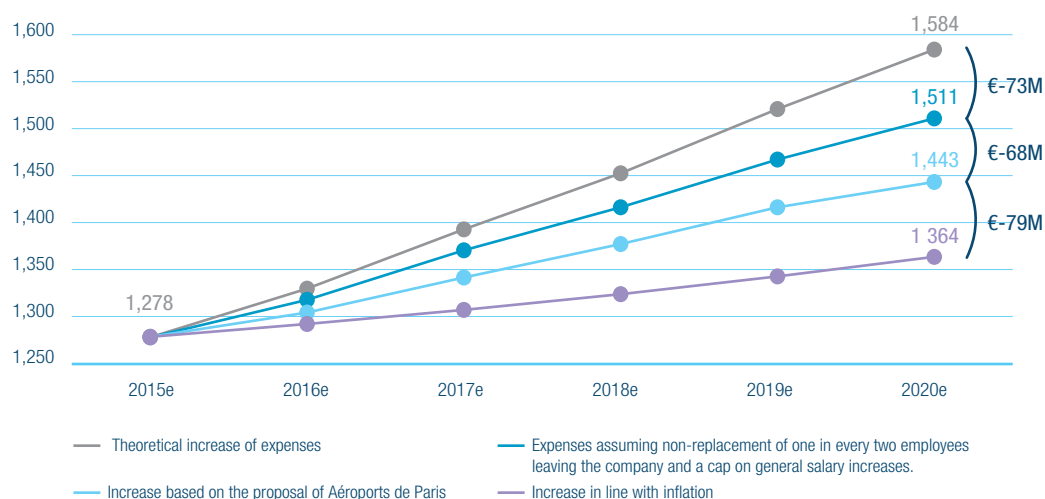
The financial discipline to which Aéroports de Paris commits throughout the 2016-2020 ERA, in an effort to control its operating expenses, is expected to stabilise costs per passenger in the regulated scope in current euros, between 2015 and 2020, excluding depreciation and taxes. In practical terms, this will lead to increased performance regarding the projected rate of inflation (the consumer price index being accounted for at 1.30% per year).

The mechanical growth in current expenses (internal and external) within the regulated scope would total nearly 4.4%, particularly in view of provisions relating to payroll, indexation clauses in outsourcing contracts and the ongoing traffic and capacity increases observed.

Aéroports de Paris proposes to initially limit this increase to 3.4%. This scenario is founded on a limitation of the general wage increases and a hypothesis of non-replacement of one out of two staff leaving the company.

In order to get a fair return on the capital invested while limiting price increases, an additional objective in terms of structural savings has been set. All these efforts allow for a projected average annual increase of 2.5% in the costs of the regulated scope, including inflation (assuming an average annual increase of 1.30% in consumer prices).

In millions of euros



CAGR

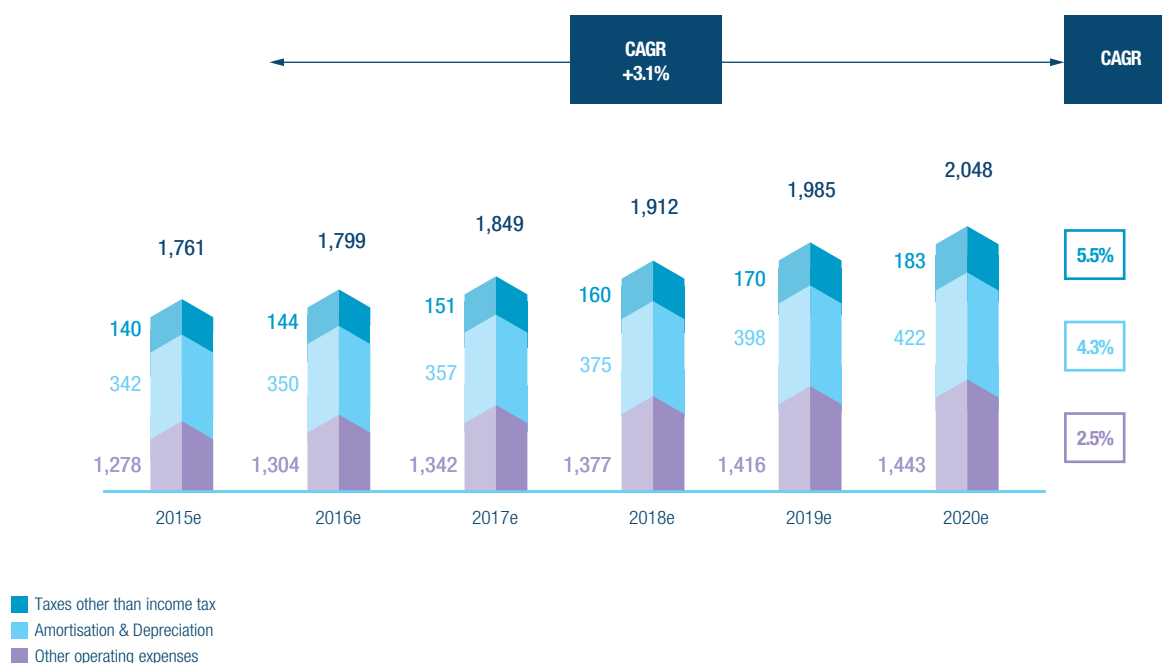
+4.4%

+3.4%

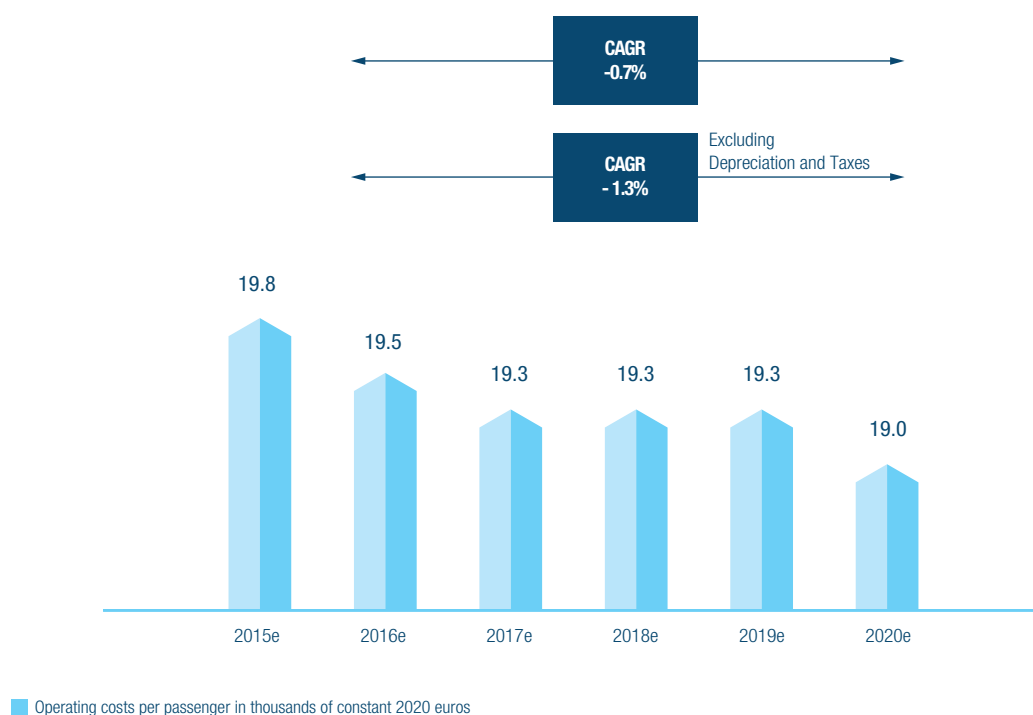
+2.5%

+1.3%

Increase in operating expenses for the regulated scope (2015-2020) in millions of current €



Changes in operating expenses per passenger in thousands of constant 2020 euros across the regulated scope (2015-2020) in 2020 constant €



In order to achieve its ambitions in terms of financial discipline, Aéroports de Paris will direct a significant part of its efforts toward the control of operating expenses through three main levers, consistent with the quality of service objective.

ACTIVITY MEASUREMENTS

While maintaining its business model, which ensures the creation of value, Aéroports de Paris will examine the relevance of the company's various activities. Those integral to its core business activity and which create value through expertise, will continue to be performed in-house. Those not considered to contribute to the airport value chain, and which consist primarily of the simple performance of tasks, will be subject to review: the need to keep them in-house, resize them, or subcontract them.

ORGANISATIONAL AND COLLABORATIVE MEASURES

The strengthened performance of organisations will require the streamlining of processes, trades and organisations, for which the guidelines are:

- innovating in terms of processes and working methods;
- revising the organisation of operational units and grouping the support services together so as to increase productivity.

Furthermore, Aéroports de Paris wishes to collaborate with its subsidiaries in the future, in particular with ADP Ingénierie and TAV Airports in order to:

- manage more closely the cost of studies and supervision of works;
- develop best practices in terms of procurement management and outsourcing management;
- reduce the cost of access to new technologies through joint development and procurement.

MEASURES RELATING TO PAYROLL

Changes to personnel costs in the 2016-2020 ERA are based on the non-replacement of one out of two departing employees. To this end, Aéroports de Paris would like to foster employee development through measures aimed at anticipating and supporting changes in employment, work practices and management in order to encourage the collective commitment of employees. For example:

- changing compensation schemes to better promote individual performance, as part of improving collective performance;
- promoting mobility;
- organising career development.

All these projects are based on a diagnostic of posts and skills that allow forward-looking management over the next ERA period.

5.3 Revenue from the regulated scope

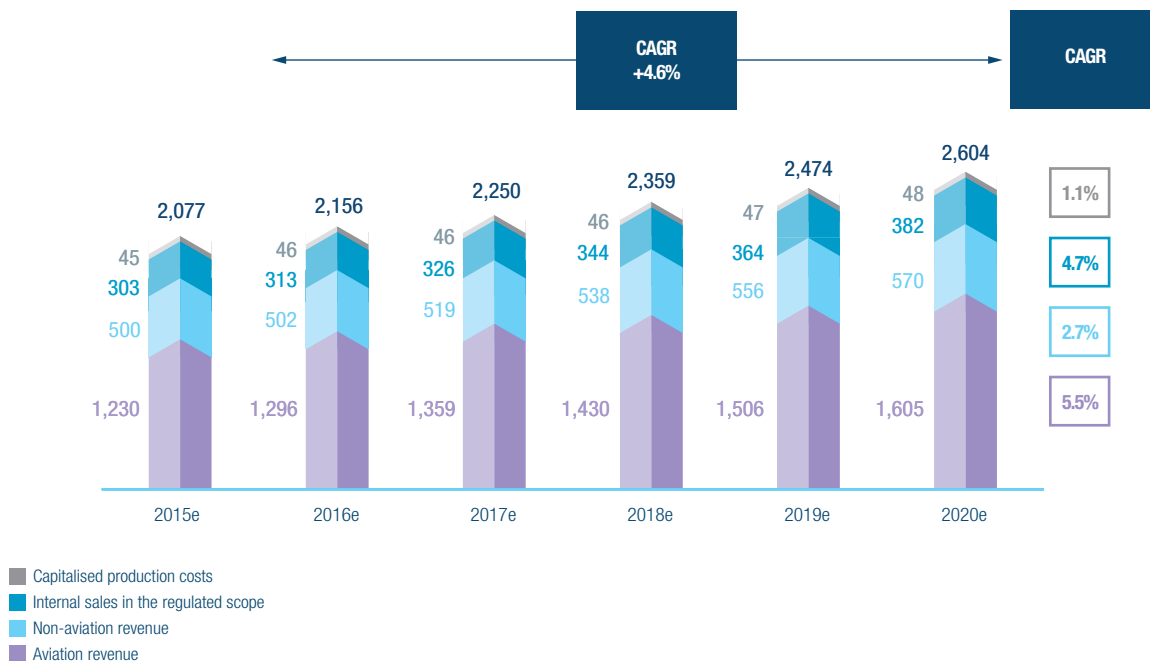
The projected 5.5% growth in aviation revenue on average per year during the 2016-2020 ERA is due to the combination of a 2.5% increase in passenger traffic per year, the proposed 1.75% + inflation increase in rates per year on average, and structural effects such as the availability of new capacity, the new tariff structure and the changing traffic mix.

The increase in non-aviation revenue, which amounts to 2.7% per year on average, will result from changes in revenue generated by the car parks, industrial services, airport real estate activity and rental activity in terminals.

Moreover, the regulated scope sells various services to the other business activities of Aéroports de Paris SA (internal transfers), including in particular:

- the provision of administrative and maintenance services to safety and security activities (airport tax);
- the leasing of space in air terminals to cross-connected administrative services and technical support, and the supply of electrical power to the diversification real estate;
- the production of studies and works for the cross-connected services and diversification real estate mentioned above.

Change in revenue from the regulated scope (2015-2020) in millions of current euros



5.3.1 Aviation revenue

Given Aéroport de Paris' ambition to strengthen its airports' price competitiveness through a moderation in tariffs policy, the growth of aviation revenues is expected to be around 5.5% per year over 2016-2020.

This increase reflects Aéroports de Paris' proposal to implement moderation in tariffs to promote its competitive positioning. Fees covered by the 2016-2020 ERA will increase by 1.75% per year above inflation (see section 3.2), while the scope of services provided will remain unchanged.

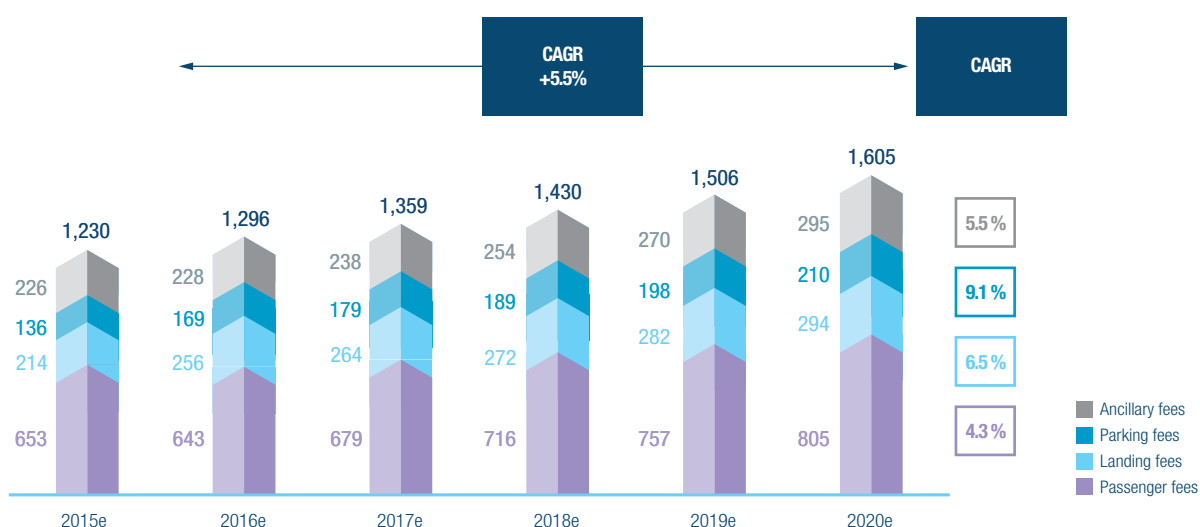
In terms of revenue growth, rising revenue from the main fees, amounting to 5.6% on average per year, will be due to the combination of the following:

- the expected 2.5% increase in passenger traffic per year on average;
- the proposed rate increase of 1.75% per year above inflation (inflation assumption at 1.30% per year);
- the improved passenger traffic structure and average tonnage landed with the new proposed pricing structure and incentives;
- in terms of service provision structure, the commissioning of new contact stands related to the construction of a connecting building between Orly South and Orly West and the reopening of terminals 2B and 2D;
- the inclusion of the de-icing fee in landing fees;
- conversely, the gradual improvement of the acoustic performance of fleets, which is unfavourable to the increased revenue generated by landing fees.

Revenue from specialised fees covering complementary fees whose prices are determined by Aéroports de Paris and those of which the prices are agreed contractually with certain clients (as in the case of baggage sorters, which form part of the activity of SkyTeam) is expected to increase by 5.5% on average per year, for the following reasons:

- developments in profit related to the gradual commissioning of new baggage sorting facilities leased to Air France, including the TDS3 and TDS4;
- in contrast, the removal of the de-icing fee from complementary fees is unfavourable to its growth;
- Finally, the rest of the proposed increase is explained both by the effect of the volume of activity, the above-mentioned pricing trends, changes in service provision with the opening of new capabilities.

Changes in Aviation revenue from the regulated scope in millions of current euros

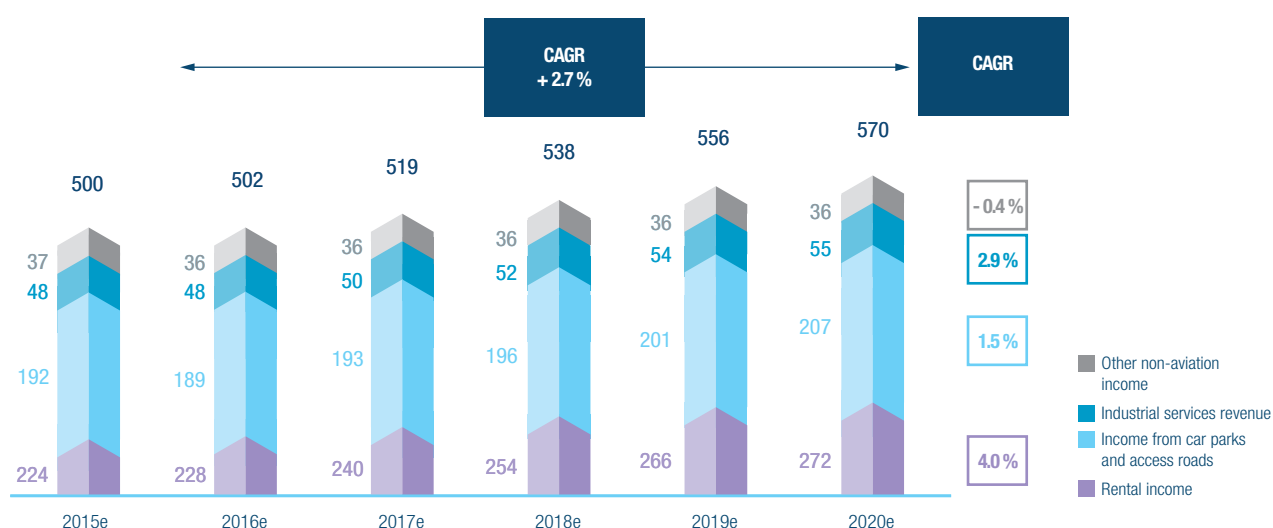


5.3.2 Non-aviation revenue

Non-aviation revenue in the regulated scope comprises rental income (consisting of rental income activity within terminals, and of airport real estate, excluding terminals) and various services (business centres in airports, Aéroports de Paris lounges, etc.), revenue from public car parks and subscriptions, from industrial services provided to real estate clients and business occupants in terminals; lastly, this revenue includes revenue from various services including those provided contractually to air navigation service management, refurbishment and equipment work for the benefit of business occupants, and specific services (access No. 1, rebilling of shuttles, corporate catering, medical facility, etc.).

Efforts by Aéroports de Paris to grow these non-aviation activities is forecast to lead to an increase in associated revenue 2.7% on average per year over 2016-2020:

Changes in non-aviation revenue from the regulated scope in millions of current euros



This increase is mainly driven by rental activities, of which the revenue is expected to increase by **4.0% per year on average**, due to:

- airport real estate, which should benefit from the development of new capacity in the freight area and in buildings related to the development of Fedex, and a sustained and complementary effort to rehabilitate the real estate asset base in order to release or return to the market products which are tailored to the expectations of Aéroports de Paris customers;
- the commissioning of new terminal facilities, in particular with the construction of a connecting building between Orly South and Orly West, the junction of satellites 1 to 3 of terminal 1 and the junction between terminals 2B and 2D, and traffic growth expected in the 2016-2020 ERA, which will generate additional requirements on the part of business occupants in terminals;
- the consideration, in financial evaluations, of a 1.24% average rental index increase over 2016-2020.

Growth in other non-aviation revenue **amounting to 1.5% per year on average** for car parks, and + 2.9% per year on average for industrial services reflects efforts by Aéroports de Paris to provide customers with quality services at reasonable prices:

- improving the quality of service in car parks would not lead to particularly strong price growth, given the price positioning already achieved; in addition, in terms of volume of business activity, the policy of streamlining subscriptions by businesses and the trend toward loss of market share for the private cars as a means for passengers to travel to the airport, is expected to lead to an average annual increase in revenue of just around 1.5% per year;
- Industrial services revenue is growing at an average annual rate of 2.9%, driven by a combination of dynamic energy supply prices (electricity and gas), new infrastructure (connecting buildings between terminals) and investment in energy equipment.

5.4 Change in regulated operating revenue and the regulated asset base

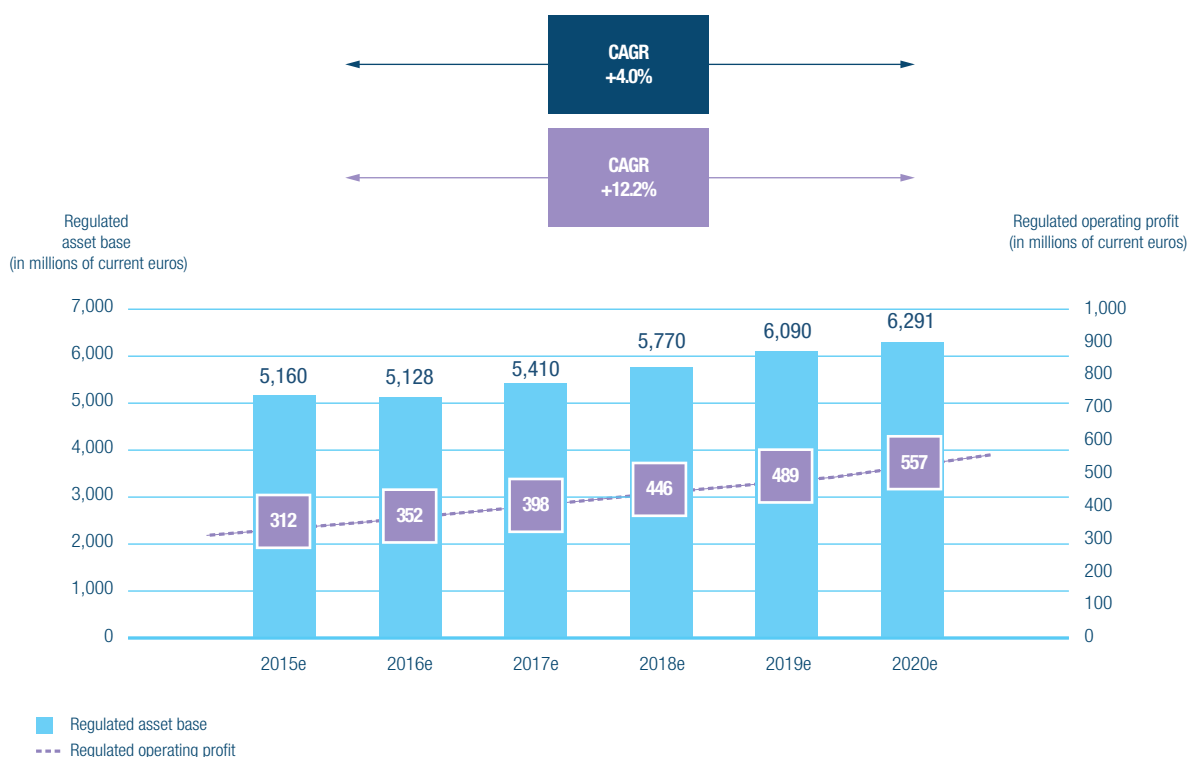
As a result of the considerable efforts made with respect to expenses, operating income for the regulated scope is expected to increase significantly and consistently, and should benefit from traffic growth and pricing increases on fees during the 2016-2020 ERA.

The regulated asset base is expected to increase significantly, through a combination of:

- a peak in the investment cycle, with an investment programme totalling €3.1 billion (in constant euros);
- a significant increase in the negative working capital requirement, consistent with the peak in the investment cycle.

Despite the significant increase in the regulated asset base, the strong growth dynamic of the regulated operating income is expected to generate a significant increase in regulated ROCE until 2020, which will help achieve the objective of converging the regulated ROCE and the WACC.

Growth in the regulated asset base and operating income of the regulated scope (2015-2020)



Moreover, within the scope of the review of the key areas of cost accounting carried out by the Airport Consultative Committee (CocoAero), (see A.4 - *Principles used in preparing the financial statements of the regulated scope*), Aéroports de Paris proposes to adjust its methods of asset and expense allocation for common areas in the terminals, roads and access, in accordance with the Commission's opinion published on 24 October 2014. This will be done during the first year of the 2016-2020 ERA.

This opinion was issued in response to Aéroports de Paris' presentation to all stakeholders (airlines and regulator) in the Airport Consultative Committee approached by the Minister of Civil Aviation on 23 May 2014 to examine the methods used for allocating assets, income and expenses to the regulated scope. During this presentation, Aéroports de Paris sought to demonstrate that the financial statements of the regulated scope were based on the following allocation principles:

- a large part of the assets and income statement items is directly allocated to the regulated scope or to the non-regulated scope;
- the other components of the income and asset base, which are shared by the two scopes, are divided based on rules which strive to accurately reflect the economic reality, notably costs associated with each function.

Moreover, the reliability of those regulated financial statements is guaranteed by the statutory auditors and other external third parties who examine those statements.

Thus, without modifying the definition of the regulated scope, Aéroports de Paris proposes to apply the measures described in the Airport Consultative Committee opinion published on 24 October 2014, which involve transferring part of the asset base and associated expenses from the regulated scope to the non-regulated scope, thereby reducing the asset base of the 2020 regulated scope by over €330 million (i.e. a reduction of over 5%), and increasing the operating income of the 2020 regulated scope by around €25 million (mainly due to the reduction in the depreciation/amortisation expenses allocated to the regulated scope).

DISTRIBUTION OF INVESTMENTS/ASSETS IN COMMON TERMINAL AREAS:

The investments in terminals are currently divided on a prorata basis, according to the surface areas occupied by each scope (regulated and non-regulated). This breakdown is done according to the functionality allocated to each of the surface areas, setting apart the aeronautical functionalities (passenger facilities, check-in desks, airline counters and rental counters in terminals) included in the regulated scope, from commercial functionalities allocated to the non-regulated scope.

Concerning common areas (public halls, corridors and toilets), the current method consists in fully allocating them to aeronautical activities, and therefore to the regulated scope.

In line with the Airport Consultative Committee's opinion, Aéroports de Paris proposes to change this measure, by allocating 20% of these surface areas to commercial activities (non-regulated scope), in order to account for the necessary use of these areas by customers to get to the commercial premises.

This measure reduces the portion of terminal assets allocated to the regulated scope by around 7%, thereby reducing the 2020 regulated asset base by around €230 million.

DISTRIBUTION OF INVESTMENTS AND OPERATING EXPENSES ASSOCIATED WITH ROAD ACCESS

common roadways

Roadways which can be identified as solely serving buildings or areas within a specific scope are directly allocated to that scope. Common roadways which cannot be allocated to a specific activity are currently allocated on pro-rata to depreciation/amortisation expenses.

In order not to penalise recent investments, and given the fact that it is impossible to assess the nature of the traffic on roadways, Aéroports de Paris proposes to modify the allocation of common roadways by basing itself on the gross value of the activities in the areas covered, instead of on depreciation/amortisation expenses. The 2020 regulated asset base will thus be reduced by around €70 million.

RER train stations

For the CDG2 RER train station, the allocation is currently based on surface areas, resulting in the allocation of 89% of the corresponding assets to the regulated scope. Aéroports de Paris proposes that the principle of allocation of part of the common terminal areas to the non-regulated scope also be applied to the CDG2 RER station, thereby reducing the percentage of allocation from 89% to 79%, and reducing the regulated asset base by around €4 million.

The CDG1 train station is currently fully allocated to the non-regulated scope. Aéroports de Paris proposes to introduce a method based on a passenger flow survey, resulting in the allocation of 50% of this station's assets to the Paris-Charles de Gaulle 1 terminals. This thus increases the regulated asset base by around €12 million.

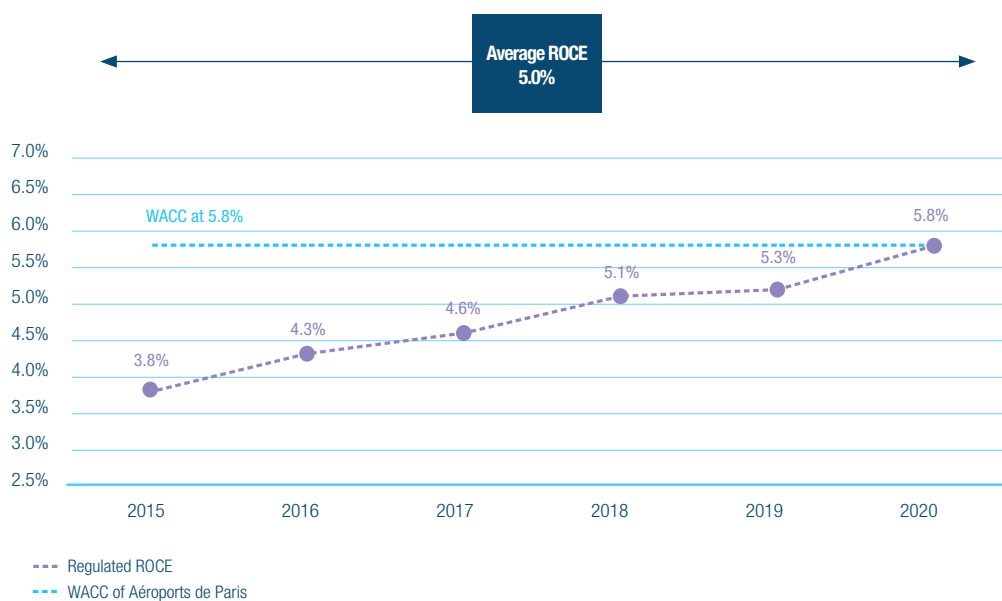
CDG Val

The CDG Val infrastructure is currently exclusively allocated to the regulated scope.

Aéroports de Paris proposes to allocate it to regulated and non-regulated activities based on the average distribution for the Paris-Charles de Gaulle 1 and Paris-Charles de Gaulle 2 train stations, as each is weighted by the level of traffic in each of the two stations. This results in an asset transfer of around €40 million from the regulated to the non-regulated scope.

Despite the significant increase in the regulated asset base, the strong growth trend of the regulated operating income is expected to generate a significant increase in the regulated ROCE until 2020, which will help achieve the objective of converging the regulated ROCE and the WACC.

Change in ROCE of the regulated scope (2015-2020)



5.5 Sensitivity analysis

A sensitivity analysis of the ROCE 2020 of the regulated scope is presented below, prepared with consideration for the main sizing parameters of the business plan:

| Sensitivity factors | ROCE 2020 Regulated scope |
|---|------------------------------|
| +0.2% of tariffs per year during the 2016-2020 ERA CPI on average +1.95% vs CPI +1.75% | 0.13% |
| +€20m of regulated investments per year during the 2016-2020 ERA €3.1 billion vs €3.0 billion | -0.18% |
| -0.2% in traffic per year during the 2016-2020 ERA 2.3% vs 2.5% on average | -0.11% |
| -€2m in regulated operating expenses per year during the 2016-2020 ERA | 0.10% |



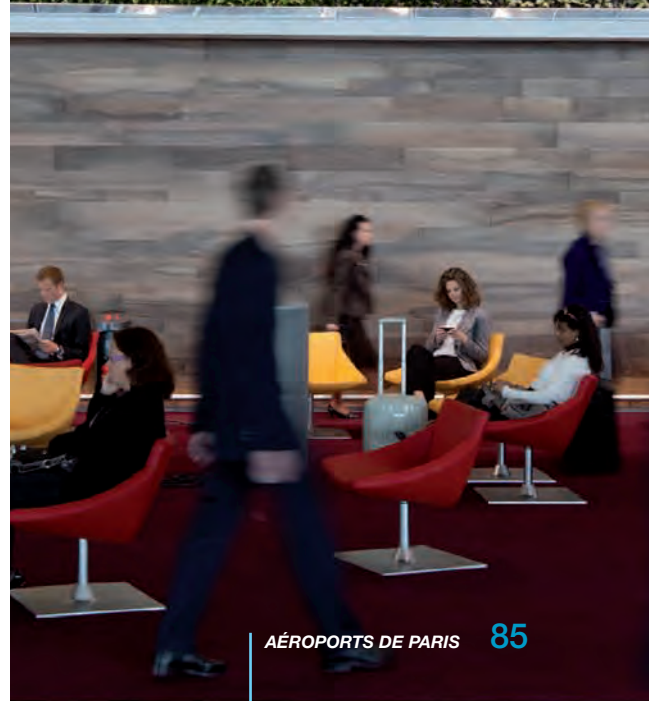
05

Economic performance change



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A1 Appendix 1: The economic regulation of Aéroports de Paris

The activities of the Aéroports de Paris Group are divided into five segments: aviation, retail & services, real estate, international & airport developments, and other activities. As a world-class player, the Group strives to be a leader in airport design, construction and management.

In pursuit of this ambition, Aéroports de Paris, which owns and operates the three main airports in the Paris region (Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget) in addition to 10 civil aviation airfields in Ile-de-France, intends to showcase its know-how in these regional airports.

The economic regulation regime applicable to Aéroports de Paris facilities is based on regulation agreements and allows a fair return on the capital invested on the regulated scope.

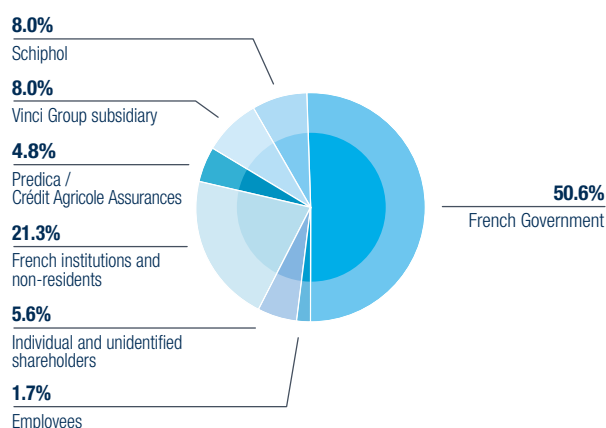
This scope comprises airport public services which lead to fees for services rendered, as well as non-aviation activities for which the prices are not fixed.

A1.1 The Aéroports de Paris Group

The Aéroports de Paris Group comprises the parent company – Aéroports de Paris SA – and all of its subsidiaries and affiliates. Aéroports de Paris SA directly holds the essential assets needed for the Group's operations and performs most of its activities directly.

In accordance with Article L. 6323-1 of the French Transport Code, the French Government holds a majority stake (50.6%) in the capital of Aéroports de Paris. At 30 June 2014, the Group's capital was broken down as follows:


■ BREAKDOWN OF CAPITAL AT 30 JUNE 2014



■ 2013 FULL YEAR RESULTS OF THE AÉROPORTS DE PARIS GROUP, PER SEGMENT

The Group's activities are divided into five segments: aviation, retail & services, real estate, international & airport developments, and other activities. Each of these segments has its own distinctive economic cycle. This diversification gives the Group financial solidity.

The 2013 full year results of Aéroports de Paris reflect the improvement in all of the Group's fundamental principles:

| PARENT COMPANY: AÉROPORTS DE PARIS SA* | | | | | | | | | SUBSIDIARIES AND ASSOCIATES** | | | | | |
|---|--------|-------------------------|---|--------|-------------------------|---|--------|-------------------------|--|--------|-------------------------|---|--------|-------------------------|
| Aviation | | | Retail and services | | | Real Estate | | | International and airport developments | | | Other Activities | | |
|  | | |  | | |  | | |  | | |  | | |
| Construction and management of Paris airports | | | All commercial activities | | | Real estate outside terminals | | | Architecture and engineering | | | Telecommunications | | |
| <ul style="list-style-type: none"> 3 airports: Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget 10 civil airfields for general aviation | | | <ul style="list-style-type: none"> Rent from shops, bars and restaurants Car parks Rental of offices and lounges in terminals Industrial services revenue | | | <ul style="list-style-type: none"> Airport real estate requiring direct access to runways (hangars, etc.) Diversification real estate (offices, hotels, etc.) | | | <ul style="list-style-type: none"> ADP Ingénierie (100%) | | | <ul style="list-style-type: none"> Hub One (100%) | | |
| Airport management | | | | | | | | | Airport management | | | Security | | |
| <ul style="list-style-type: none"> Aéroports de Paris Management (100%) Schiphol Group (8%) TAV Airports (38%) | | | | | | | | | <ul style="list-style-type: none"> TAV Construction (49%) | | | <ul style="list-style-type: none"> Hub Safe⁽¹⁾ (100%) | | |
| Airport construction | | | | | | | | | | | | | | |
| <ul style="list-style-type: none"> TAV Construction (49%) | | | | | | | | | | | | | | |
| Revenue** | EBITDA | Op. Inc. from ord. Act. | Revenue | EBITDA | Op. Inc. from ord. Act. | Revenue | EBITDA | Op. Inc. from ord. Act. | Revenue**** | EBITDA | Op. Inc. from ord. Act. | Revenue**** | EBITDA | Op. Inc. from ord. Act. |
| €801M | €174M | €40M | €466M | €265M | €216M | €131M | €82M | €63M | €38M | €0M | €25M | €97M | €7M | €0M |
| +1.3% | +20.3% | x5 | -1.3% | +1.3% | +1.1% | -1.7% | +5.3% | +9.3% | +0.2% | | x4 | -0.5% | +2.6% | |
| GROUP TOTALS FOR 2013 REVENUE: up 4.3% to €2,754M - EBITDA: up 4.7% to €1,075M OPERATING INCOME FROM ORDINARY ACTIVITIES: up 4.0% to €680M - NET INCOME ATTRIBUTABLE TO THE GROUP: down 10.0% to €305M | | | | | | | | | | | | | | |

(1) Formerly Alyzia Sûreté

* Including commercial and real-estate joint ventures.

** Equity interests include TAV Airports (38% stake), TAV Construction (49% stake) and Schiphol Group (8% stake) accounted for using the equity method.

*** Including intercompany eliminations totalling €186M.

**** Vs. 2013 pro forma (for further information, see the financial press release of 31 July 2014 on the half-year results available on www.aeroportsdeparis.fr).

As a world-class player, the Aéroports de Paris Group has a portfolio of 38 airports either held directly (Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget) or indirectly (via its subsidiary Aéroports de Paris Management or via TAV Airports). In 2013, these airports accommodated over 200 million passengers.

The Group operates in the main activities of the airport value chain in France and abroad. Accordingly, it has the ambition to become a leader in airport design, construction and management. To that end, the Group has set itself three priorities for 2016-2020:

- optimising by making the most of its resources at an operational and financial level as well as through organisations;
- attracting customers and skills by aiming for excellence, by promoting its brand image and by fostering the development of its employees;
- expanding to stimulate and share growth by becoming a solution integrator, by conquering new markets and by enhancing its regional integration.

With its privileged geographical location in the Paris area, a unique development capacity in Europe and a sound economic model, the Group intends to showcase its know-how and ambition through its airports in Ile-de-France.

A1.2 Paris airports

Aéroports de Paris SA owns and operates the three main airports around Paris, as well as 10 civil aviation airfields in Ile-de-France. In 2013, the three main airports (Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget) accommodated more than 90 million passengers. Aéroports de Paris SA also operates the Issy-les-Moulineaux heliport.

Operating in all stages of passenger and goods circulation, Aéroports de Paris SA aims to accommodate (in collaboration with airlines, their service providers and the dedicated government services), to organise and to optimise the various ground flows generated by its air transport activity: aircraft flows on aeronautic surfaces, passenger flows in the terminals and across the various security check-points, baggage flows, cargo flows, fuel and supply flows between the public areas and the aircraft, and movements of the personnel of the various companies present on the sites. It also serves as a liaison between the various parties to which it provides services and makes facilities available.

The general operating conditions and public-service obligations of Aéroports de Paris are detailed in the company's specifications, approved by the Decree of 20 July 2005 concerning Aéroports de Paris. Accordingly, Aéroports de Paris:

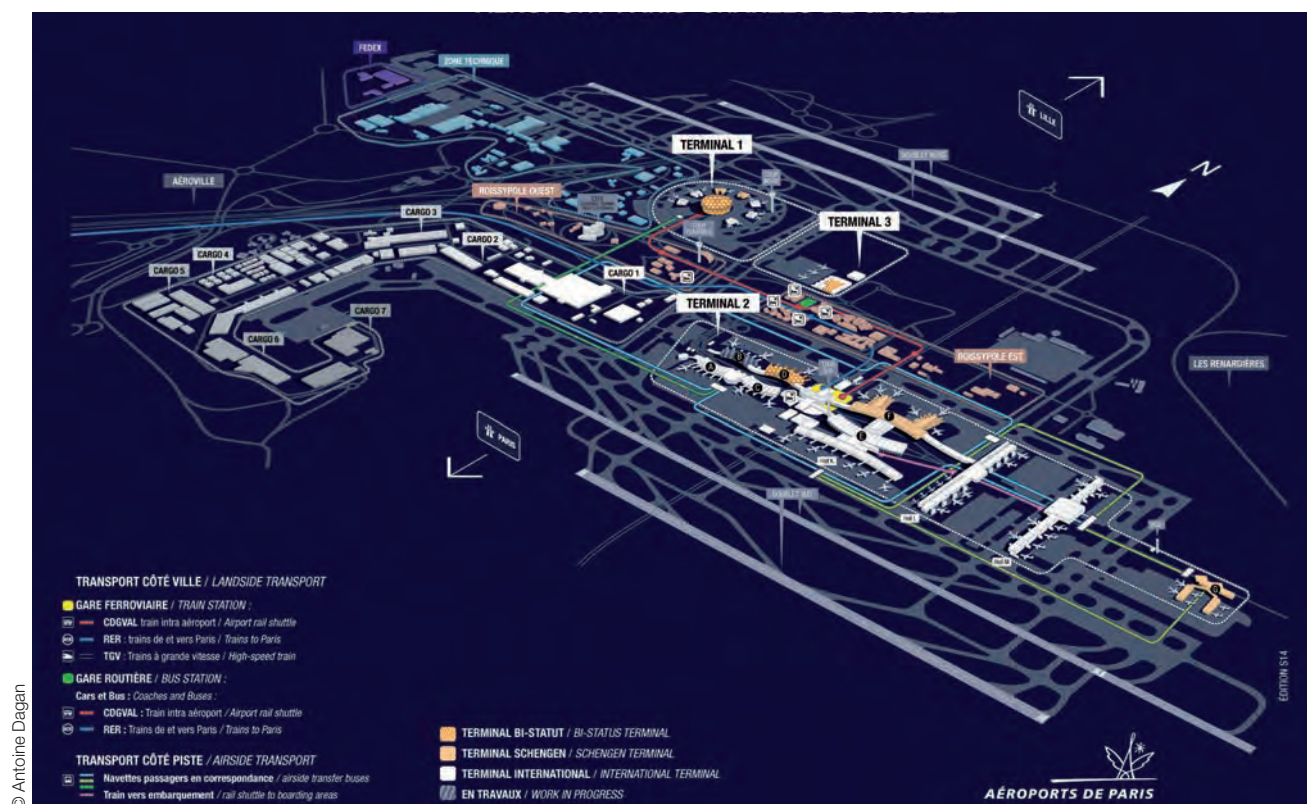
- designs and organises the construction of airport infrastructure and access;
- provides airlines and other professionals with the infrastructures, facilities, areas and equipment required for their business activities, such as aviation areas and facilities, check-in desks, boarding lounges, baggage handling systems, operating premises, offices, lounges, etc.; it also provides industrial services such as energy, fluids, telecommunications, and waste management;
- distributes airlines between the terminals of an airport and, within certain limits, between the airports in Ile-de-France;
- accommodates and informs passengers, helps them find their way and provides them with convenience services such as car parks, hotels, telecommunication services, entertainment, customised reception, etc.;
- implements air transport security measures, under the control of Government authorities;
- determines the positioning of commercial premises and rents out space, especially for shops, bars and restaurants.

Together, the three main airports – Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget – provide a comprehensive offering covering all types of air traffic: long- and medium-haul, domestic, low-cost, leisure/charter and business. Accordingly, the concentration of business aviation at the Paris-Le Bourget Airport makes it possible to optimise the capacity of Paris-Charles de Gaulle and Paris-Orly airports for commercial air traffic.

In 2013, Aéroports de Paris hosted most of the world's major international airlines, including those belonging to the three major alliances, SkyTeam, Star Alliance and oneworld. In 2013, Aéroports de Paris' customers included more than 157 airline customers (having made more than 12 movements during the year). The Paris-Charles de Gaulle and Paris-Orly airports served more than 350 cities at this minimum frequency.

With more than 90 million passengers accommodated and 2.2 million tonnes of cargo and mail processed in 2013, the company ranks second among European airport groups for passenger traffic and first for cargo. As for the Paris-Le Bourget airport, with more than 55,500 movements in 2013, it is ranked best airport in Europe for business aviation.

PARIS-CHARLES DE GAULLE



Located 25 kilometres north of Paris, the Paris-Charles de Gaulle airport covers 3,257 hectares. It brings together the largest share of long-haul and intercontinental commercial flights within the airport system. This positioning underpins the activity and identity of the airport, which is the world's gateway to France. It has three passenger terminals with a theoretical capacity of 79.3 million passengers per year (72.2 million passengers per year at the end of 2013 mainly due to the closure of terminal 2B) and six cargo terminals. With 62.0 million passengers in 2013, it is the eighth leading airport in the world, the second in Europe and the first in France. Cargo and postal traffic totalled 2.1 million tonnes in 2013. In 2013, services were provided to 309 cities worldwide⁽¹⁾ from Paris-Charles de Gaulle airport. Around 87,000 direct jobs and 700 companies are based at Paris-Charles de Gaulle.

The Paris-Charles de Gaulle airport is the main hub of the Air France-KLM Group, offering Europe's largest number of weekly medium-haul and long-haul flight connections in less than two hours⁽²⁾.

Moreover, Paris-Charles de Gaulle is at the centre of a multimodal network of motorways (A1, A3 and A104) and rail connections (regional, national and international). In particular, the TGV high-speed train station located at the heart of Paris-Charles de Gaulle terminal 2 provides excellent air/rail links.

Furthermore, the presence of freight players such as Air France-KLM, FedEx and La Poste at Paris-Charles de Gaulle enables the interconnection and optimisation of their respective networks.

(1) With a minimum of 12 air traffic movements in the year.

(2) Source: Air France-KLM.

PARIS-ORLY



Located 12 kilometres south of Paris, the Paris-Orly airport covers 1,540 hectares. It specialises in point-to-point traffic to destinations in mainland France, Europe, the Mediterranean and the French Overseas territories. It has two passenger terminals with a capacity of 27 million passengers a year. Paris-Orly is the second leading airport in France and the 13th in Europe with 28.3 million passengers in 2013. In 2013, services were provided to 147 cities⁽¹⁾. Paris-Orly contributes to the creation of nearly 30,000 direct jobs.

In 2013, preparatory work for the Paris-Orly airport renewal project began (the project is called “Paris-Orly, a new departure”). It focuses on the redevelopment of the terminal access areas and parking entrances, the construction of a new boarding lounge entirely dedicated to international flights to the east of the South terminal, and the start of construction on a building linking the existing West and South terminals.

PARIS-LE BOURGET

Located seven kilometres north of Paris and covering 553 hectares, Paris-Le Bourget is the largest business airport in Europe. It has three runways and aircraft parking areas that enable it to accommodate all types of aircraft, including the Airbus A380. Paris-Le Bourget is also an important aeronautics centre. Around 30 buildings are home to nearly 100 aircraft maintenance, equipment and refurbishing companies and airport services companies. The companies located on-site represent more than 3,500 direct jobs in operations, maintenance, services, and even culture, with the Museum of Air and Space and the Gagosian Art Gallery, which opened in October 2012. In 2013, the number of aircraft movements totalled 55,500.

(1) With a minimum of 12 air traffic movements in the year.

A1.3 Economic regulation framework

The economic regulation framework applicable to Aéroports de Paris was defined by the French transport code and the French Civil Aviation code. This regulation aims to:

- define an investment programme and quality-of-service targets, in conjunction with the airline community;
- provide visibility on expected changes in airport fees;
- encourage Aéroports de Paris to establish virtuous models for the control of its costs, the development of its activities and the improvement of its quality of service;
- give the Group the necessary visibility on the cost-effectiveness of the investments it makes within the regulated scope and on its achievement of the principle of a fair return on the capital invested, as provided by law.

This multi-annual regulation regime is based on **Economic Regulation Agreements (ERAs)** of up to five years, signed between Aéroports de Paris and Government authorities after in-depth consultation of the airlines and other stakeholders. These agreements – which are distinct from the state-imposed specifications applicable to Aéroports de Paris and defining the Company's public service obligations (see A1.2) – are aimed at:

- laying down the company's commitments concerning **investments**;
- defining the **quality of service** targets agreed with the company and laying down the associated financial incentives bonuses/penalties);
- defining the cap for **increases in the most significant airport fees** (landing fees, passenger fees, parking fees, de-icing fees, check-in fees, etc.

The increase in fees allowed by the agreement is based on the **principle of fair return on the company's regulated activities** in view of the weighted average cost of capital:

- this fair return is assessed on the basis of a forward-looking business plan for the regulated scope of Aéroports de Paris;
- it is measured on the basis of return on capital employed (ROCE), i.e. the ratio between net operating income⁽¹⁾ after tax and the regulated assets base (RAB);
- its is assessed by comparing the ROCE to the company's weighted average cost of capital (WACC) which measures the cost of raising the capital used by the company, consisting of equity and debt (see section 5.1).

It should be noted that fair return principle is determined for the entire regulated scope. It entails assessing the suitability of the average level of the fees as a whole, rather than their individual levels. Indeed, the economic regulation of Aéroports de Paris provides for a certain flexibility in the definition of the tariff structure and relative weight of the various fees.

(1) Operating income defined by the Order of 16 September 2005 relating to fees for airport services; it differs from the operating income posted in the company's separate accounts as it includes capital gains/losses on asset disposals, capital grants (if any) and employee profit-sharing. The operating income after tax is derived from the operating income after deduction of corporate tax at the standard applicable rate (38% in 2013).

A1.4 Regulated scope

The scope of activities mentioned in Article R. 224-3-1 of the Civil Aviation Code, also called the “regulated scope”, is defined in Article 1 of the Order of 16 September 2005 regarding fees for services rendered in aerodromes. This encompasses the range of activities used to assess the company’s profitability in order to determine the level of fees for airport public services.

The Order of 16 September 2005 relating to fees for services rendered in aerodromes, amended as from 1 January 2011 by the Order of 17 December 2009, defines the regulated scope as follows:

“For Aéroports de Paris, the scope of activities set out in Article R. 224-3-1 of the Civil Aviation Code encompasses all the activities of Aéroports de Paris carried out at the aerodromes mentioned in Article D. 251 of this Code, except for the following:

- at the aerodromes of Paris Charles-de-Gaulle and Paris-Orly, ground-handling activities other than those mentioned in Article R. 216-6 of the Civil Aviation Code;
- subject to the provisions of item IV of this Article, activities performed by companies associated with Aéroports de Paris within the meaning of Order no. 2005-649 of 6 June 2005;
- activities for which the financing falls under Article 1609 quater of the General Tax Code;
- activities for which the financing falls under Article 1609 quater A of the General Tax Code;
- commercial and service activities such as those relating to shops, restaurants, banking and exchange services, hotels, car rental and advertising;
- property and real estate activities outside the terminals other than those consisting of the supply of land, floor space, buildings or premises for:
 - ground-handling activities;
 - the storage and distribution of aircraft fuel;
 - aircraft maintenance;
 - activities related to air cargo;
 - general and business aviation activities;
 - public/subscription car parks;
 - public transport;
- any other activities unrelated to the activity of the above-mentioned aerodromes.”

Accordingly, the regulated scope comprises:

- **airport public service activities**, which give rise to fees for services rendered: some of these consist of “standard” services and are subject to fees set by Aéroports de Paris and approved by Independent Supervision Authority (ASI) – Air Traffic Police of the French Civil Aviation Authority – (passenger fees, landing fees, parking fees, de-icing fees, centralised baggage handling fees, 400 Hz fees, etc.), most of which are capped by the ERA, while others consist of services specifically provided to certain customers and giving rise to direct price agreements with the customers concerned;
- **non-aviation activities with non-regulated prices**, the profitability of which helps to reduce the aforementioned fees: these activities include car parks, industrial services, rental activities in the terminals, and airport real estate activities outside the terminals.

The following fall outside of the regulated scope:

- activities subject to regulatory measures under public authorities (administrative duties financed by airport tax, mainly related to runway safety and security, and management of the tax on aircraft noise pollution (TNSA) to help local residents with soundproofing of their homes);
- commercial activities, real estate diversification activities and all activities managed by Aéroports de Paris subsidiaries and affiliates.

The table below gives a breakdown of Aéroports de Paris' regulated and non-regulated activities.

| | Regulated scope | Non-regulated scope |
|------------------------------------|--|---|
| Aviation | <ul style="list-style-type: none"> • Aeronautical fees (passenger, landing, parking) • Ancillary fees ⁽¹⁾ (check-in, baggage, de-icing, etc.) | <ul style="list-style-type: none"> • Revenue from airport safety and security services |
| Non-aeronautical activities | <ul style="list-style-type: none"> • Car parks • Industrial services revenue • Rental services in terminals • Airport real estate | <ul style="list-style-type: none"> • Retail income • Real estate • Subsidiaries and affiliates |

(1) With the exception of the fee for disabled people or people with reduced mobility (PHMR).



A2 Appendix 2: A responsible player, with strong local roots

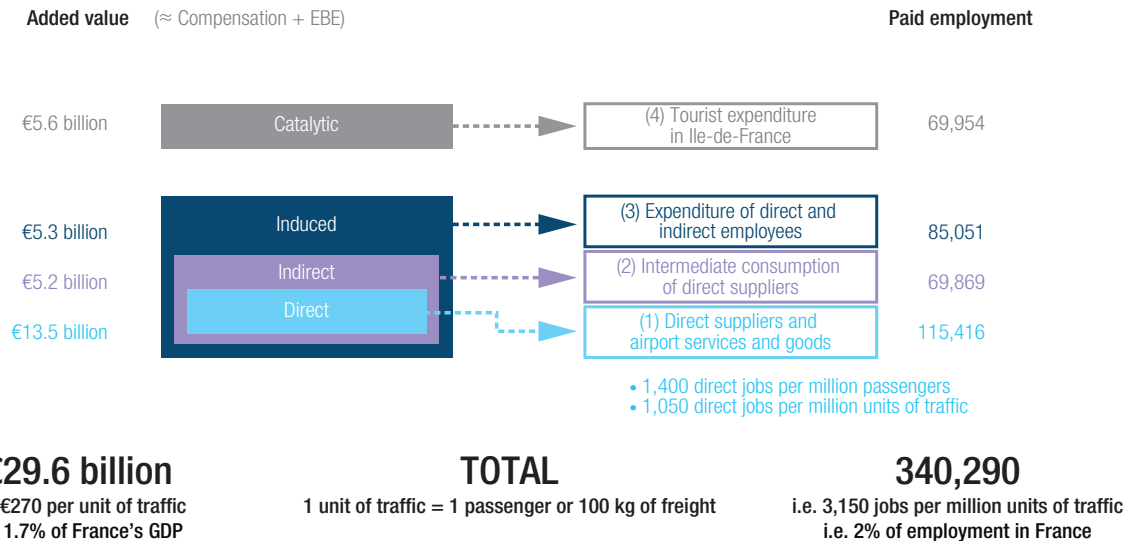
A2.1 Major business and employment places

The business activity of the Paris airports largely benefits the local, regional and national economy. According to the latest study conducted by the BIPE (bureau for economic information and forecast) in 2011, with €29.6 billion of added value in 2010, the overall economic activity generated by the Paris airport system was 5.8% of the Ile-de-France (Paris region) GDP, i.e. 1.7% of French GDP. A total of €13.5 billion are injected into the French economy through the wages, purchasing and investments of the players present at Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget airports.

With 340,300 jobs, the economic activity generated by the presence of the Paris airports represents 8.3% of paid employment in Ile-de-France, i.e. 2% of paid employment in France. The direct employment associated with companies present at the airports represents 1/3 of these jobs, i.e. 115,400 jobs, of which 96% long-term contracts.

Growth in employment in the Paris airports is seven times more dynamic than in the entire Paris region. For Paris-Charles de Gaulle airport alone, 20,591 direct jobs have been created in 15 years (1995-2010). As soon as traffic grows by one million passengers, 1,400 direct jobs (or 4,100 jobs in total) are created.

Summary of the economic impact of Paris airports for 2010:



Source: BIPE, Insee, ADP, Pôle Employment, CRT IDF, Diane.

In 2010, international customers who visited Ile-de-France and used Paris-Charles de Gaulle and Paris-Orly airports amounted to 11.6 million passengers, i.e. 15% of foreign visitors arriving in France. In order to satisfy all passengers (French and international) in terms of goods and services, 70,200 paid jobs are required in Ile-de-France. The two main Paris airports contribute 14% to paid employment linked to tourism in Ile-de-France.

An increase in traffic and the growth of Paris airports are correlated with an increase in companies located in Ile-de-France. This influence even reaches as far as the region of Picardy.

A2.2 A commitment to the environment and corporate social responsibility

Aéroports de Paris has for many years conducted a proactive strategy of corporate social responsibility alongside its growth. This policy, particularly applied to the fields of governance, human resources, the environment, customers, purchasing and the community, leans on dialogue with all of our stakeholders and also promotes the development of airport activities at the local level.

The Group intends to consolidate its commitments and grow in an environment of social responsibility and trust. Being worthy of the trust of all of our stakeholders (shareholders, employees, customers, suppliers, elected representatives, civil society, etc.) is the cornerstone of our responsible airport projects and a source of wealth and value for everyone. Our policy in terms of Corporate Social Responsibility (CSR) is central to our organisation and feeds every focus of our strategy; it applies to all of our entities and aims to involve each Group employee.

We develop within the framework of precise **governance** and ethics, and optimised organisation, work processes and internal control processes, while relentlessly striving to identify, control and reduce risks in order to safeguard and strengthen our efficiency and overall performance. Our **purchasing** policy includes economic excellence, ethics, and the social and societal environment with a sustainable development outlook.

Implementing the **Grenelle de l'environnement** is one of the foundations of the Group's policy. The ambitious policy to reduce CO₂ emissions by controlling energy use and producing renewable energy, as well as actions to work with airlines and the French Civil Aviation authority (DGAC) to minimise the CO₂ emissions of aircraft, have enabled the Group to obtain level 3 of the *Airport Carbon Accreditation* for Paris-Charles de Gaulle and Paris-Orly since 2012.

In addition, the Group serves as a major and essential airport player by contributing to their strategic vision, to their competitiveness, the development of structural projects, and the development of the economy and employment, thanks to a partnership strategy with political, institutional, economic and social players. These actions, combined with constructive dialogue with our local stakeholders and neighbours, are all drivers to guarantee our continuing long-term development. Furthermore, the **Group** implements economic and social cooperation efforts to facilitate access to airport employment. It made yet another national commitment by signing the "Businesses and Neighbourhoods" Charter in 2013.

Lastly, considering our customers and employees is at the heart of our CSR policy in order to:

- develop the appeal of our airports for our end customers and airlines through attentiveness, a rich dialogue, more collaborative and co-construction approaches to adjust and enhance our product and services offering in line with developing expectations;
- support our business plan: the commitment of the men and women who make up the Group, the mobilisation of talented individuals, and a strong career management policy, will foster the employability and development of all of our employees, who are our best assets to roll out our strategy.

Today, the Group's performance in terms of corporate social responsibility (CSR) is widely acknowledged:

- through the non-financial rating sought: this rating saw a steady increase since the first rating in 2003, amounting to 3+ out of 4 in 2012, thereby reflecting the maturity of our policy and our continuous improvement approach;
- through the integration of numerous ratings (Global 100, from 39th position in 2012 to 14th position in 2013) and socially responsible investment indices (Euronext Vigeo Europe 120, Ethibel Sustainability Index (ESI), MSCI, Oekom, etc.).



A3 Appendix 3: Summary of 2011-2015 Economic Regulation Agreement (ERA)

The 2011-2015 ERA focuses on the following:

- giving priority to a decisive improvement of service quality and customer satisfaction, measured via service quality indicators combined with an incentive system of bonuses and penalties;
- an investment programme reflecting the move to a low point in the investment cycle, with €2 billion⁽¹⁾ in investments over the regulated scope, while maintaining strategic operations;
- and an effort by Aéroports de Paris to keep down prices for the benefit of its customers, via a moderation in tariffs policy involving, after a freeze in 2010, a gradual increase of 1.37% on average above inflation per year over the 2011-2015 period.

The 2011-2015 ERA was designed as a transitional agreement in respect of the legislative principle of fair return on capital employed within the regulated scope. It has allowed the transition to an adjusted-till system (at 1 January 2011) without any negative impact on airline costs thanks to the continuous efforts made by the company regarding its own expenses, with a constant focus on maintaining operational robustness.

Overview of the 2011-2015 ERA

The 2011-2015 ERA follows on from the 2006-2010 ERA, which was primarily intended to increase the capacity of Paris-Charles de Gaulle to deal with growth in air transport. The 2011-2015 ERA perfected the building of the Paris-Charles de Gaulle hub with the quasi-simultaneous delivery of hall M (international boarding lounge in terminal 2E), changed terminal 2F into a 100% Schengen area and installed single security check galleries for connecting passengers. However, it is different to the 2006-2010 ERA and prefigures to some extent the 2016-2020 ERA thanks to the delivery or launch of projects aiming to optimise infrastructure functioning while guaranteeing a high standard of service quality (connecting building between Paris-Charles de Gaulle terminals 2A and 2C, and the “Paris-Orly, a New Departure” project, aimed in particular at building a connecting building between the south and west terminals).

With this new infrastructure, Aéroports de Paris has reached (i) a total annual capacity of 106 million passengers, of which 79 million passengers (including the currently closed terminal 2B – i.e. an increase of 7 million compared to 2010) in Paris-Charles de Gaulle, pushing delivery of the future terminal 4 back to 2023/24 and (ii) a record level of customer satisfaction with a “SAD”⁽¹⁾ index of 88.1% at mid-2014. However, delivery of these projects hides the increase in the facilities condition index of the oldest infrastructures which will be subject to special attention during the 2016-2020 ERA.

The economic environment of the 2011-2015 ERA was far more difficult than anticipated, with growth in passenger traffic and aircraft movements below initial forecasts, reflecting (i) the impact of the financial crisis in European countries and (ii) a fiercer competitive landscape. In particular, this environment led to a decrease in the market share of Paris-Charles de Gaulle concerning connecting traffic. It also led Aéroports de Paris to review downwards the central assumption of passenger traffic from 2012. The initially forecast annual average growth of 3.2% from 2011 to 2015 was lowered to a bracket between 1.9% and 2.9% of average growth per year for the same period.

The moderation in tariffs policy implemented at the end of the 2006-2010 ERA (price freeze in 2010) continued throughout the 2011-2015 ERA (average yearly increase equal to inflation plus 1.37%), enabling a lower relative fee increase in Paris compared with Frankfurt and London-Heathrow airports. While this strategy helped to strengthen the overall competitiveness of the Paris airports, it was unable to prevent the erosion of connecting traffic at Paris-Charles de Gaulle (see above), revealing a few possible strategies that could be implemented in the 2016-2020 ERA to boost this highly competitive segment of traffic.

All of these aspects and some external and unforeseen factors (increased corporate income tax, for example) have weighed on profitability in the regulated scope, the trajectory of which has been reviewed downwards, despite the strengthening of cost-cutting measures at the end of 2012. Initially forecast at 5.4%, the “ROCE” of the regulated scope is estimated at 3.8% in 2015; this ROCE⁽²⁾ is lower than the average weighted cost of average capital.

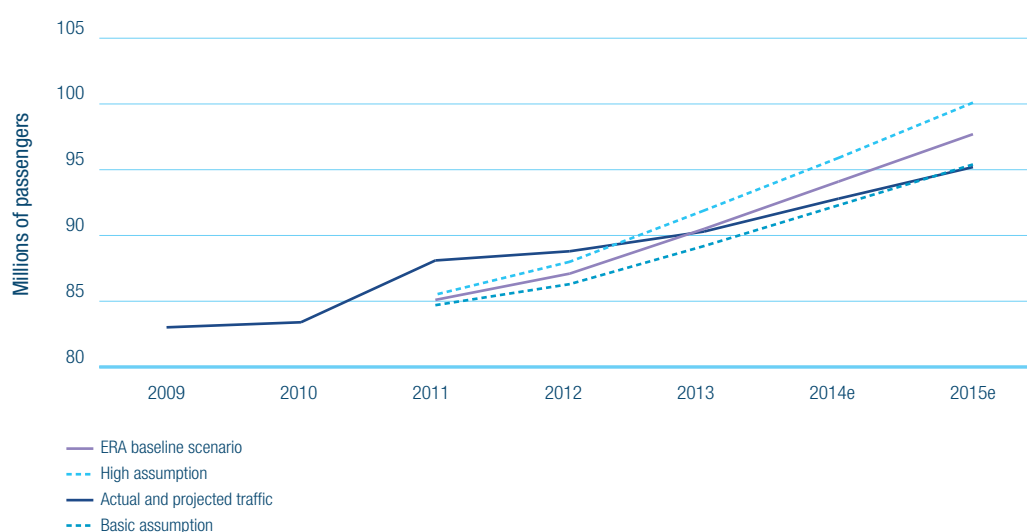
(1) Overall satisfaction of arriving and departing passengers.

(2) Return on capital employed (ROCE).

A3.1 Change in passenger traffic

The overall balance of the 2011-2015 ERA is based on the assumption of a 3.2% increase in passenger traffic per year. This growth forecast was based on a recovery in traffic, after the 2009 crisis, beginning slowly but accelerating over the last three years of the agreement. For the assessment of the tariff cap, no tariff adjustment was provided for if the actual traffic remained within the range of +2.7% to +3.7% a year.

Below are the traffic assumptions on which the agreement was based and the actual changes recorded (passenger traffic excluding transit) between 2010 and 2013, as well as the forecasts for 2014 and 2015:



The traffic recovery was faster than anticipated during the first years of the agreement (mid-2010 to mid-2013), driven by intercontinental traffic and a sharp rise in low-cost traffic on European routes. This increase offset the drop in domestic traffic, mainly attributable to competition from high-speed rail (TGV) and the stagnation of maritime traffic. Over this period, the growth of Paris-Charles de Gaulle, largely driven by the development of the hub and the arrival of low-cost airlines, was significantly stronger than that of Paris-Orly.

Over the last years of the ERA, the agreement's baseline scenario proved to be too optimistic. The increase in traffic slowed down significantly with the ongoing global economic crisis. Traffic growth assumptions were lowered and, at the end of 2012, Aéroports de Paris announced the reassessment of its growth forecast for the end of 2011-2015 ERA to an average of +1.9% to +2.9% per year over the period. The traffic recorded in 2013 and 2014 confirmed these new forecasts. The growth expected for 2015 is in line with this forecast.



Appendixes

The tables below respectively show the changes in traffic for Paris-Charles de Gaulle, Paris-Orly and the two airports combined since 2009, as well as the forecasts for 2014 and 2105.

| Paris-Charles de Gaulle traffic (excluding transit) | 2009 | 2010 | Change | 2011 | Change | 2012 | Change | 2013 | Change | 2014e | Change | 2015e | Change |
|---|--------------|--------------|--------------|--------------|-------------|--------------|--------------|---------------|--------------|--------------|--------------|--------------|-------------|
| Passenger traffic (millions) | 57.8 | 58.1 | 0.5% | 60.9 | 4.9% | 61.5 | 1.0% | 61.985 | 0.8% | 63.8 | 2.9% | 65.6 | 2.9% |
| Domestic | 4.8 | 4.9 | 3.0% | 5.2 | 6.3% | 5.3 | 1.1% | 5.2 | -1.4% | 5.1 | -1.6% | 5.3 | 2.7% |
| Schengen | 20.5 | 20.3 | -1.0% | 21.9 | 7.8% | 21.8 | -0.5% | 21.3 | -2.3% | 22.1 | 3.7% | 22.6 | 2.5% |
| Other EU | 5.5 | 5.1 | -7.1% | 5.1 | 1.2% | 5.1 | -1.4% | 5.0 | -0.9% | 5.2 | 3.8% | 5.3 | 2.3% |
| French overseas territories | 0.4 | 0.4 | 6.4% | 0.4 | -9.9% | 0.5 | 23.9% | 0.7 | 58.2% | 0.7 | -7.2% | 0.7 | 2.9% |
| Other international | 26.6 | 27.3 | 2.6% | 28.2 | 3.4% | 28.9 | 2.2% | 29.7 | 2.9% | 30.7 | 3.3% | 31.7 | 3.3% |
| of which passengers in transit | 18.7 | 17.5 | -6.1% | 18.7 | 6.6% | 19.3 | 3.3% | 19.6 | 1.8% | 19.8 | 1.0% | 20.5 | 3.4% |
| Transit rate | 32.3% | 30.2% | | 30.7% | | 31.4% | | 31.7% | | 31.1% | | 31.3% | |
| Movements (thousands, incl. freight) | 518.0 | 491.9 | -5.0% | 506.9 | 3.0% | 491.3 | -3.1% | 472.2 | -3.9% | 470.3 | -0.4% | 473.9 | 0.7% |
| Average load (passengers/mixed flight) | 119.8 | 127.2 | 6.2% | 129.2 | 1.6% | 135.0 | 4.5% | 141.4 | 4.7% | 145.1 | 2.6% | 148.3 | 2.2% |
| Landing weight (millions of tonnes) | 27.0 | 26.9 | -0.5% | 28.0 | 4.1% | 27.7 | -1.2% | 27.7 | 0.1% | 28.4 | 2.5% | 29.1 | 2.4% |

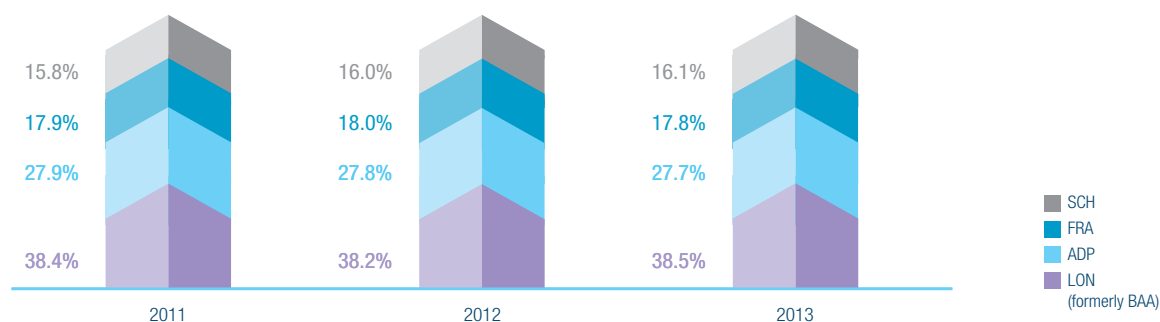
| Paris-Orly traffic (hors transit) | 2009 | 2010 | Change | 2011 | Change | 2012 | Change | 2013 | Change | 2014e | Change | 2015e | Change |
|---|--------------|--------------|--------------|--------------|-------------|--------------|--------------|---------------|--------------|--------------|-------------|--------------|-------------|
| Passenger traffic (millions) | 25.1 | 25.2 | 0.4% | 27.1 | 7.7% | 27.2 | 0.3% | 28.272 | 3.8% | 28.9 | 2.2% | 29.4 | 1.7% |
| Domestic | 11.1 | 10.6 | -4.4% | 11.4 | 7.6% | 11.1 | -2.9% | 11.2 | 0.8% | 11.0 | -2.0% | 10.9 | -0.7% |
| Schengen | 6.0 | 6.3 | 5.2% | 7.0 | 11.3% | 7.3 | 4.7% | 7.8 | 6.5% | 8.6 | 10.0% | 9.0 | 5.2% |
| Other EU | 0.2 | 0.2 | 7.8% | 0.4 | 101.3% | 0.5 | 22.0% | 0.5 | 6.5% | 0.6 | 8.6% | 0.6 | 5.2% |
| French overseas territories | 2.7 | 2.8 | 3.2% | 3.1 | 10.2% | 3.0 | -1.6% | 3.0 | 0.6% | 3.1 | 1.2% | 3.1 | 1.9% |
| Other international | 5.2 | 5.3 | 3.1% | 5.2 | -1.2% | 5.3 | 1.2% | 5.7 | 8.1% | 5.7 | -0.1% | 5.8 | 0.9% |
| of which passengers in transit | 1.8 | 1.8 | -1.0% | 2.2 | 23.1% | 2.1 | -4.7% | 2.1 | 1.1% | 2.2 | 3.2% | 2.2 | 3.8% |
| Transit rate | 7.1% | 7.0% | | 8.0% | | 7.6% | | 7.4% | | 7.5% | | 7.6% | |
| Movements (thousands, incl. freight) | 220.6 | 215.6 | -2.2% | 228.5 | 6.0% | 230.6 | 0.9% | 229.7 | -0.4% | 229.8 | 0.1% | 230.7 | 0.4% |
| Average load (passengers/mixed flight) | 113.9 | 117.0 | 2.7% | 118.8 | 1.5% | 118.2 | -0.5% | 123.1 | 4.1% | 125.8 | 2.2% | 127.5 | 1.4% |
| Landing weight (millions of tonnes) | 8.3 | 8.2 | -1.0% | 8.7 | 6.0% | 8.7 | 0.4% | 8.7 | -0.1% | 8.7 | -0.3% | 8.7 | 0.9% |

| Aéroports de Paris traffic (excluding transit) | 2009 | 2010 | Change | 2011 | Change | 2012 | Change | 2013 | Change | 2014e | Change | 2015e | Change |
|--|--------------|--------------|--------------|--------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|
| Passenger traffic (millions) | | | | | | | | | | | | | |
| Domestic | 82.9 | 83.3 | 0.4% | 88.0 | 5.7% | 88.7 | 0.8% | 90.3 | 1.7% | 92.7 | 2.7% | 95.1 | 2.6% |
| Schengen | 15.9 | 15.5 | -2.1% | 16.7 | 7.2% | 16.4 | -1.7% | 16.4 | 0.1% | 16.1 | -1.9% | 16.1 | 0.4% |
| Other EU | 26.5 | 26.6 | 0.4% | 28.9 | 8.6% | 29.1 | 0.8% | 29.1 | -0.1% | 30.7 | 5.4% | 31.7 | 3.3% |
| French overseas territories | 5.7 | 5.3 | -6.6% | 5.5 | 4.9% | 5.6 | 0.3% | 5.5 | -0.3% | 5.8 | 4.2% | 5.9 | 2.6% |
| Other international | 3.1 | 3.2 | 3.6% | 3.5 | 7.6% | 3.5 | 1.2% | 3.8 | 8.3% | 3.8 | -0.4% | 3.8 | 2.0% |
| of which passengers in transit | 20.5 | 19.3 | -5.6% | 20.9 | 8.1% | 21.4 | 2.4% | 21.7 | 1.7% | 22.0 | 1.2% | 22.8 | 3.5% |
| Transit rate | 24.7% | 23.2% | | 23.7% | | 24.1% | | 24.1% | | 23.7% | | 24.0% | |
| Movements (thousands, incl. freight) | 738.6 | 707.6 | -4.2% | 735.4 | 3.9% | 721.9 | -1.8% | 701.9 | -2.8% | 700.1 | -0.2% | 704.5 | 0.6% |
| Average load (passengers/mixed flight) | 117.9 | 123.9 | 5.1% | 125.8 | 1.5% | 129.3 | 2.8% | 135.1 | 4.5% | 138.5 | 2.5% | 141.2 | 1.9% |
| Landing weight (millions of tonnes) | 35.3 | 35.1 | -0.6% | 36.7 | 4.6% | 36.4 | -0.8% | 36.4 | 0.0% | 37.1 | 1.8% | 37.8 | 2.1% |

The number of air traffic movements dropped over the 2009-2014 period; this mainly reflects that airlines are seeking better fill rates and an increase in cargo. This policy goes together with larger aircraft sizes, with the arrival of superwide body aircrafts at Paris-Charles de Gaulle. Landing weight is slightly up over the same period, despite the decrease in movements.

Throughout the 2011-2015 agreement, the market share of Aéroports has dropped slightly in relation to its three main competitors. In Europe, the significant drop in traffic at Spanish airports operated by AENA mainly benefited those of London and Amsterdam.

■ MARKET SHARE TRENDS (GLOBAL PASSENGERS)



Regarding the market share of airlines in Ile-de-France airports, the SkyTeam Alliance still accounts for more than half of passenger traffic (56.1% in 2013) while the share of low-cost airlines has been growing steadily, reaching 15.0% of total traffic in 2013.

Concerning transit traffic, competitive pressure greatly increased over the period with the development of highly dynamic new hubs (Gulf, Istanbul). In that context, Paris-Charles de Gaulle went from the second to the fourth place in the ranking of European and Gulf hubs in terms of connecting passenger volumes. It ranks behind Frankfurt and has been overtaken by Dubai and Amsterdam-Schiphol. Paris-Charles de Gaulle is also the only European hub whose 2013 connecting traffic volume has not risen back to its pre-2008-crisis volume.

The economic downturn had a significant impact on cargo and postal traffic from mid-2008, like in other major European airports. Over the 2008-2013 period, aviation activities slumped by 1.9% a year on average (traffic in tonnes of cargo and mail loaded and unloaded). A third consecutive drop of nearly 4% of the volumes handled was recorded in 2013.

| Cargo and postal traffic | 2009 | 2010 | Change | 2011 | Change | 2012 | Change | 2013 | Change | 2014e |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|
| Total Aéroports de Paris (millions of tonnes) | 2.159 | 2.502 | 15.9% | 2.406 | -3.8% | 2.257 | -6.2% | 2.175 | -3.7% | 1.2% |
| Paris-Charles de Gaulle | 2.055 | 2.399 | 16.8% | 2.300 | -4.1% | 2.151 | -6.5% | 2.069 | -3.8% | 0.8% |
| Paris-Orly | 0.105 | 0.103 | -1.8% | 0.106 | 2.9% | 0.106 | 0.8% | 0.106 | -0.7% | 8.8% |

The aviation activity of the Paris-Le Bourget airport, which is based on business aviation and thus highly sensitive to economic changes, recorded a slump up until 2013 inclusive.

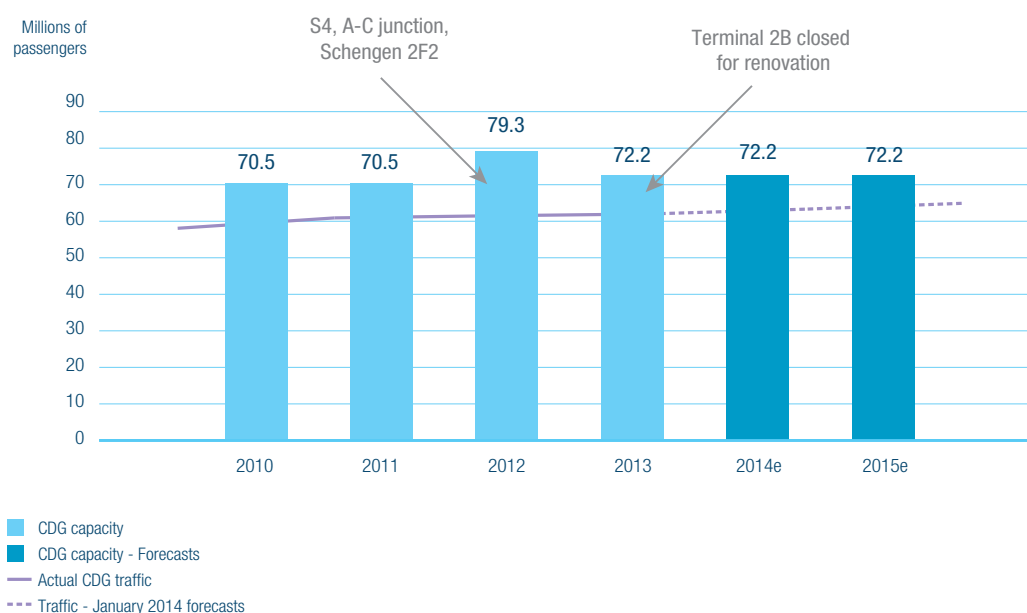
| Le Bourget traffic | 2009 | 2010 | Change | 2011 | Change | 2012 | Change | 2013 | Change | 2014e |
|------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|-------------|--------------|-------------|
| Total Mouvements (milliers) | 57.9 | 58.0 | 0.3% | 61.1 | 5.3% | 57.2 | -6.4% | 55.5 | -3.0% | 1.8% |

A3.2 Change in capacity

CAPACITY OF PARIS-CHARLES DE GAULLE

In 2005, the combined capacity of all Paris-Charles de Gaulle terminals was 47.1 million passengers. Thanks to the investments initiated during 2006-2010 ERA and continued during 2011-2015 ERA, the capacity of this airport increased by nearly 30 million passengers. In 2013, traffic was of 62 million passengers..

TRAFFIC/CAPACITY MATCH – PARIS-CHARLES DE GAULLE



However, the capacity of the terminals, which exceeds the annual level of passenger traffic at Paris-Charles de Gaulle, must be appraised at peak time due to the type of traffic (long haul) and the organisation of the Skyteam Hub which concentrates a large number of departures and arrivals into tight time slots. The delivery of Hall M in terminal 2E in 2012 has supported the growth of peak traffic, in particular.



■ THE CAPACITY OF PARIS-CHARLES DE GAULLE, PER TERMINAL, BREAKS DOWN AS FOLLOWS:

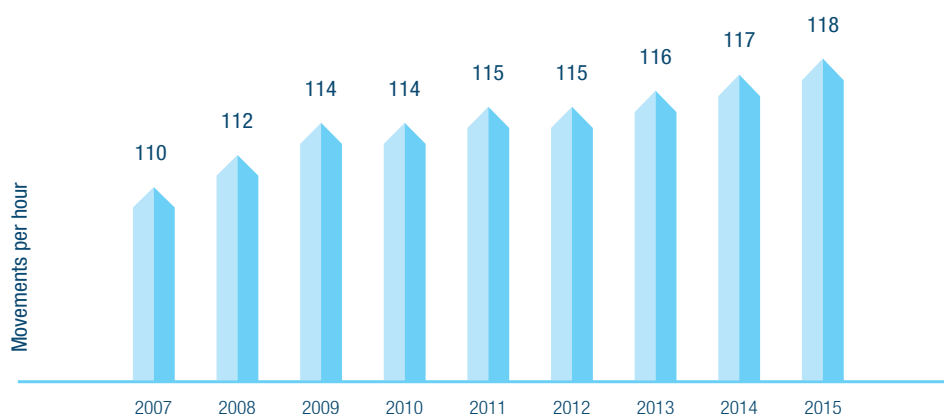
| (in millions of passengers/year) | At end 2013 | At end 2006 |
|----------------------------------|-------------|-------------|
| terminal 1 | 9 | 7.5 |
| terminal 2 | 59.1 | 36.1 |
| ABCD* | 16.3 | 20.8 |
| E | 23.8 | 4.7 |
| Of which | | |
| Hall K | 7.4 | 4.7 |
| Hall L | 8.6 | - |
| Hall M | 7.8 | - |
| F | 16.0 | 10.8 |
| G | 3.0 | - |
| terminal 3 | 4.1 | 3.5 |
| TOTAL | 72.2 | 47.1 |

* NB : terminal 2B has been closed for refurbishment since 9 April 2013.

Paris-Charles de Gaulle has an extremely efficient runway system consisting of two pairs of parallel runways with a physical layout that enables them to be used independently. Each pair includes one runway mainly used for take-off and another for landing, which reduces the noise disturbance caused by air traffic and improves efficiency.

Thanks to this system and the resources deployed by the French Air Navigation Services Department, the scheduling capacity has increased from 105 movements per hour in 2005 to 114 in 2009 and is planned to be 118 movements per hour for the summer of 2015⁽¹⁾.

■ CHANGE IN SCHEDULING CAPACITY AT PARIS-CHARLES DE GAULLE



In terms of runway equipment and infrastructure, the growth in air navigation capacity was accompanied by the reconfiguration of the threshold of runway 08 and the installation of a Runway Status Light System (RWSL) during the 2011-2015 ERA period. The entire runway system has been adapted to accommodate wide-bodied aircraft (Airbus A380).

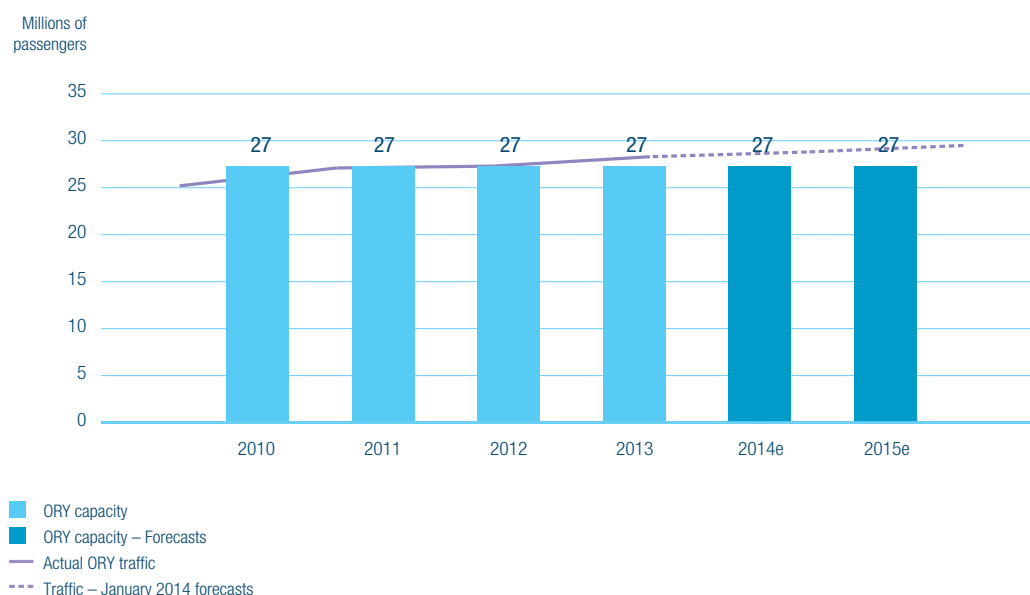
(1) Number of landings and take-offs allowed per hour.

CAPACITY OF PARIS-ORLY

The capacity of the Paris-Orly terminal facilities, which stands at 27 million passengers a year, did not change during the 2006-2010 and 2011-2015 ERA. However, significant investments were made to improve flows and service quality: restructuring of Hall 2 of Orly-West, refurbishment of the international circuits of Orly-South, improvement of baggage-handling chains for departures from Orly-South and Orly-West. In 2013, the traffic was 28.3 million passengers.

Traffic exceeding a terminal's nominal capacity gives rise to the potential degradation of the quality of service perceived in the passenger experience, between their arrival at the airport and the aircraft's take-off: excessive crowding in check-in areas and boarding rooms, longer waiting times at security checkpoints and border police desks.

■ TRAFFIC/CAPACITY MATCH – PARIS-ORLY



The capacity of Paris-Orly, per terminal, breaks down as follows:

| (in millions of passengers/year) | Since 2006 |
|----------------------------------|------------|
| South terminal | 10.5 |
| West terminal | 16.5 |
| TOTAL | 27 |

There are three runways at Paris-Orly with a scheduling capacity of 76 aircraft movements per hour. Runway 3 was adapted to cater for superwide body aircrafts (Airbus A380) in order to create an easement facility for this type of aircraft at Paris-Orly. The airport has nearly 80 aircraft parking stands, including 43 linked to the terminal stands.

A3.3 Investment Programme

2011-2015 ERA was characterised by a moderate investment cycle with a five-year programme under regulation of €2 billion versus €2.7 billion⁽¹⁾ in 2006-2010.

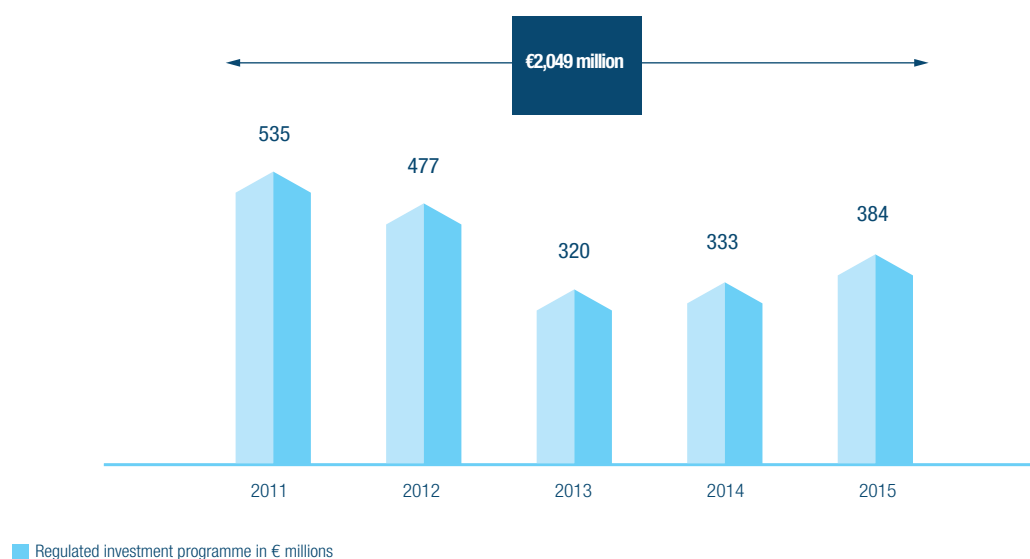
This 2011-2015 investment program has focused mainly on:

- the construction the Hall M of terminal 2E;
- the optimisation of existing capacities with the commissioning of the junction of between terminal 2A and 2C;
- improved ease of movement for passengers with the fully Schengen terminal 2F passage and development of the single security check for passengers;
- the development of service quality in order support the measures taken and defined in the customer satisfaction procedure (see A3.4);
- the optimisation of runway safety, in particular through the establishment of threshold 08 of Paris-Charles de Gaulle's two southern runways and the RWLS (*Runway Status Light System*);
- improved land access through optimised road signs and the extension of the taxi base in Paris-Charles de Gaulle.

The main projects under the agreement were completed, except for the renovation of halls 3 and 4 of Paris-Orly West terminal, which was abandoned in favour of a complete junction between the West and South terminals that should be delivered during the 2016-2020 ERA, and the delayed renovation of terminal 2B at Paris-Charles de Gaulle, on account of adjusted traffic growth forecasts.

REGULATED INVESTMENT PROGRAMME FOR 2011-2015

The regulated investment programme of the Aéroports de Paris SA parent company during the 2011-2015 ERA should amount to €2,049 million in constant 2014 euros.



(1) Constant 2014 currency.

Appendixes

■ REGULATED INVESTMENTS IN MILLIONS OF EUROS IN CONSTANT 2014 CURRENCY

| | Investment Programme (€ 2014 at 2014) | | | | | |
|---|---------------------------------------|-----------------|-----------------|-----------|------------|-----------------|
| | 2011 (achieved) | 2012 (achieved) | 2013 (achieved) | 2014 | 2015 | Total 2011-2015 |
| CAPACITY INVESTMENTS | | | | | | |
| CDG structuring projects | 196 | 127 | 27 | 9 | 13 | 372 |
| T2E | 4 | 0 | - | 0 | 0 | 4 |
| TBE | 1 | 13 | - | 0 | 0 | 14 |
| Hall L (of which LISA) | 3 | 1 | 0 | 0 | 0 | 4 |
| T2G | 0 | - | - | 0 | 0 | 0 |
| Hall M (of which LISA – excl. luggage sorting) | 154 | 69 | - | 1 | 0 | 216 |
| A-C junction | 19 | 25 | 6 | 1 | 0 | 51 |
| Luggage -hub handling | 15 | 12 | 8 | 7 | 12 | 55 |
| East pier and Paris-Orly renewal | - | 6 | 21 | 0 | 0 | 27 |
| Other Paris-Charles de Gaulle projects | 47 | 38 | 38 | 51 | 53 | 124 |
| terminal T1/T3 | 0 | 3 | 2 | 2 | 5 | 13 |
| terminal T2 -ABCD | 0 | 0 | 0 | 12 | 0 | 13 |
| terminal T2 -EF | 0 | 0 | - | 0 | 3 | 3 |
| Aeronautical Infrastructure | 37 | 28 | 19 | 19 | 19 | 122 |
| New aircraft intake | 1 | 0 | 2 | 0 | 3 | 6 |
| Car parks and access roads | 1 | 1 | 10 | 10 | 5 | 26 |
| Industrial services | 8 | 6 | 4 | 8 | 18 | 44 |
| Orly investments in capacity | 12 | 2 | 1 | 31 | 63 | 108 |
| Paris-Orly South – Paris-Orly West link | - | - | - | 30 | 58 | 88 |
| Aeronautical Infrastructure | 12 | 2 | 0 | 0 | 0 | 14 |
| Car parks and access roads | - | - | 0 | 0 | 1 | 1 |
| Industrial services | - | - | - | 0 | 0 | - |
| Le Bourget investments in capacity | 1 | 0 | - | 1 | 1 | 3 |
| Total | 256 | 167 | 66 | 92 | 129 | 711 |
| RESTRUCTURING INVESTMENTS | | | | | | |
| Paris-Charles de Gaulle | 34 | 53 | 42 | 29 | 39 | 198 |
| Paris-Charles de Gaulle 1 renovation | 11 | 5 | 8 | 6 | 5 | 34 |
| <i>which primary facilities</i> | 6 | 1 | 2 | 0 | 0 | 8 |
| <i>of which satellite renovation</i> | 5 | 4 | 6 | 6 | 5 | 26 |
| ABCD restructuring | 0 | 1 | 5 | 5 | 13 | 24 |
| <i>of which ABCD outer image enhancement</i> | 0 | 0 | 0 | 0 | 0 | - |
| <i>of which renovation of 2B and B-D Junction</i> | 0 | 0 | 0 | 0 | 0 | - |
| <i>of which refit and renovation of 2A, 2C and 2D</i> | 0 | 1 | 5 | 5 | 13 | 24 |
| Restructuring of T2 -EF | 11 | 40 | 18 | 2 | 2 | 73 |
| <i>of which IFU -EF gallery</i> | 7 | 19 | 12 | 0 | 0 | 38 |
| <i>of which Schengen 2F2</i> | 4 | 19 | 0 | 0 | 0 | 23 |
| <i>of which further restructuring</i> | 1 | 1 | 6 | 2 | 2 | 12 |
| Paris-Charles de Gaulle Car Parks & Access | 5 | 1 | 1 | 3 | 6 | 17 |
| Paris-Charles de Gaulle industrial services | 6 | 7 | 6 | 9 | 8 | 36 |
| Others | 0 | 0 | 4 | 5 | 6 | 14 |
| Paris-Orly | 1 | 3 | 3 | 3 | 4 | 14 |
| Paris-Orly South terminal | 2 | 1 | 1 | 1 | 0 | 5 |
| Paris-Orly West terminal – restructuring of halls 3 and 4 | 0 | 2 | 1 | 1 | 3 | 7 |
| Other restructuring | 0 | 0 | 1 | 1 | 1 | 2 |
| Total | 36 | 56 | 45 | 32 | 43 | 212 |

| | Investment Programme (€ 2014 at 2014) | | | | | |
|--|---------------------------------------|-----------------|-----------------|------------|------------|-----------------|
| | 2011 (achieved) | 2012 (achieved) | 2013 (achieved) | 2014 | 2015 | Total 2011-2015 |
| PROPERTY DEVELOPMENT | | | | | | |
| Airport real estate | 21 | 20 | 7 | 7 | 23 | 78 |
| Total | 21 | 20 | 7 | 7 | 23 | 78 |
| CURRENT INVESTMENTS | | | | | | |
| Airports* | 102 | 85 | 85 | 89 | 73 | 432 |
| Real Estate | 2 | 4 | 2 | 4 | 3 | 15 |
| Others | 17 | 18 | 16 | 19 | 28 | 97 |
| Total | 120 | 107 | 103 | 111 | 103 | 544 |
| DEDICATED BUDGET | | | | | | |
| Quality of Service | 42 | 44 | 23 | 17 | 26 | 152 |
| Sustainable development | 9 | 14 | 11 | 4 | 1 | 39 |
| Total | 50 | 58 | 34 | 20 | 28 | 191 |
| Cost of studies and supervision of works (FEST) | 53 | 69 | 65 | 70 | 58 | 314 |
| TOTAL INVESTMENTS | 535 | 477 | 320 | 333 | 384 | 2049 |

* 2011-2015 ERA : excluding asset acquisition relating to CO₂ emission rights.

DIFFERENCES WITH THE INITIAL INVESTMENT PROGRAMME

When the 2011-2015 ERA was signed, the regulated investment programme was estimated at €1,909 million (2014 €), versus an estimate of €2,049 million for the end of the agreement.

| In 2014 current € millions | 2011 | 2012 | 2013 | 2014e | 2015e | Total |
|---|------------|----------|------------|-----------|------------|------------|
| 2011-2015 ERA (programme originally planned) | 562 | 476 | 336 | 258 | 276 | 1,909 |
| Programme completed between 2011 and 2013, and forecast from 2014 to 2015 | 535 | 477 | 320 | 333 | 384 | 2,049 |
| Differences | -27 | 1 | -16 | 75 | 108 | 140 |

Accordingly, the current programme exceeds the original forecast by €140 million (2014 €), due mainly to:

- the increase in capitalised study costs related in particular to the reclassification of project management assistance expenses following study decisions, previously recognised as expenses;
- additional investments concerning in particular the changes to the Paris-Orly modernisation project (the initial project for the renovation of Halls 3 and 4 included work pertaining to the West terminal extension, which has become a connecting building between the two terminals) and the strengthening of the snow plan;
- a recalibration of the sequence of investments for the luggage manager plan.

These additional investments were partly offset through a review of the investments made between April and June 2013, targeting prioritisation and financial discipline.

Moreover, capital grants of €25 million, not planned for on the signing of the 2011-2015 ERA, were received over the 2011-2015 period, thereby reducing the regulated asset base by the same amount. The 2011-2015 investment programme presented above does not take account of those grants.

Appendixes

■ DIFFERENCES BETWEEN THE INVESTMENT PROGRAMME INITIALLY LAID DOWN FOR THE 2011-2015 ERA AND ACTUAL AMOUNTS

| In constant 2014 euros ⁽¹⁾ | 2011 (achieved) | 2012 (achieved) | 2013 (achieved) | 2014e | 2015e | Differences 2011-2015 |
|---|--------------------|--------------------|--------------------|------------|------------|--------------------------|
| CAPACITY INVESTMENTS | | | | | | |
| CDG structuring projects | -46 | -11 | -12 | -10 | -7 | -85 |
| terminal 2E | 4 | 0 | -5 | - | - | -1 |
| TBE | -10 | 8 | -5 | - | - | -8 |
| Hall L (of which LISA) | 3 | 1 | 0 | - | - | 4 |
| terminal 2G | 0 | 0 | 0 | - | - | 0 |
| Hall M (of which LISA – excl. luggage sorting) | -21 | 3 | -8 | 1 | - | -26 |
| A-C junction | -1 | 13 | 4 | 1 | 0 | 18 |
| Luggage - hub handling | -21 | -42 | -18 | -12 | -7 | -100 |
| East pier and Paris-Orly renewal | - | 6 | 21 | - | - | 27 |
| Other Paris-Charles de Gaulle projects | 21 | 13 | 9 | 32 | 34 | 5 |
| terminal T1/T3 | 0 | 3 | -1 | -1 | 5 | 6 |
| terminal T2 - ABCD | 0 | -1 | -1 | 12 | 0 | 11 |
| terminal T2 - EF | -1 | 0 | 0 | 0 | 3 | 2 |
| Aeronautical Infrastructure | 26 | 12 | -1 | 5 | 14 | 72 |
| New aircraft intake | 1 | 0 | 2 | - | 3 | 6 |
| Car parks and access roads income | -2 | -1 | 9 | 10 | 2 | 18 |
| Industrial services revenue | -3 | -1 | 0 | 7 | 7 | 10 |
| Paris-Orly capacity investments | 12 | 2 | 1 | 31 | 50 | 96 |
| Paris-Orly South – Paris-Orly West link | - | - | - | 30 | 58 | 88 |
| Aeronautical Infrastructure | 12 | 2 | 0 | 0 | -12 | 2 |
| Car parks and access roads income | - | - | 0 | 0 | 1 | 1 |
| Industrial services revenue | - | - | - | - | - | 0 |
| Le Bourget capacity investments | 1 | 0 | - | 1 | 1 | 3 |
| Total | - 13 | 4 | - 2 | 55 | 79 | 123 |
| RESTRUCTURING INVESTMENTS | | | | | | |
| Paris-Charles de Gaulle | -32 | -32 | -27 | -26 | 1 | -117 |
| Paris-Charles de Gaulle 1 renovation | -4 | -2 | 2 | 3 | 5 | 4 |
| <i>which primary facilities</i> | -2 | 1 | 2 | - | - | 0 |
| <i>of which satellite renovation</i> | -2 | -3 | 0 | 3 | 5 | 4 |
| ABCD restructuring | -15 | -29 | -32 | -34 | -17 | -127 |
| <i>of which ABCD outer image enhancement</i> | - | -5 | -5 | -5 | -5 | -19 |
| <i>of which renovation of 2B and B-D Junction</i> | -9 | -19 | -26 | -25 | -18 | -97 |
| <i>of which refit and renovation of 2A, 2C and 2D</i> | -6 | -5 | -1 | -3 | 5 | -10 |
| Restructuring of T2 - EF | -6 | 16 | 16 | 2 | 2 | 31 |
| <i>of which IFU - EF gallery</i> | -8 | 5 | 12 | - | - | 9 |
| <i>of which Schengen 2F2</i> | 1 | 16 | -1 | - | - | 15 |
| <i>of which further restructuring</i> | 1 | -4 | 6 | 2 | 2 | 7 |
| Paris-Charles de Gaulle Car Parks & Access | -1 | -4 | -4 | 3 | 6 | -1 |
| Paris-Charles de Gaulle industrial services | -1 | -9 | -8 | 0 | 5 | -13 |
| Others | -5 | -5 | -1 | 0 | 1 | -10 |
| Paris-Orly | -2 | -11 | -18 | -18 | -17 | -65 |
| Paris-Orly South terminal | -1 | 1 | 1 | 1 | - | 2 |
| Paris-Orly West terminal – restructuring of halls 3 and 4 | -0 | -11 | -20 | -20 | -18 | -69 |
| Other restructuring | - | - | 1 | 1 | 1 | 2 |
| Total | -34 | -43 | -45 | -44 | -16 | -182 |

| In constant 2014 euros ⁽¹⁾ | 2011 (achieved) | 2012 (achieved) | 2013 (achieved) | 2014e | 2015e | Differences 2011-2015 |
|---------------------------------------|--------------------|--------------------|--------------------|-----------|------------|--------------------------|
| REAL-ESTATE DEVELOPMENT | | | | | | |
| Airport real estate | -8 | -7 | -3 | 5 | 6 | -8 |
| Total | - 8 | - 7 | - 3 | 5 | 6 | -8 |
| CURRENT INVESTMENTS | | | | | | |
| Airports* | 26 | 3 | 6 | 19 | -8 | 47 |
| Retail Estate | 1 | 2 | 2 | 2 | 1 | 8 |
| Others | 1 | 3 | 0 | 4 | 12 | 20 |
| Total | 28 | 8 | 9 | 25 | 5 | 75 |
| DEDICATED BUDGET | | | | | | |
| Quality of Service | 6 | 8 | -13 | -6 | 15 | 10 |
| Sustainable development | -10 | 2 | 7 | -2 | 0 | -2 |
| Total | -3 | 10 | -6 | -8 | 15 | 9 |
| FEST | 3 | 28 | 32 | 41 | 19 | 124 |
| TOTAL INVESTMENTS | -27 | 0 | -16 | 75 | 108 | 140 |

* 2011-2015 ERA:: excluding asset acquisition relating to CO₂ emission rights.

(1) The comparison of the revised programme (€2,049 million) with this initial forecast is done in constant 2014 euros, taking into account a retroactive indexation of investments in keeping with that laid down in the 2011-2015 ERA, i.e. in accordance with the year-on-year changes (July to July) in the BT01, TP01, BT50 and SYNTEC indices, as presented below:

$$IC_n = 0.5 \frac{BT01_n}{BT01_{2010}} + 0.1 \frac{TP01_n}{TP01_{2010}} + 0.3 \frac{BT50_n}{BT50_{2010}} + 0.1 \frac{SYNTEC_n}{SYNTEC_{2010}}$$

Accordingly, the indexations were the following: +3.6% in 2011, 2.75% in 2012, +2.7% in 2013 and 0% in 2014.

MAIN OPERATIONS COMPLETED AT PARIS-CHARLES DE GAULLE

THE COMPLETION OF THE HUB



- Commissioned in June 2012 of Hall M, terminal 2E (Satellite 4). This hall, connected to the terminal 2E system and to Hall L (Satellite 3) via the extended LISA line, is intended for the boarding and disembarkation of long-haul international passengers. It uses the "city-side" resources (check-in, baggage delivery, border crossing, etc.) of terminal 2E and can accommodate 16 large carriers in contact stands, including seven Airbus A380s. It increases the annual capacity of the Paris-Charles de Gaulle terminals by almost 7.8 million passengers.
- terminal 2F reserved for Schengen-only traffic from October 2012. Thanks to the capacity generated by the commissioning of hall M, it was possible to group together all Schengen flights from the hub to terminal 2F, thereby optimising its operation, in particular by grouping together the single security checks.
- The optimisation of passenger throughways and checks using IFU (Inspection Filtrage Unique) single security check principles, in particular through the delivery in February 2013 of an IFU gallery connecting terminal 2E and terminal 2F, which includes a new room where border and security controls are centralized.

THE OPTIMISATION OF EXISTING FACILITIES



- The commissioning in March 2013 of a junction building (AC junction) between terminals 2A and 2C, which groups together control personnel and provides large areas for shops and services, together with offices and lounges for airlines. The project also included the redevelopment of the boarding and public areas located in terminal 2A and 2C and the creation of a building for passenger arriving at terminal 2A (thereby unifying the 2A boarding hall).

REFURBISHMENT OF THE OLDEST FACILITIES



- Refurbishment of terminal 1 satellites: this consisted of the renovation of the technical assemblies affecting essential building elements (structure, outer envelope, plumbing, electromechanical aspects, etc.); the functional improvement of the satellites with the optimisation of space and resources (single security check stations, shops, toilet facilities), and the strengthened image of the services offered (relaxation areas, improved atmosphere). The renovation of satellites 6 (2008) and 1 (2009) was completed during the 2006-2010 ERA; satellite 7 was renovated in 2011 and satellite 5 in 2013; satellite 4 was opened in the autumn of 2014; work on satellite 3 started in September 2014 with a commissioning target for the end of 2015.
- The continued renovation of threshold 08: the renovation of threshold 08, which supports 30% of take-offs from the platform, will enable: increased capacity and consistency with other de-icing thresholds (inclusion of 4 de-icing bays), and simplified access to the thresholds for increased visibility in order to improve safety.

MAIN OPERATIONS COMPLETED AT PARIS-ORLY

Although the agreement initially provided for the refurbishment of halls 3 and 4 at Orly West, the project was abandoned in favour of a building connecting the West and South terminals, delivered during the 2016-2020 ERA.

During the 2011-2015 period, the Paris-Orly renovation project (named “Paris-Orly, a New Departure”) started: renovation of terminal access areas and car parks, launch of the work to extend the East boarding room of the South terminal (due to be completed in 2016).

MAIN OPERATIONS COMPLETED AT PARIS-LE BOURGET

In terms of aviation, major projects included changing and developing aircraft access areas, building a hangar for snow-removal vehicles in 2011, changing the layout of the service road right of the control tower, moving threshold 03 in 2013, building a 13,000 sqm aircraft area, building service roads in the central area for the construction of the 6,000 sqm JETHOME Hangar, in the first phase in 2014, and beginning construction at the DUGNY site for the EMBRAER project.



A3.4 Quality of service and customer satisfaction

Quality of service and customer satisfaction were among the main lines of the 2011-2015 ERA, both aspects representing a strategic challenge for the Paris airports' competitiveness, attractiveness and image.

Aéroports de Paris has set itself ambitious quality of service goals and relies on three key factors in the airport customer experience to achieve these targets⁽¹⁾:

- Infrastructure and Services: by giving priority to the renovation of the oldest terminals in order to significantly increase quality and reduce the high disparity in perception between terminals;
- Information and controlled waiting times: by conducting extensive work on processes and signage: single security check stations, organisation of Air and Boarder Traffic Police ("Police aux Frontières") waiting times, baggage delivery, etc.;
- Customer relations and the human factor: by managing collaborative projects to foster staff members' commitment to challenges and solutions aimed at improving and developing their customer-oriented approach, especially through the work of the Service University.

The objective was to achieve, quickly and sustainably, a significant improvement in Aéroports de Paris customer satisfaction: passengers, airlines, but also subcontractors, retail and service operators or government services.

Aéroports de Paris reached its quality of service outperformance target, thereby affecting the price cap mid-2013, with an overall departure and arrival satisfaction rate of 88.1%. This target was achieved through Aéroports de Paris' continued efforts to improve the customer experience, by improving the standards for good atmosphere and shops in air terminals and a special focus on the cleanliness and tidiness of the facilities when renewing cleaning contracts. Passenger reception and orientation have been optimised with the introduction of new tools (Myairport, interactive terminals) and simplified connections with the single security check (IFU) connecting gallery. At the same time, Aéroports de Paris has attempted to strengthen the relationship established with all airlines through the Operational Quality Committees and to strengthen its crisis management, including the establishment of the winter plan.



(1) see ACI reference document "Guidelines for Passenger Services".

QUALITY OF SERVICE INDICATORS FOR THE 2011-2015 ERA

Indicators with a financial impact

Aéroports de Paris' ambition to significantly improve the quality of service and customer service over the 2011-2015 period was reflected in the monitoring of precise quantified objectives.

Ten indicators with potential financial impact on the fee pricing cap were used in the 2011-2015 ERA. They were measured over an annual period beginning on 1 July and ending on 30 June the following year.

Each indicator was associated with a maximum financial incentive of +/- 0.1% per year, bringing the maximum impact of the Quality of Service factor to 1.0% of all fees subject to the ERA.

Five passenger satisfaction indicators were implemented, whose results and objectives are outlined below:

| Period of measurement | Levels | Overall satisfaction of arriving and departing passengers | Satisfaction with cleanliness in terminal | Passenger satisfaction with orientation when connecting at Paris-Charles de Gaulle | Satisfaction with signage and flight information | Passenger satisfaction with boarding rooms |
|-----------------------|--------------|---|---|--|--|--|
| Mid-2010 to mid-2011 | Target level | 85.6% | 86.2% | 68.3% | 86.2% | 84.3% |
| | Results | 86.2% | 85.9% | 70.1% | 87.1% | 86.2% |
| | Bonus | 0.06% | -0.03% | 0.10% | 0.09% | 0.10% |
| Mid-2011 to mid-2012 | Target level | 85.6% | 86.2% | 68.3% | 86.2% | 84.3% |
| | Results | 85.2% | 86.7% | 69.9% | 87.7% | 87.8% |
| | Bonus | -0.04% | 0.05% | 0.10% | 0.10% | 0.10% |
| Mid-2012 to mid-2013 | Target level | 86.1% | 86.7% | 71.5% | 86.7% | 85.2% |
| | Results | 87.1% | 89.6% | 71.4% | 89.2% | 89.6% |
| | Bonus | 0.10% | 0.10% | -0.01% | 0.10% | 0.10% |
| Mid-2013 to mid-2014 | Target level | 86.6% | 87.2% | 73.0% | 87.2% | 86.1% |
| | Results | 88.0% | 90.8% | 75.0% | 89.9% | 89.8% |
| | Bonus | 0.10% | 0.10% | 0.10% | 0.10% | 0.10% |
| Mid-2014 to mid-2015 | Target level | 87.10% | 87.70% | 74.00% | 87.70% | 87.00% |
| | Results | | | | | |
| | Bonus | | | | | |



Appendixes

Four equipment availability indicators and a compliance indicator were implemented, whose results and objectives are outlined below:

| Period of measurement | Levels | Availability of parking positions | Availability of passenger boarding bridges | Availability of electromechanical equipment | Availability of baggage belts | Complaint response time |
|-----------------------|--------------|-----------------------------------|--|---|-------------------------------|-------------------------|
| Mid-2010 to mid-2011 | Target level | 99.00% | 99.00% | 99.00% | 99.20% | 95.00% |
| | Results | 99.7% | 99.6% | 99.4% | 99.7% | 99.6% |
| | Bonus | 0,100% | 0,100% | 0,090% | 0,100% | 0,092% |
| Mid-2011 to mid-2012 | Target level | 99.00% | 99.00% | 99.00% | 99.20% | 95.00% |
| | Results | 99.80% | 99.36% | 99.21% | 99.58% | 99.02% |
| | Bonus | 0,100% | 0,090% | 0,052% | 0,095% | 0,080% |
| Mid-2012 to mid-2013 | Target level | 99.00% | 99.10% | 99.10% | 99.20% | 95.00% |
| | Results | 99.86% | 99.48% | 99.20% | 99.67% | 97.37% |
| | Bonus | 0,100% | 0,095% | 0,025% | 0,100% | 0,047% |
| Mid-2013 to mid-2014 | Target level | 99.00% | 99.10% | 99.10% | 99.20% | 95.00% |
| | Results | 99.85% | 99.53% | 99.31% | 99.72% | 97.20% |
| | Bonus | 0,100% | 0,100% | 0,052% | 0,100% | 0,044% |
| Mid-2014 to mid-2015 | Target level | 99.00% | 99.20% | 99.20% | 99.20% | 95.00% |
| | Results | | | | | |
| | Bonus | | | | | |

The overall "Quality of Service" factor affecting the tariff increase cap from the 2012 pricing period is presented below:

| | QoS (2012) | QoS (2013) | QoS (2014) | QoS (2015) |
|------------|------------|------------|------------|------------|
| QoS Factor | 0,802% | 0,728% | 0,757% | 0,897% |

These coefficients, which show the achievement and surpassing of the goals set by Aéroports de Paris during the 2011-2015 period, were included in the annual tariff increase cap, in accordance with the provisions of the agreement (see section A3.5).



INDICATORS WITH A MONITORING REQUIREMENT

Beyond the indicators with financial impact, and with a view to improving the satisfaction of its passengers and airline customers, Aéroports de Paris also applies the monitoring indicators below. Some of these indicators required a joint measurement process to be established with airlines and ground-handling service providers.

No specific targets have been set for these indicators during the 2011-2015 ERA period.

| | | Mid-2010 – mid-2011 | Mid-2011 – mid-2012 | Mid-2012 – mid-2013 | Mid-2013 – mid-2014 |
|---|-------|------------------------|------------------------|------------------------|------------------------|
| Satisfaction with the cleanliness of the toilet blocks | STB | 72.20% | 74.00% | 81.10% | 81.20% |
| Overall satisfaction with the bars and restaurants | SBR | 69.70% | 72.60% | 74.00% | 73.10% |
| Satisfaction with city/airport transfers | SCA | 86.20% | 85.70% | 86.30% | 87.50% |
| Passenger satisfaction with the availability of luggage trolleys | SBT | 90.30% | 89.30% | 91.10% | 90.20% |
| Passenger contact rate | PCR | 84.60% | 85.30% | 87.20% | 89.00% |
| Passenger contact rate (including buses and runway) | PCRb* | 80.00% | 79.70% | 84.00% | 91.90% |
| Proportion of departing or arriving flights transferred outside of the scheduled terminal | FOT* | 18.70% | 18.60% | 4.60% | 0.10% |
| Waiting times at security checkpoints | SCP | 95.60% | 98.00% | 98.20% | 97.10% |
| | FCP2 | | | | 91.60% |
| Waiting times at border checkpoints | BCP | 94.60% | 92.30% | 87.00% | 88.80% |
| Baggage delivery time | BDT1 | 97.50% | 97.00% | 95.00% | |
| | BDT2 | 74.70% | 77.20% | 78.10% | 83.40% |
| Rate of flights delayed due to airport reasons | FDA* | 0.33% | 0.31% | 0.37% | 0.37% |
| Incident rate for assistance provided to people with disabilities and reduced mobility | PRM* | 0.35% | 0.53% | 0.52% | 0.36% |
| Availability of CDGVAL and LISA | VAL | 99.70% | 99.50% | 99.50% | 99.70% |

* Indicators implemented on 1 January 2011.

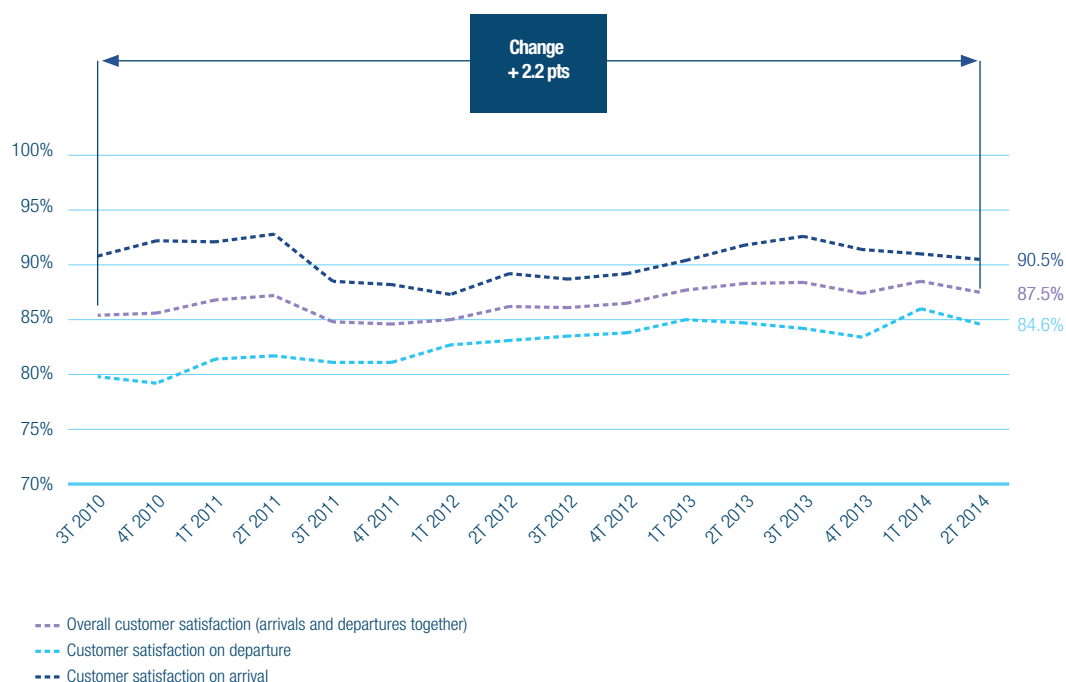
Note: For BDT, the 2013/2014 ERA shows results from the Air France BOB system and TELIB screens. Accordingly, the measurement covers an increased number of checks. For SCP, Paris-Orly changed its method of measuring waiting times at the SCP in 2013/2014 and increased the reliability of the indicator that was formerly established through random checks. It is now carried out continuously through automatic systems (SCP2).



SUMMARY OF MEASURES CONCERNING PASSENGERS

In terms of passenger satisfaction, Aéroports de Paris has consolidated its ambition to match the best comparable European benchmarks over the 2011-2015 ERA period. The mobilisation of the company and the commissioning of new facilities meeting the highest international standards have ensured the consistent and significant improvement of overall passenger satisfaction. Accordingly, overall “departure + arrival” satisfaction rose from 86.2% on average in 2010-2011 to 88.0% in 2013-2014, with the quarterly changes listed below.

■ CHANGE IN GLOBAL PASSENGER SATISFACTION ARRIVAL AND DEPARTURE (SAD) 2010-2014



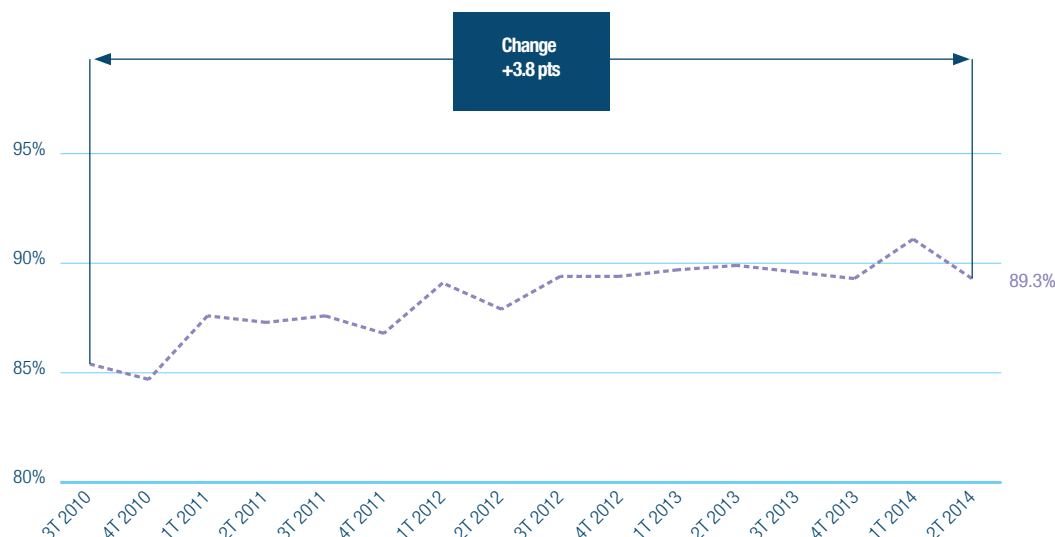
TERMINAL ATMOSPHERE AND COMFORT, PARTICULARLY WITH REGARD TO BOARDING AREAS

The Aéroports de Paris atmosphere and comfort policy has focused on three key areas in recent years:

- the continued deployment of standards related to atmosphere and good practices, together with projects popular with customers in terms of new facilities;
- the strengthening and development of the range of services made available to our passengers;
- increased supply of shops, restaurants and bars with the consistent expansion of services offered and the standardisation of the customer experience between terminals.

Aéroports de Paris was determined to offer a seamless customer experience throughout the passenger's entire journey. These measures have helped to increase passenger satisfaction with the boarding lounges (+3.8 points) since the beginning of 2011-2015 ERA.

■ SATISFACTION WITH BOARDING ROOMS (SBR) 2011-2014



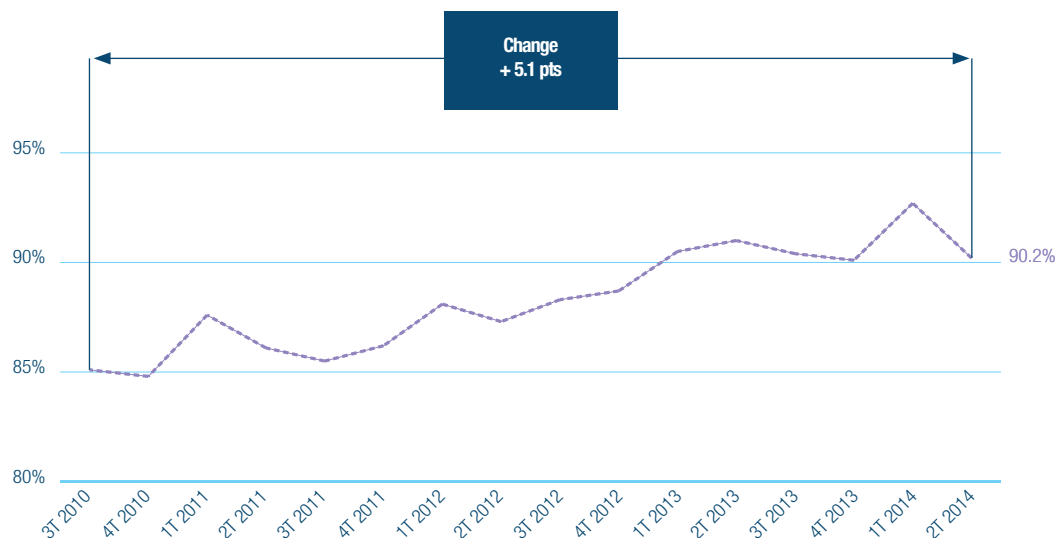
CLEANLINESS AND TIDINESS

The perception of “neatness”, which goes beyond a simple perception of “cleanliness”, is one of the qualities most coveted by the best-ranked airports in terms of satisfaction. Aéroports de Paris has launched many initiatives to meet this requirement:

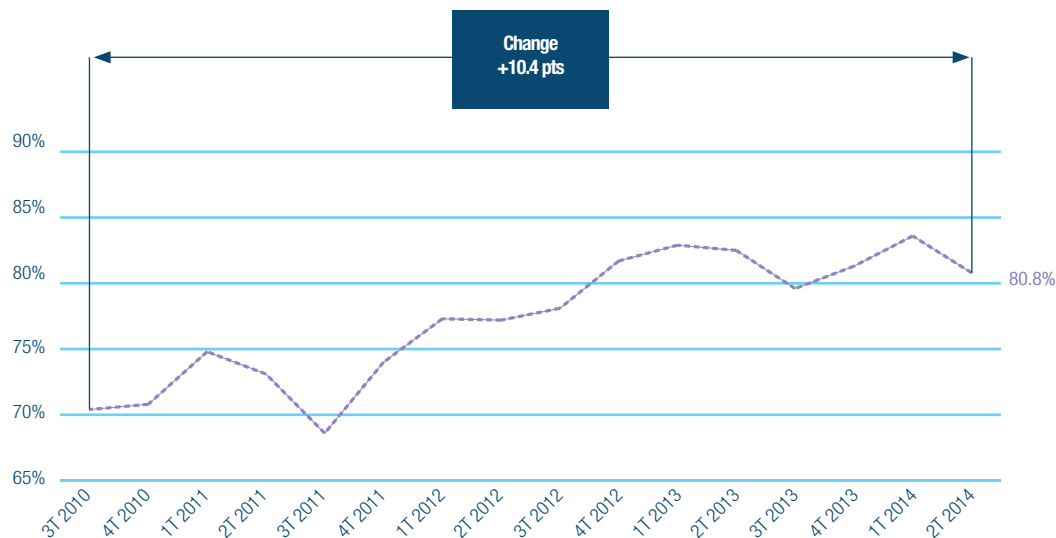
- renewal of cleaning contracts;
- improvement of toilet blocks, with the implementation of a new standard. Given that the toilet blocks could not be brought to standard immediately, a few quick and simple operations to “refresh” the area and improve ergonomics and ease of cleaning were carried out;
- setting up a new, precise and more demanding standard for cleaning, together with an outsourced and random monitoring process;
- equipment maintenance and availability.

The company's efforts in this key area have allowed for a significant improvement in the satisfaction rate for cleanliness in the terminals (+5.1 points) and toilet blocks (+10.4 points) since the beginning of 2011-2015 ERA.

■ SATISFACTION WITH CLEANLINESS IN TERMINAL (SCT) 2010-2014



■ SATISFACTION WITH CLEANLINESS OF TOILET BLOCKS 2010-2014



RECEPTION

The welcome and consideration provided by staff members help to reassure passengers as they travel through the airport, especially under difficult circumstances (operating problems, traffic jams during peak periods, route changes related to works, etc.)

Over recent years, Aéroports de Paris has strived to educate its staff and the entire airport community about the importance of customer relations, and to consider the particular cultural characteristics of our foreign customers. The professional attitude of the teams in charge of welcoming the passengers and the Service University's implementation of awareness campaigns aimed at the Aéroports de Paris staff, companies and government bodies operating within our airports (safety, etc.) have strengthened our teams customer-oriented approach.

The implementation of the Airport Helper programme and the organisation of forums on intercultural knowledge development (China, Russia, Brazil and India) have also helped to develop behavioural qualities conducive to a proper reception in the Parisian airports.

In order to meet the specific needs of international customers, Aéroports de Paris has implemented equipment to broadcast automated audio announcements in various languages (English, French, Chinese, Japanese, Brazilian Portuguese and Russian). Information screens have also been set up to educate passengers on the preparation of passports and travel documents and to welcome them in their native language.

EFFICIENT TRAFFIC FLOW

Time management is a major issue for passengers, just like punctuality is a strategic and economic challenge for airlines. Aéroports de Paris has worked closely with its partners to improve operational efficiency throughout the passenger's journey (roads, parking, check-in, boarding, security checks, border police, luggage delivery, etc.).

Many measures have been taken with three targets: improving infrastructures and processes in "critical" areas; strengthening the team responsible for efficient passenger traffic flow; ensuring relations with partners involved in efficient traffic flow are even more effective and productive through cooperation.

During the extensive transformation of terminals and connecting channels in Paris-CDG, Aéroports de Paris has made many changes to improve passenger traffic flow. By way of example, the security checkpoints saw a complete overhaul, which greatly enhanced customer perception (both in internal surveys, and in the ACI survey ranking). This work includes:

- the single security check (IFU) system, which allows passengers from the Schengen area and other countries to avoid the additional security check during their connection in Paris, and the deployment of optimised filter security checkpoints (SCP) (longer luggage set-down and pick-up tables, a double line out of the checkpoints to separate luggage to be searched, etc.);
- the widespread display of waiting times (SCP), and the gradual implementation of waiting time indicators based on systematic rather than manual measurements for more precise coordination and feedback;
- the availability of reception/dispatch staff ahead of the queues for improved traffic flow and a better perception of quality, changes to SCP companies' recruitment criteria to include reception skills, the development of internal service quality programmes for the various companies based on the "seven golden rules" established at Aéroports de Paris' initiative.



More generally, a charter was signed between Aéroports de Paris and the management of all security companies, leading to reciprocal service commitments and the establishment of working groups focusing on priority areas for improvement.

Much work has also been done since 2012 to improve waiting times at baggage reclaim. Measures were taken to systematise the retrieval of "first bag/last bag" information on all flights. This work enabled an analysis of the main delays identified and helped to find suitable corrective solutions in close collaboration with the companies and workers in question.

ORIENTATION/INFORMATION

Following a drop in passenger satisfaction upon arrival from mid-2011, which revealed in particular a lack of information about public transport, major projects were completed in this area. Accordingly, information displays on available public transport to passengers' final destinations were improved in the baggage reclaim area with the addition of screens above the baggage carousel (international delivery rooms), information points at the exits of baggage reclaim areas and transport information points in the public arrival area.

Furthermore, passenger path continued to be simplified with the comprehensive overhaul of signage, particularly on the pathway of connecting passengers, and the redesign of routes to facilitate the orientation of passengers and "attendants".

To this end, new tools have also been implemented: interactive terminals, My Airport application for Smartphones, on-site guidance system, etc.

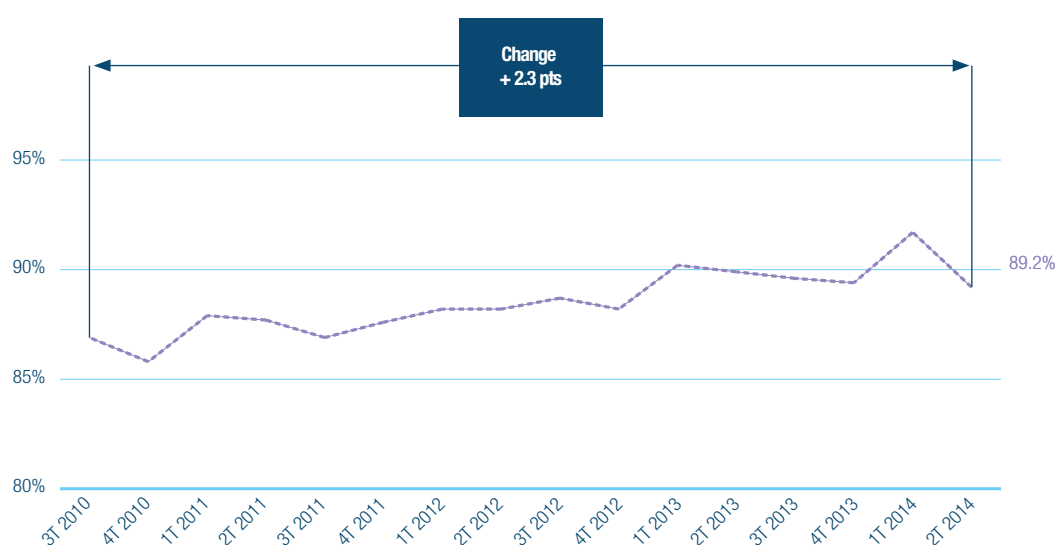
An “Orientation” unit was created in 2013. It aims to provide a comprehensive and integrated response to the issue of passenger orientation.

The Orientation unit’s approach is now based on the customer experience to more specifically meet the needs of the latter and better understand the reality of their journey through the airport. The information and orientation system is based on three pillars:

- identification: showing customers where they are and telling them about products and services in the area;
- information: informing customers about various aspects (getting around, process, service);
- guidance: supporting the customer with additional signage tools.

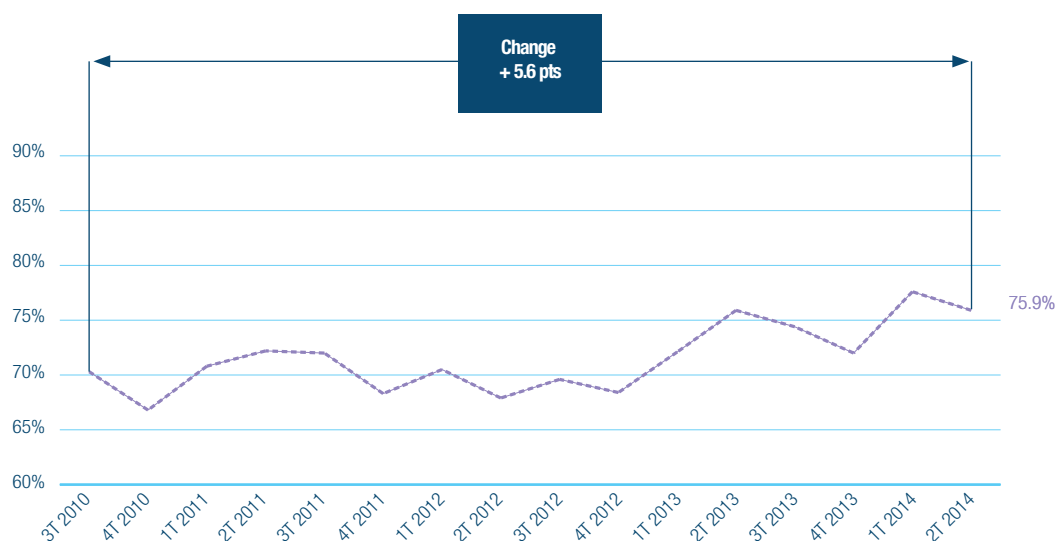
Initial improvements can be seen in passenger satisfaction surveys: satisfaction regarding signage and flight information (SFI) increased by 2.3 points since the beginning of the ERA to an average of 89.90% from July 2013 to June 2014.

■ SATISFACTION WITH SIGNAGE AND FLIGHT INFORMATION 2010-2014



Satisfaction with orientation regarding connections (SOC) rose 5.6 points since the beginning of the ERA. The stated objective was not achieved in 2012-2013, but there was a significant increase in quality from early 2013.

■ SATISFACTION WITH ORIENTATION WHEN CONNECTING AT PARIS-CHARLES DE GAULLE (SOC) 2010-2014



SUMMARY OF MEASURES RELATING TO QUALITY CONTROL

In addition to the projects undertaken on the basic issues regarding customer satisfaction, Aéroports de Paris has undertaken several major initiatives regarding quality control.

DEVELOPMENT OF A SERVICE STANDARD

In 2012, a service standard approach was implemented. At each key stage of the customer journey, this standard aims to establish a single reference framework describing the desired target experience for passengers and attendants. It is set out in two business documents:

- an Infrastructure standard, describing the design principles of the different areas;
- an Operations standard, describing the operating objectives and the results expected as part of the service delivered to the customer in real time.

They provide structure to the progress approach and share the service quality standards expected by our customers with operational teams and those responsible for the design and management of infrastructure projects.

The application of standards helps to strengthen quality control through compliance and is reflected, for example, in the continued use of waiting time measurements and the daily monitoring of operational performance through the implementation of shared indicators (waiting time, baggage delivery, etc.)

ESTABLISHMENT OF STEPS FOR CONTINUOUS IMPROVEMENT IN DAILY OPERATIONS

Collaborative procedures derived from Lean Management help implement a culture of continuous improvement among all airport community partners, just like the application of “5S” and Obeya methods in the check-in areas of Orly South, which generate more uncluttered areas and help simplify the processes.

By the same token, the SMI certification process conducted in two Aéroports de Paris airports has helped ensure more reliable and consistent operational performance.

SUMMARY OF THE INVESTMENT BUDGET DEDICATED TO SERVICE QUALITY

In order to support Aéroports de Paris' customer satisfaction goals, the Group has allocated an investment budget dedicated to service quality in the 2011-2015 ERA.

| | 2011 | 2012 | 2013 | 2014 | 2015 | Total |
|-----------------------------------|------|------|------|------|------|-------|
| Customer Satisfaction Budget (€M) | 42 | 44 | 23 | 18 | 25 | 152 |

These investments have supported priority actions relating in particular to cleanliness, reception, orientation and traffic flow, thereby helping to improve comfort and atmosphere in the terminals. They have also given priority to the implementation of standards to ensure a high and consistent level of service.

SUMMARY OF MEASURES CONCERNING AIRLINE CUSTOMERS

Aéroports de Paris has endeavoured to strengthen the relationship established with all airlines throughout the 2011-2015 period. Their cooperation is now central to the daily operation of airports.

The establishment of Operational Quality Committees, working groups and seminars has provided a better understanding of the challenges facing both parties, thereby defining this new collaborative approach. These forums for dialogue, have proven to be conducive to making progress together on common issues. By way of example, points such as baggage delivery, reception and staff presence were addressed collaboratively.

The annual satisfaction survey, introduced at the beginning of the 2011-2015 ERA and conducted on the airline station managers, has enabled an accurate measurement of the service level offered to airlines and the daily cooperation kept up with them, in order to take terminal-specific measures and approve their impact. It has become the benchmark tool for managing airline customer satisfaction.

Furthermore, operating processes and services offered in terminals to satisfy passengers throughout their journey through the airport were examined together with the airlines. Aéroports de Paris now occupies a “facilitating” role with respect to the airlines..

A3.5 Tariffs

SETTING THE TARIFF INCREASE CAP

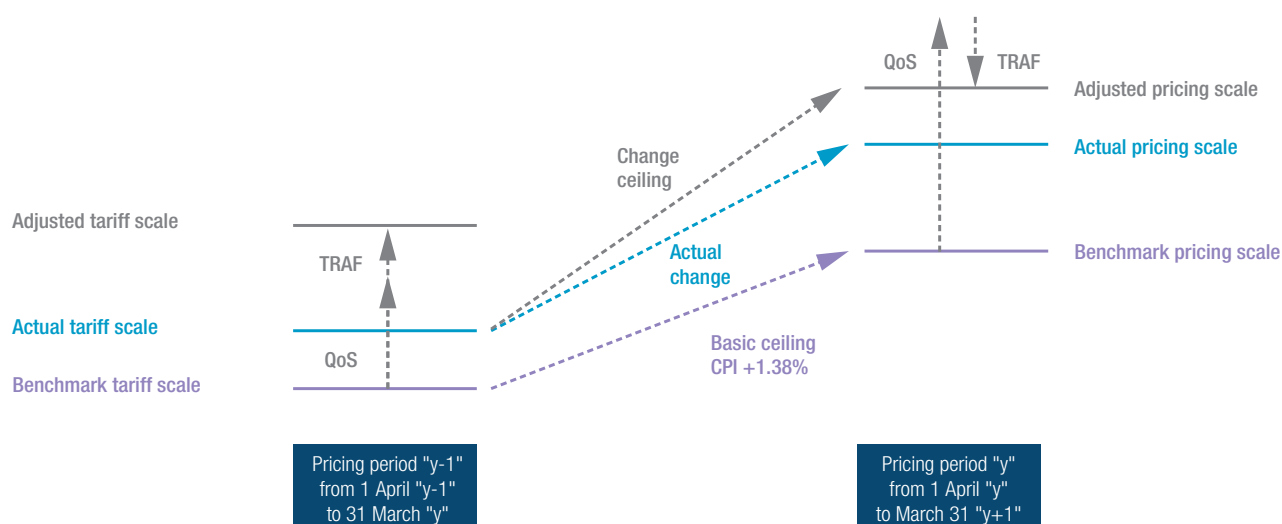
Pursuant to the 2011-2015 ERA, the fee tariffs cap was determined based on a “base rate cap” averaging at $\text{CPI} + 1.38\%$. The price was likely to be adjusted on account of (i) traffic, (ii) quality of service and (iii) investments, respectively.

The following diagram illustrates the pricing mechanisms applicable during the 2011-2015 ERA, which led to three different levels each year:

- the “benchmark” tariff scale, to which applies the “base increase rate”;
- the “adjusted” tariff scale, deducted annually through application of the above adjustment, which represents de facto the annual price ceiling;
- the “effective” tariff scale, which is the one set by Aéroports de Paris in compliance with this ceiling.

The difference between the “y-1” benchmark tariff scale and the adjusted “y” tariff scale represented the theoretical tariff cap for the main fees in year “y” (i.e. from 1 April of year “y”). For purposes of comparison with the prices actually paid by Aéroports de Paris customers, the tariff increase cap for year “y” was assessed against the actual prices of year “y-1”.

The diagram below summarizes the method:



For each pricing period n, the basic cap rate for increases in fees is equal to:

| 2011 | 2012 | 2013 | 2014 | 2015 |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| $\text{CPI} + 0.00\%$ | $\text{CPI} + 1.00\%$ | $\text{CPI} + 1.50\%$ | $\text{CPI} + 2.20\%$ | $\text{CPI} + 2.20\%$ |

CPI represents the percentage change in the consumer price index, excluding tobacco, published by the INSEE (IPC 4018 E), calculated as the comparison between the index for the month of September in year “n-1” and the month of September in year “n-2”.

A. ADJUSTMENT FACTOR RELATED TO TRAFFIC

The adjustment factor related to traffic was measured based on the number of passengers and applied beyond the scope of a buffer zone representing annual changes 0.5 point higher or lower than the benchmark traffic scenario of the 2011-2015 ERA (accounting for 2.5% more passengers in 2011 compared to 2009, together with annual increases of 2.4% in 2012 and 3.9% over the next three years). It was calculated in such a way that, beyond the buffer zone, 50% of the excess or shortfall from forecast fee revenues is offset, within the limit of a 0.5 point impact on the annual fee increase cap, through adjusting the tariffs for these fees.

This factor has resulted in a 0.5% decrease in the tariff increase cap during its implementation in 2013, and has had no impact in 2014 and 2015.

B. ADJUSTMENT FACTOR RELATED TO QUALITY OF SERVICE

The adjustment factor related to quality of service represents a financial incentive associated with ten indicators, whose respective performances resulted in bonuses and penalties based on the targets set. The cap of these bonuses and penalties were evenly distributed and amounted individually to 0.1% of fees, thereby representing a potential impact of 1.0% of revenue from fees subject to the ERA price increase cap.

Bonuses were still allocated over the 2011-2015 ERA period, reflecting the company's strong performance with respect to the targets set. The indicators and their annual performance are listed below:

| Indicators | | Performance from 1 July, 2010 to 30 June, 2011 | Performance from 1 July, 2011 to 30 June, 2012 | Performance from 1 July, 2012 to 30 June, 2013 | Performance from 1 July, 2013 to 30 June, 2014 | +Bonus/-Penalty 2012 | +Bonus/-Penalty 2013 | +Bonus/-Penalty 2014 | +Bonus/-Malus 2015 |
|------------------------|--|--|--|--|--|----------------------|----------------------|----------------------|--------------------|
| Indicator A-1 (SAD) | Overall satisfaction of arriving and departing passengers | 86.20% | 85.20% | 87.10% | 88.00% | 0.060% | -0.040% | 0.100% | 0.100% |
| Indicator A-2 (SPR) | Satisfaction with cleanliness in terminal | 85.90% | 86.70% | 89.60% | 90.80% | -0.030% | 0.050% | 0.100% | 0.100% |
| Indicator A-3 (SOC) | Passenger satisfaction with orientation when connecting at Paris-Charles de Gaulle | 70.10% | 69.90% | 71.40% | 75.00% | 0.100% | 0.100% | -0.010% | 0.100% |
| Indicator A-4 (SIV) | Satisfaction with signage and flight information | 87.10% | 87.70% | 89.20% | 89.90% | 0.090% | 0.100% | 0.100% | 0.100% |
| Indicator A-5 (SSE) | Passenger satisfaction with boarding rooms | 86.20% | 87.80% | 89.60% | 89.80% | 0.100% | 0.100% | 0.100% | 0.100% |
| Indicator A-6 (DPS) | Availability of parking positions | 99.72% | 99.80% | 99.86% | 99.85% | 0.100% | 0.100% | 0.100% | 0.100% |
| Indicator A-7 (DPT) | Availability of passenger boarding bridges | 99.56% | 99.36% | 99.48% | 99.53% | 0.100% | 0.090% | 0.095% | 0.100% |
| Indicator A-8 (DEE) | Availability of electromechanical equipment | 99.36% | 99.21% | 99.20% | 99.31% | 0.090% | 0.052% | 0.025% | 0.052% |
| Indicator A-9 (DTB) | Availability of baggage belts | 99.70% | 99.58% | 99.67% | 99.72% | 0.100% | 0.095% | 0.100% | 0.100% |
| Indicator A-9.10 (DRR) | Complaint response time | 99.61% | 99.02% | 97.37% | 97.20% | 0.092% | 0.080% | 0.047% | 0.044% |
| QOS FACTOR | | | | | | 0.802% | 0.728% | 0.757% | 0.897% |

Fifteen other quality of service indicators were monitored, but had no financial impact on the fee tariffs increase cap (see A3.4).

C. ADJUSTMENT FACTOR RELATED TO THE INVESTMENT SCHEDULE

The adjustment factor related to the major investment schedule (**INV1**), that may result in a penalty not exceeding 0.1% of fees, measured compliance with the schedule for major operations, detailed below with their respective delivery deadlines:

| | |
|--------------------------|------------------------------|
| A-C junction | 2 nd quarter 2012 |
| Satellite 4 | 3 rd quarter 2012 |
| EF gallery | 3 rd quarter 2012 |
| 400 Hz CDG1 | 1 st quarter 2014 |
| Threshold 08 | 2 nd quarter 2014 |
| Halls 3 and 4, Orly West | 4 th quarter 2015 |
| terminal 2B | 4 th quarter 2015 |

This indicator was based on a system of bonuses and penalties according to whether the relevant transactions were completed ahead of or behind the baseline schedule. These bonuses and penalties were mutually offset each year (y) and only a possible net penalty was taken into account in the calculation of the **INV1** factor. The net annual penalty applicable could potentially represent up to -0.1% of overall revenue. This maximum could be reached in the event of a delay of two quarters on the schedule for each operation identified above.

Applicable from the 2013 pricing period, it had no effect in the first year (the AC junction and S4 Satellite had been delivered ahead of the targets set) and a slightly negative effect in 2014 (-0.04%, given that the AC junction was commissioned with a slight delay) and 2015 (-0.1% due to the delayed delivery of Paris-Charles de Gaulle 1,400 Hz and threshold 08).

D. THE ADJUSTMENT FACTOR RELATED TO CAPITAL EXPENDITURE, SERVICE QUALITY AND SUSTAINABLE DEVELOPMENT (INV2)

The adjustment factor related to expenditure on current investments, service quality and sustainable development (**INV2**) was intended to apply, where relevant, to the 2015 pricing period in the event that fewer investments (current investments, service quality and sustainable development) were made in the regulated scope than initially forecast. An adjustment would then lead to a reduction in the tariff cap to offset a portion of the annual costs saved.

This possible reduction was cumulatively measured over the calendar years 2011 to 2013 inclusive. In the event that capital expenditure relating to the regulated scope in respect of these budgets were less than 90% of the amount initially planned at the end of 2013, 70% of the difference in costs incurred with regard to the regulated scope and throughout the term of the agreement would be deducted from the fee increase cap for the 2015 pricing period.

The level of 2011-2013 investment expenditure was sufficient to prevent the application of price penalties.

ACTUAL TARIFF INCREASES IMPLEMENTED

Each year, Aéroports de Paris has complied with the authorised tariff increase cap, and even applied a rate below this cap.

Fee tariffs saw an average increase of 1.37% above the annual average rate of inflation over the period. As such, Aéroports de Paris has satisfied its commitment to moderate tariffs.

| Airport and ancillary fees | 2011 pricing period | 2012 pricing period | 2013 pricing period | 2014 pricing period | 2015 pricing period | 2011-2015 AAGR |
|----------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------|
| Actual change | 1.49% | 3.40% | 3% | 2.95% | 2.40%* | 2.65% |

* Subject to validation of tariffs by ASI.

Airport fees under the 2011-2015 Economic Regulation Agreement are shown on the Aéroports de Paris website (aeroportsdeparis.fr, under B2B/Airlines/Services fees).

CHANGES IN TARIFF STRUCTURE

In accordance with these average increases and following a thorough dialogue with users, Aéroports de Paris has decided to change its tariff structure.

Accordingly, Aéroports de Paris has implemented two new fees and an incentive measure from 1 April 2011:

- a fee relating to computerised check-in and boarding (Crews), historically charged for a service which used to be financed through conventional income. This fee is based on a passenger departing from terminals or parts of terminals with check-in and boarding desks equipped with the Crews programme. The fee rate distinguishes between connecting and non-connecting passengers;
- a fee for origin-destination baggage handling at Paris-Charles de Gaulle airport. The creation of this fee translated into the withdrawal of the portion that may be assigned to the origin-destination part of conventional revenues linked to different installations, the withdrawal of the portion of the baggage handling fee applicable for CDG1 airport relating to origin-destination baggage, and the implementation of a pricing supplement for the variable portion of the check-in desk fee. It is payable for all Paris-Charles de Gaulle terminals and distinguishes between passengers to domestic destinations, Schengen countries and overseas departments/communities on the one hand, and passengers to other destinations on the other hand;
- from 2011 to 2015, Aéroports de Paris is applying a passenger fee adjustment for increasing traffic and improvements in the use of facilities, the main terms of which are as follows:
 - airlines with traffic growth of more than 6.4% between two IATA years and whose departing traffic exceeded 10,000 passengers and benefited from a reduction on passenger fees in the form of a credit valid for the following year,
 - this discount corresponds to the number of passengers exceeding the 6.4% threshold by 30% of the average price of the per-passenger fee on routes with growth above 6.4%. It is generally capped at €5 million (2010 currency), then increased annually according to changes in the average fee rate and was allocated among the eligible companies on a prorata basis, in cases where the ceiling was exceeded;

In addition, from 1 April 2012, Aéroports de Paris implemented a measure to standardise the basis for calculating fees for wastewater treatment by sieving. Since then, aircraft wastewater treatment by sieving at the Paris-Charles de Gaulle airport is subject to a fee, as with Paris-Orly, based on the number of trips by disposal trucks rather than the landing weight, thereby leading to a standardisation of practices and better harmony with the service delivered.

Finally, the basis for calculating fees for the provision of electricity supply facilities for aircraft at Paris-Charles de Gaulle and Paris-Orly airports changed on 1 April 2013 so that it no longer relies on the aircraft's Maximum Takeoff Weight (MTOW ≤ 140 tonnes or MTOW > 140 tonnes), but on the electrical needs and technical equipment of the aircrafts depending on a segmentation of aircraft types into three main categories.

A3.6 Change in economic performance

Given the change in the regulated scope, on the one hand, and the economic situation that has affected air transport during this period, on the other hand, Aéroports de Paris has aimed to consider the 2011-2015 ERA, in terms of fair return on capital invested in the regulated scope, as a transitional ERA.

From the end of 2012, Aéroports de Paris decided to implement a cost control plan (Efficiency and Modernisation Plan) and review the investment programme to meet all commitments made to the markets and upon signing the 2011-2015 ERA⁽¹⁾.

These ongoing efforts have enabled Aéroports de Paris to grant moderate price adjustments (see section A3.5).

DEVELOPMENT OF THE ASSET BASE AND PROFITABILITY

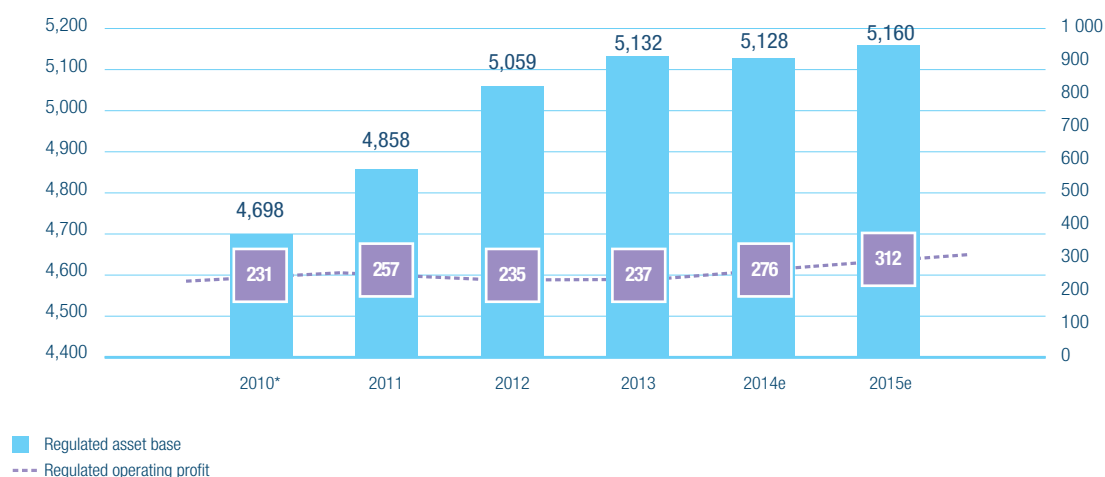
One of the challenges of the 2011-2015 ERA was to improve the profitability of the regulated scope through faster growth in regulated operating income than in the asset base. To this end, the goal was led to rigorously control the investment programme while improving productivity and limiting the increase in operating expenses on account of traffic growth of more than 11 million passengers over the period.

Accordingly, the regulated asset base has seen a very moderate increase due to a low point in the investment cycle. As such, Aéroports de Paris has focused its investments on the renovation of the oldest terminals and the development of additional capacity to absorb the increase in traffic.

Despite the situation affecting air transport, which has led airlines to optimise their routes for better load factors, efforts made with respect to the moderate growth of capital employed and those achieved in cost optimisation and productivity are expected to increase operating income for the regulated scope.

■ CHANGE IN THE REGULATED ASSET BASE AND OPERATING INCOME OF THE REGULATED SCOPE (2010* - 2015)

IN MILLIONS OF CURRENT EUROS

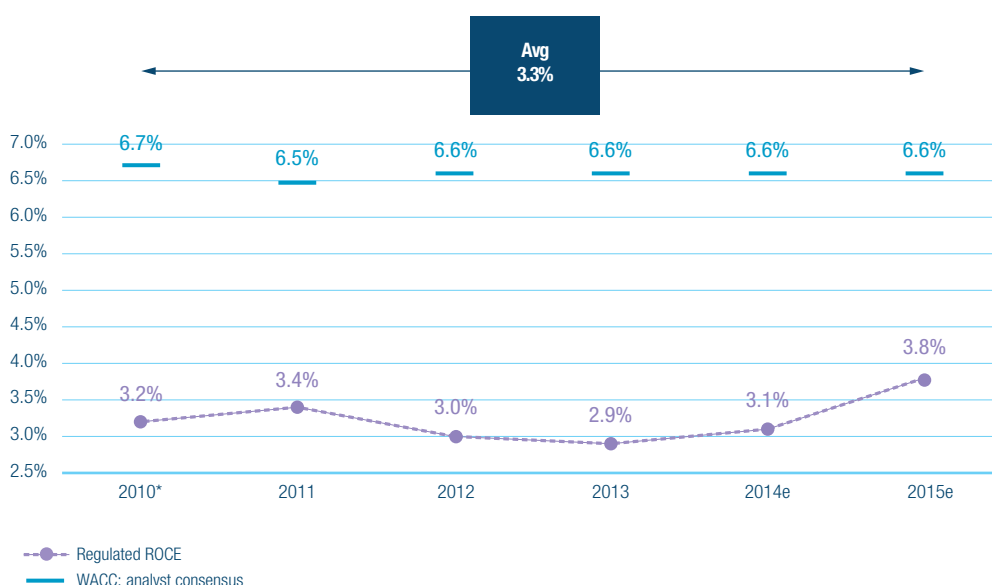


* 2010 pro forma regulated scope, adjusted-till system.

(1) For more details, see section 13 of the 2013 Registration Document available at <http://www.aeroportsdeparis.fr>.

However, the profitability of the regulated scope is likely to be lower than expected throughout the 2011-2015 ERA, especially considering the level of traffic over this period, which is significantly below forecasts (see section A3.1). In fact, the regulated ROCE is estimated at 3.8% for 2015 and 3.3% on average over the 2011-2015 period, a level still well below the weighted average cost of capital.

■ CHANGE IN ROCE OF THE REGULATED SCOPE (2010*-2015)



* 2010 pro forma regulated scope, adjusted-till system.

CHANGE IN OPERATING COSTS OF THE REGULATED SCOPE

Since 2006, Aéroports de Paris has conducted a policy to control its operating expenses and improve productivity. This financially rigorous policy was intensified in the 2011-2015 ERA through two strong measures in particular: the 2013-2015 efficiency and modernisation plan, together with a voluntary departure plan in 2014.

The operating cost control plan known as the «Efficiency and Modernisation Plan» is aimed at limiting the increase in the operating expenses of Aéroports de Paris (the parent company) to less than 3.0% on average per year between 2012 and 2015.

In order to achieve this objective, the plan focuses firstly on purchasing control and, secondly, on growth in payroll, with the goal of achieving between €71 and €81 million in structural savings between 2013 and 2015. It includes a voluntary departure plan combined with a recruitment plan⁽¹⁾. In 2013, the operating costs of the parent company increased by 2.7%.

Accordingly, for the 2011-2015 ERA, average yearly growth of other operating expenses is estimated at 2.7%, down from that of the 2006-2010 ERA. In constant 2015 euros, this change has led to a €0.6 reduction in operating costs per passenger between 2010 and 2015.

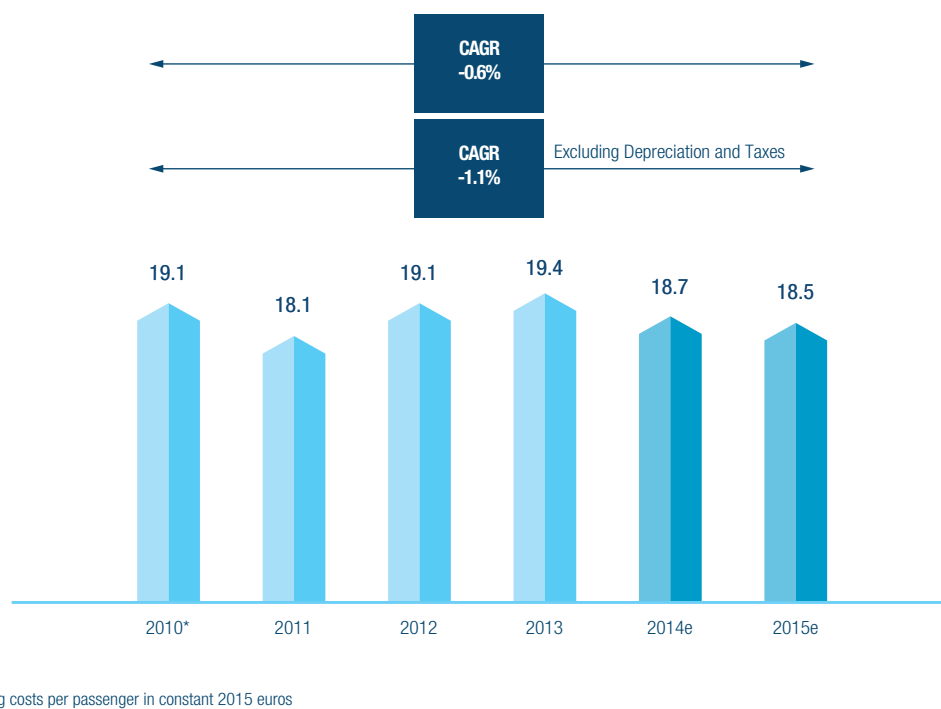
(1) multi-annual plan for recruitment in the hospitality trade (120 employees) and maintenance (60 employees) to further improve the quality of service to passengers and airlines.

■ CHANGE IN OPERATING EXPENSES FOR THE REGULATED SCOPE (2010*-2015) IN MILLIONS OF CURRENT EUROS



* 2010 pro forma regulated scope, adjusted-till system.

■ CHANGES IN OPERATING EXPENSES PER PASSENGER FOR THE REGULATED SCOPE (2010*-2015) IN CONSTANT 2015 EUROS



* 2010 pro forma regulated scope, adjusted-till system.

Appendixes

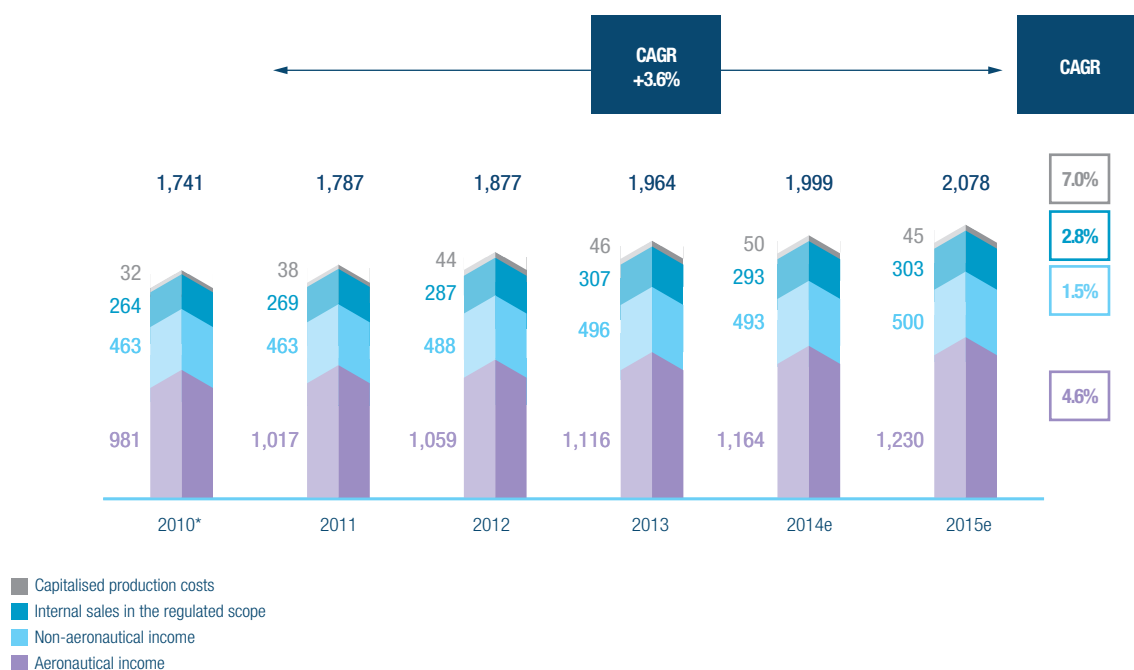
In terms of human resources, the average workforce of Aéroports de Paris should fall by 7% over the 2010-2015 ERA, reflecting the major efforts made by the company against the background of significant increases in traffic, improvements in service quality and additions to teams dedicated to the Group's international development.

Since 2013, Aéroports de Paris has made significant efforts to improve its operational efficiency and control its operating costs. This was achieved through measures such as an «efficiency and modernisation plan». In addition to the strong growth in productivity, these cost reduction efforts have focused in particular on the maintenance and repair of new infrastructures, procurement, other external services and the management of sub-contracting.

CHANGES IN INCOME FROM THE REGULATED SCOPE

Income from the regulated scope increased by 3.6% per year over the period, driven by growth in aeronautical revenues.

■ CHANGES IN INCOME FROM THE REGULATED SCOPE (2010*-2015) IN MILLIONS OF CURRENT EUROS



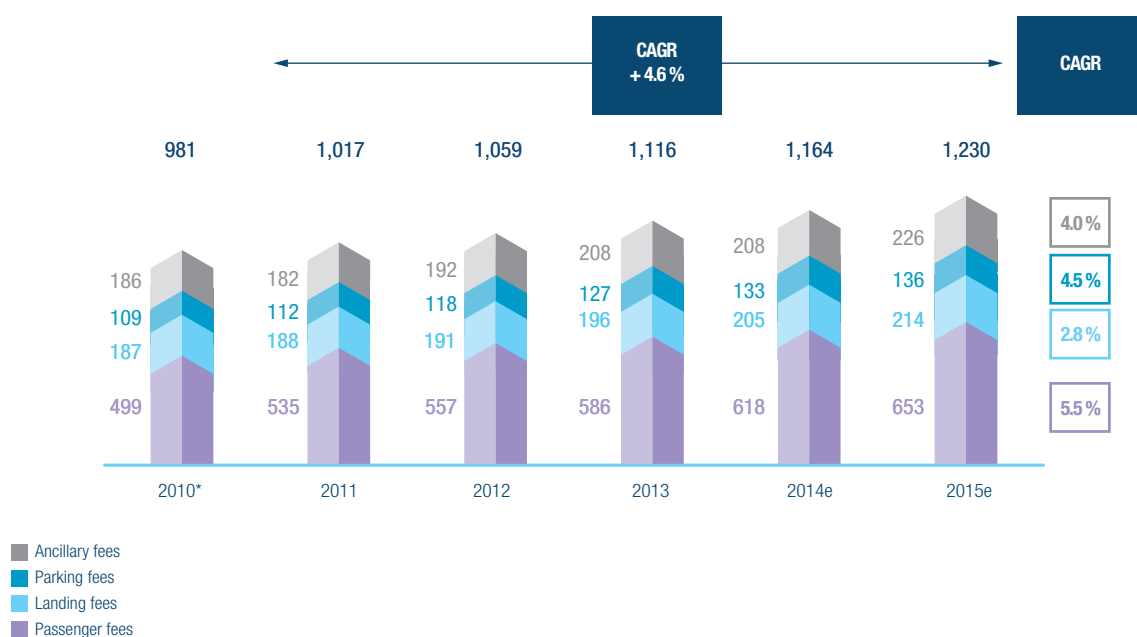
* 2010 pro forma regulated scope, adjusted-till system.

The average annual growth in aeronautical revenue (+4.6%) mainly stems from the combination of the following:

- the increase in passenger traffic;
- 2.7% higher average rates (including inflation) per year.

Revenue from passenger and parking fees have been particularly dynamic over the period with an average annual growth rate of 5.5% and 4.5% respectively.

■ CHANGES IN AVIATION REVENUE FROM THE REGULATED SCOPE (2010*-2015) IN MILLIONS OF CURRENT EUROS



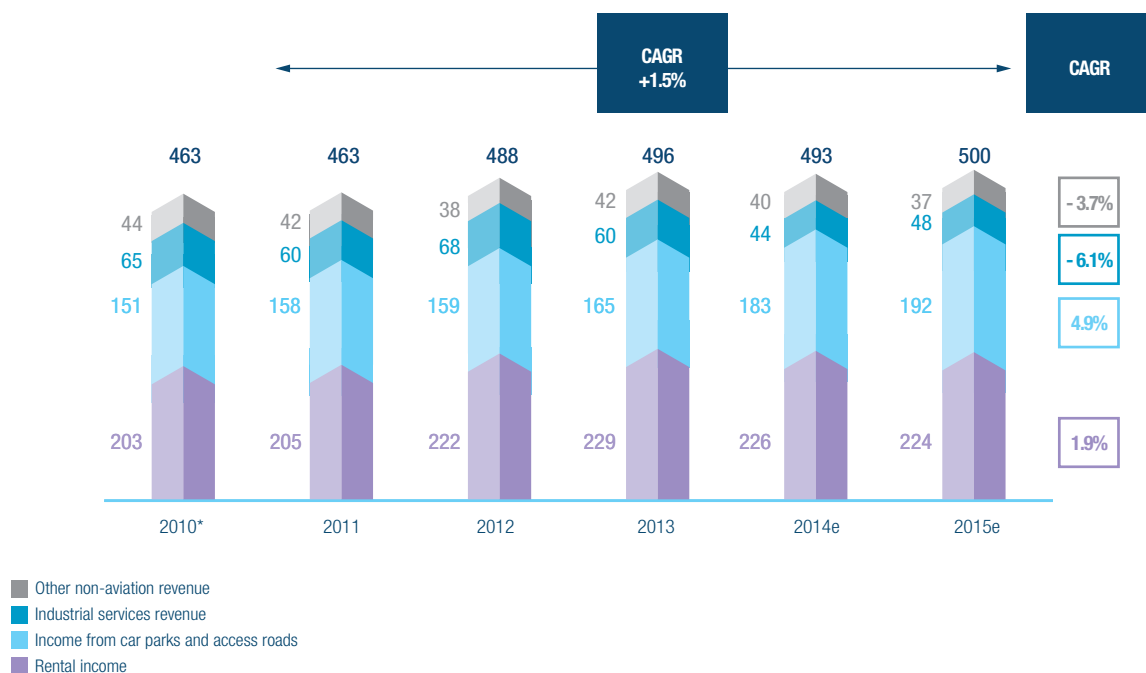
* 2010 pro forma regulated scope, adjusted-till system.

Appendixes

The growth in non-aviation revenue, estimated at 1.5% on average per year, is due in particular to growth in revenue from rental activity in and out of terminals, from car parks and access roads, from revenue related to industrial services, and from revenue related to various services such as those provided to the air navigation services division.

The growth in non-aeronautical revenue over the 2011-2015 ERA breaks down as follows:

■ CHANGES IN NON-AVIATION REVENUE OF THE REGULATED SCOPE IN MILLIONS OF CURRENT EUROS



* 2010 pro forma regulated scope, adjusted-till system.

Despite strong growth in activities related to car parks and access roads, whose revenue increased by 4.9% on average per year, and buoyant rental income with an average annual growth rate of 1.9%, changes in income from industrial services negatively affected some non-aviation revenue, in particular due to the shutdown of the cogeneration plant.

Other non-aviation revenue fell by an average of around 3.7% per year.

The average annual growth of 7.0% in capitalised production costs over the 2011-2015 ERA is linked to the reclassification (as capitalised project costs) of costs previously booked as expenses.

Internal sales grew by about 2.8% on average per year, in keeping with the changes in operating expenses for the regulated scope.

A4 Appendix 4: Allocation principles of Aéroports de Paris regulated accounts

The items below present the accounting rules used by Aéroports de Paris for its regulated accounts during the 2011-2015 period. These rules have been presented to all the stakeholders (airlines and regulator) of the Commission Consultative aéroportuaire (CocoAéro) appointed by the ministry of civil aviation on the 23rd of May 2014. During this meeting Aéroports de Paris demonstrated that its regulated accounts are in line with the following allocation principles:

- a significant part of the assets and several elements of the income statement are directly allocated to the regulated / non-regulated scopes;
 - the other components of the asset base and of the income statement common to both scopes are allocated according to rules that reflect the economic reality, and in particular to the costs associated with the function.
- Furthermore, the reliability of our regulated accounts is guaranteed by external assessment and in particular by auditors and the regulator.

For the period 2016-2020, without any modification of the regulated scope, Aéroports de Paris is anticipating the regulator's position and offer to use the measures described in the 4th of October notice of the CocoAéro. These measures led Aéroports de Paris to transfer some elements of the asset base and their related charges from the regulated scope to the non-regulated scope from the first year of the 2016-2020 regulation contract. The required adjustments of the allocation methods are presented in detail in the part 5.4. Evolution of the regulated operational result and the regulated asset base.

Reminder on the regulated scope

| scope | Sub-scope | Activities |
|---------------------|--|--|
| Regulated scope | Aeronautical till | Aeronautical activities excluding safety services and SSLIA ¹ |
| | Access | Access roads, shuttles, bus stations and car pound |
| | Car parks | Car parks excluding offices and diversification real estate car parks |
| | Airport real estate | Airport real estate management excluding terminals |
| | Industrial services | Commodities |
| | Rentals in terminals | Real estate, furnishings and other equipments rented in terminals |
| | Other services | Business centre , official reception centre, VIP lounges, DSNA ² services |
| Non-regulated scope | Retail activities | Shops, catering, car rental and advertising |
| | Diversification real estate | Offices, commercial and logistic buildings, hotels and warehouses |
| | Civil aviation tax | Airport safety and security services |
| | TNSA | Aeronautical noise pollution tax |
| | International and airport developments | Airport development and international investments |
| | Other activities | Telecom, training, etc... |

¹ Airport fire prevention and intervention

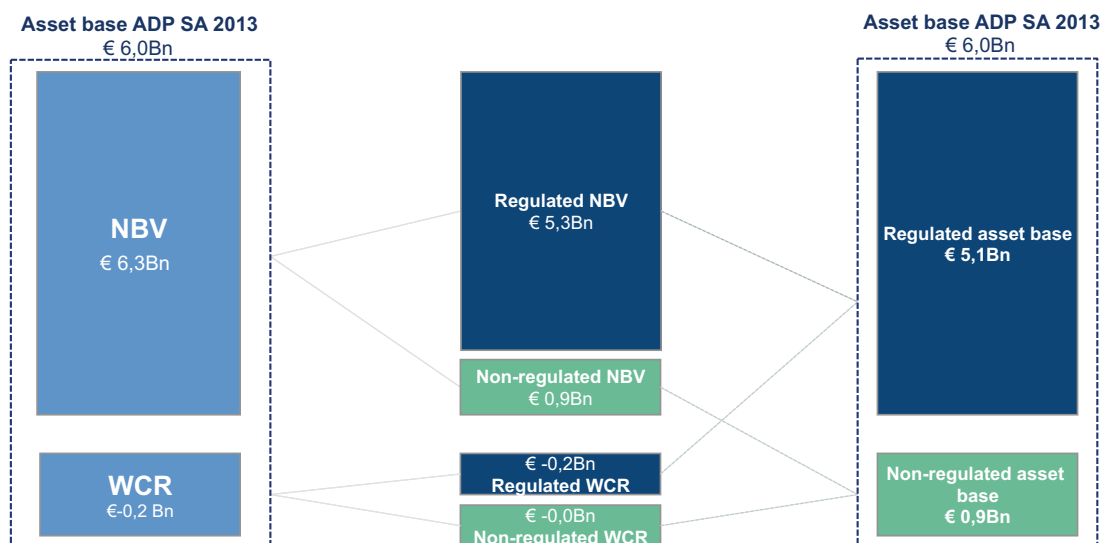
² Air navigation board

A4.1 Presentation of the regulated asset base

■ AÉROPORTS DE PARIS ASSET BASE IN 2013

The asset base is the sum of the **Net Book Value (NBV)** of assets and **Working Capital Requirement (WCR)**

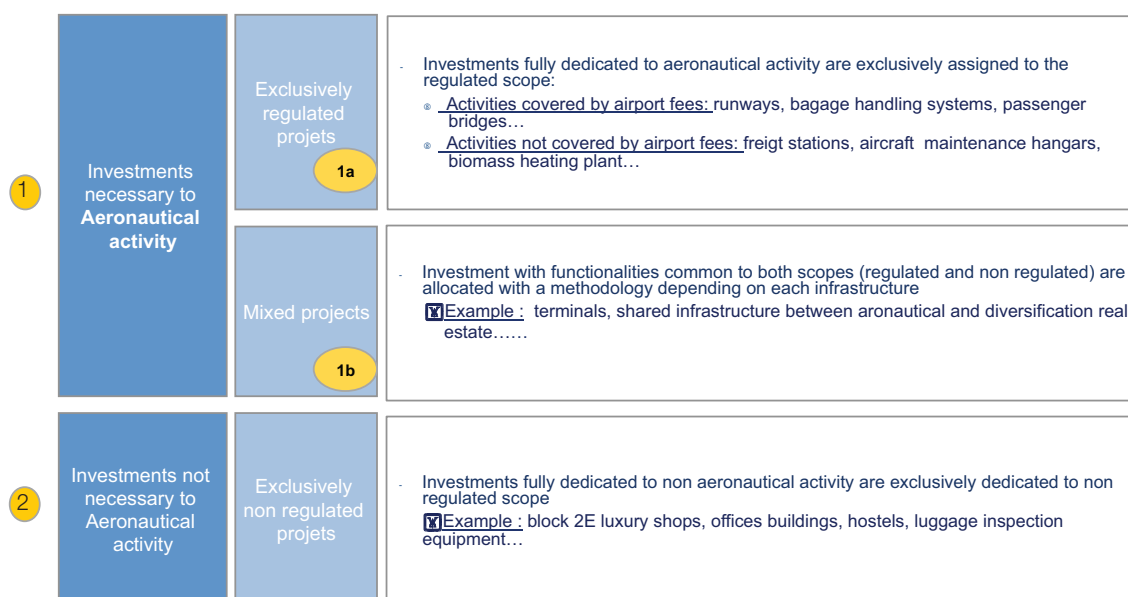
- The **NBV** is the gross value of an asset after deduction of the cumulated depreciation, amortisation and impairment losses.
- The **WCR** is calculated as **current assets** (Inventories, trade receivables, advances and deposit paid on orders and other current receivables) minus **current liabilities** (Advances and deposits received on orders, trade payables and related accounts and tax, and employee-related liabilities (excl. current income tax)).



NET BOOK VALUE

■ GENERAL PRINCIPLES OF ALLOCATION OF ASSET BASE BETWEEN REGULATED AND NON REGULATED SCOPES

Allocation type depends on the nature of the asset:



■ PRINCIPLE 1A – AERONAUTICAL INVESTMENTS FULLY DEDICATED TO REGULATED SCOPE

| Principle 1a | Regulated projects | Investments fully dedicated to aeronautical activity are exclusively assigned to the regulated scope | M€ regulated | % allocated to regulated scope |
|--|--------------------|--|--------------|--------------------------------|
| Aeronautical till, of which: | | | 1 845 | 100% |
| <ul style="list-style-type: none"> Passenger reception infrastructure (check-in and boarding rooms, baggage delivery...) | | | 535 | 100% |
| <ul style="list-style-type: none"> Parking areas, passenger bridges, fuel delivery points... | | | 320 | 100% |
| <ul style="list-style-type: none"> Landing infrastructure (runways...) | | | 613 | 100% |
| <ul style="list-style-type: none"> Baggage handling equipment... | | | 194 | 100% |
| <ul style="list-style-type: none"> Aircraft defrost equipments | | | 76 | 100% |
| <ul style="list-style-type: none"> Check-in counters | | | 68 | 100% |
| Industrial services | | | | |
| <ul style="list-style-type: none"> CDG thermal and cooling plant, ORY geothermal power plant, water grids, ORY solar power plants, electrical grids, power generator... | | | 276 | 100% |
| Airport real estate | | | | |
| <ul style="list-style-type: none"> Freight stations, aircraft hangars, Fedex buildings, ... | | | 235 | 100% |
| Parking | | | | |
| <ul style="list-style-type: none"> Short and long term car parks | | | 271 | 100% |
| Offices rental in terminal | | | | |
| <ul style="list-style-type: none"> Lounges, offices and other private spaces | | | 127 | 100% |
| Other services | | | | |
| <ul style="list-style-type: none"> Drop off luggage systems, honorary pavillon... | | | 14 | 100% |
| Access | | | | |
| <ul style="list-style-type: none"> CDG Val, frontage roads | | | 212 | 100% |
| Autres | | | | |
| | | | 63 | 100% |
| TOTAL | | | 3 043 | 100% |

Aéroports de Paris suggests to apply the CocoAéro opinion adopted on the 24th of October 2014, and thus to assign the NBV of CDG Val to regulated and non regulated scopes, according to CDG 1 and 2 RER stations (see next page), each of them being weighted by their traffic frequentation.

■ PRINCIPLE 1B – AERONAUTICAL INVESTMENTS WITH FUNCTIONALITIES COMMON TO BOTH SCOPES

| Principle 1b | Mixed projects | Investment with functionalities common to both scopes (regulated and non regulated) are allocated with a methodology depending on each infrastructure | | |
|--|----------------|---|--------------|---------------------------------------|
| Description | | Allocation mode | M€ regulated | % allocated to regulated ¹ |
| Terminals | | | 1 833 | |
| <ul style="list-style-type: none">• CDG2 A/B/C/D | | On proportion of weighted surfaces | 207 | 92% |
| <ul style="list-style-type: none">• CDG2 E/F (hors S3 et S4) | | | 584 | |
| <ul style="list-style-type: none">• CDG2 G | | | 44 | |
| <ul style="list-style-type: none">• Hall M of terminal 2E (satellite S4) | | | 351 | |
| <ul style="list-style-type: none">• Hall L of terminal 2E (satellite S3) | | | 349 | |
| <ul style="list-style-type: none">• CDG1 | | | 175 | |
| <ul style="list-style-type: none">• CDG3 | | | 25 | |
| <ul style="list-style-type: none">• South Orly | | | 43 | |
| <ul style="list-style-type: none">• West Orly | | | 56 | |
| Mixed real estate | | | | |
| <ul style="list-style-type: none">• Facility grids, signalling devices and landscaping on real estate areas... | | On proportion of turnover of Airport and diversification real estate | 33 | 49% |
| Specific infrastructures | | | | |
| <ul style="list-style-type: none">• RER 2 station | | On proportion of surfaces | 45 | 89% |
| <ul style="list-style-type: none">• RER 1 station | | | 0 | 0% |
| Access | | | | |
| <ul style="list-style-type: none">• Road access | | On proportion of depreciation charges | 180 | 90% |
| Others | | - | 206 | 89% |
| TOTAL | | | 2 297 | 90% |

Aéroports de Paris suggests to apply the CocoAéro opinion adopted on the 24th of October 2014 and thus adjust for the 2016-2020 period the allocation method of terminals, RER stations and road access.

■ PRINCIPLE 2 – NON-AERONAUTICAL CAPEX, EXCLUSIVELY ALLOCATED TO THE NON-REGULATED

| Principle 2 | Non-regulation | The CAPEX fully dedicated to non-aeronautical activities are allocated exclusively to the non-regulated scope. | €m regulated | % allocated to the regulated scope ¹ |
|--|----------------|--|--------------|---|
| Retail activities <ul style="list-style-type: none"> Block 2E luxury shops, shopping redesign project on the T2F, central body project T2F and reorganization of shops, construction of the brewery K module, multi store Hull creation T2D, finishing work on the rotunda Hall 2 of Orly Sud, finishing work on the Relay Orly West Hall 2 shop ... | | | 0 | 0% |
| Diversification real estate <ul style="list-style-type: none"> Office buildings, commercial buildings, hotels ... | | | 0 | 0% |
| Safety and security equipment <ul style="list-style-type: none"> ⊙ Detection equipment, inspection equipment for luggage, compliance ... | | | 0 | 0% |

■ SUMMARY OF THE ALLOCATION PRINCIPLES APPLICABLE TO THE NET BOOK VALUE



| Allocation principles | ADP SA | Regulated | |
|--|------------|--------------------------|------------------|
| | €Bn | % (in % of total ADP SA) | €Bn |
| 1a – aeronautical projects 100% regulated | 3,0 | 100% | 3,0 |
| 1b– Mixed projects | 2,5 | 90% ¹ | 2,3 ¹ |
| 2 – non-aeronautical projects | 0,9 | 0% | 0 |
| Total net book value | 6,3 | 85% | 5,3 |

These figures reflect that the aeronautical activities are more capital-intensive than non-regulated activities

¹ the adjustment of the asset base allocation methods proposed by Aéroports de Paris led to a reduction of about 7% of the proportion of assets allocated to the regulated scope

■ PRINCIPLE 1B – FOCUS ON THE MIXED AERONAUTICAL PROJECTS – TERMINAL INFRASTRUCTURE

Allocation methodology for terminal carrying amount

| Carrying amount | Principles | 2013 | 1,8 Million € Regulated NBV |
|-----------------|---|------|--------------------------------|
| | <ul style="list-style-type: none"> Passenger terminal building construction costs are appointed in proportion to the surfaces occupied by each of the regulated scopes. In order to assess this surface distribution, 4 main functionalities of the terminal are defined, among which 3 fall within the regulated scope: <ul style="list-style-type: none"> Passenger and check-in counters Airlines counters Rental in terminal Retails  Non regulated scope <p style="text-align: center;">Regulated scope</p> <ul style="list-style-type: none"> We normatively define (i.e. according to a common method for all the terminals, see detail on page 17) the relative cost of each function compared to the others, leading to the establishment of a surface weighting factor. <ul style="list-style-type: none"> As a result, surfaces dedicated to the « Retail » function have a construction cost 70% higher than the « regulated » functions surfaces (function passenger, counters and rental stock in terminal) due to their capital intensity : <ul style="list-style-type: none"> Sub-trade work is twice more expensive on commercial surfaces than on « regulated » surfaces. However, considering cost per m² per year (i.e. the investment cost reported to the 20 years depreciation period), sub-trade work represents around 25% of the investment total cost. The total technical electricity cost is 3 times higher on the commercial surfaces than on the “regulated” surfaces: this is distributed according to the installed electrical power of each functionalities type, and there are 3 times more MW distributed by m² for the shops than for the “regulated” functions. Considering cost per m² per year (i.e. the investment cost reported to the 20 years depreciation period), electricity represents around 19% of the investment total cost. For every terminal, this weighting factor is then applied to the 4 functions surfaces. (specific to each terminal) <p> Thus, the key to spread one terminal Carrying Amount between regulated and non regulated scopes is the product of:</p> <ul style="list-style-type: none"> The number of m² of the passenger terminal building intended to each of the 4 functions The weighting factor of each function | | |

| Carrying amount | Identification of the surfaces by functionalities type | 2013 | 1.8 Million € Regulated NBV |
|--|---|------|--------------------------------|
| <ul style="list-style-type: none">Each of the functionality introduced before (passenger/counters/rental/retail) is combined with a Net Floor Area surface | | | |
| Passenger | <ul style="list-style-type: none">Public entrance halls¹, boarding area, check-in, police filters/customs/security, baggage claim area, health facilities¹, designated smoking areaCheck-in counters: includes a 2 meters zone in front of the counter and counter and collecting conveyors. If the collecting conveyor is located behind the bulkhead, its surface is not included in the check-in counter surface. | | |
| Counters | <ul style="list-style-type: none">This surface includes a one meter zone in front of the counter and the surface located between the wall and the counter. | | |
| Rental surface | <ul style="list-style-type: none">Offices, operating/industrials/storage areas... | | |
| Retails | <ul style="list-style-type: none">Retails in Public/restricted areas, bars and restaurants and associated terraces, adjacent premises and reserves... | | |
| <ul style="list-style-type: none">Since 2010, Aeroports de Paris has adopted a geographical information system which permits to follow on a multi-annual basis an exhaustive and precise referencing of the surfaces then used in the weighting factor method to find the keys of distribution. These keys are updated every year. | | | |

¹ Aéroports de Paris suggests to apply the CocoAero opinion adopted on the 24th October 2014 and thus for the 2016-2020 period to assign 20% of terminals 'common use surfaces' to the retail functionality.

| Carrying amount | Prescriptive approach – Using surfaces weighting factors | 2013 | 1,8 Mds€ regulated NBV |
|-----------------|---|------|------------------------|
| Principles | <ul style="list-style-type: none"> This approach lays on the analysis of the gross book value distribution of the terminal building (investment cost before amortization fee) on the four functions (passenger, counter, rental stock, retails) <ul style="list-style-type: none"> The gross value is broken down depending on the nature of the work (structural work, sub-trade work, electro-mechanical work ...) To each category is associated a specific lifetime (between 10 to 50 years), enabling to assess a cost per square meter per year) Each investment category is associated to one of the 4 functionalities, using the flowing allocation methods : <ul style="list-style-type: none"> Land development and structural work : allocated on pro rata of the gross floor areas Sub-trade work : depending on the respective functionality Electro-mechanical work : allocated on pro rata of the the gross floor areas Way finding : can be entirely assigned to the passenger functionality Technical lots : electricity : allocated on pro rata of the installed electrical power; cooling, heating and ventilation systems : on pro rata of the occupied volumes A cost per square meter per year is then deduced for each of the 4 functionalities (passenger, counter, rental stock and retails), as well as a weighting factor on the cost per square meter for each functionality against the others (see next page).. The weighting factors thus defined are independent of the size and to the global cost of the considered terminal building, and apply to all of them. | | |

| NBV | Principles | 2013 | 1,8 Mds€ regulated NBV |
|---------------------------|--|----------|------------------------|
| | <p>Terminal building NBV allocation – before applying weighting factors</p> <p>Surfaces weighting factors</p> <p>Terminal building carrying amount allocation – after applying weighting factors</p> | | |
| Total terminal building | 100% | | 100% |
| Regulated functionalities | 94,7% | 1 ↻ +70% | 91,7% |
| Retails | 5,3% | ↑ 7 | 8,3% |

Areas dedicated to the retails function are 70% more expensive than regulated areas

- Before applying weighting factors, on the basis of the unweighted distribution keys, the average percentage of allocated carrying amount of an ADP's terminal building reaches **94,7%**.
- The use of weighting factor on surfaces enables to decrease the value from **94,7 to 91,7%**.

¹ Aéroports de Paris suggests to apply the CocoAero opinion adopted on the 24th October 2014 and thus for the 2016-2020 period to assign 20% of terminals 'common use surfaces to the retail functionality, enabling to decrease the average percentage of allocated carrying value from 91,7 to 85%

Allocation methodology for terminal NBV - Example of terminal 2E, Hall M (Satellite S4)

| S4 Surfaces repartition <u>before</u> weighting | | | Weighting factors | | S4 Surfaces repartition <u>after</u> weighting | | |
|---|---------------|-------|---------------------|-------------------|--|---------------|-------|
| Functions | Surfaces (m²) | % | Functions | Weighting factors | Functions | Surfaces (m²) | % |
| Regulated scope | 96 468 | 94,4% | Regulated scope | 1 | Regulated scope | 163 996 | 90,8% |
| Non-regulated scope | 5723 | 5,6% | Non-regulated scope | 1,7 | Non-regulated scope | 16 596 | 9,2% |

X

=

1st floor mapping

- Retails
- Rental area
- Passenger area



WORKING CAPITAL

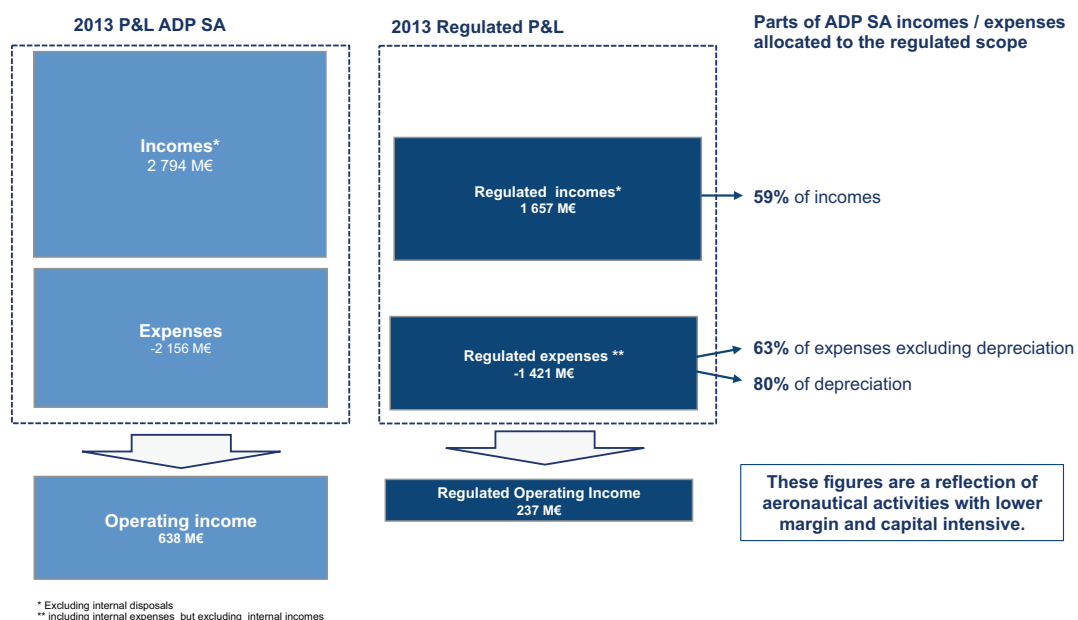
■ GENERAL PRINCIPLES OF ALLOCATION OF WORKING CAPITAL ACCOUNTS OF ADP SA BETWEEN REGULATED AND-NON-REGULATED SCOPES

The allocation method for different business area (regulated/non regulated) depends on the type of accounts of working capital: There are:

| | | | M€ regulated | % allocated to regulated |
|--|--|---|--------------|--------------------------|
| Accounts Shared by both scopes (regulated / non regulated) | 1 Direct Allocation | <ul style="list-style-type: none"> Common working capital accounts, for which a distinction scope destination (regulated, non regulated, or still to be distributed) is performed : <ul style="list-style-type: none"> Trade receivables and related accounts, deferred incomes, Advances and deposit paid o, orders, trade payables, some « other receivables », « other liabilities », « debts on fixed assets » | -57 | 97% |
| | 2 Indirect Allocation (via keys distribution) | <ul style="list-style-type: none"> Common working capital accounts subject of a allocation on the scopes (regulated, non regulated, or still to be distributed) based on keys <ul style="list-style-type: none"> Prepaid expenses , tax and employee-related liabilities, some « other receivables », « other liabilities », « debts on fixed assets » | -152 | |

A4.2 Regulated Income statement

SUMMARY OF AÉROPORTS DE PARIS SA 2013 REGULATED AND GLOBAL 2013 ACCOUNTS



GENERAL PRINCIPLES OF DISTRIBUTION OF ADP SA INCOMES AND EXPENSES¹ BETWEEN REGULATED AND NON REGULATED SCOPES

The allocation method for different ADP SA business areas (Regulated / Non-regulated) depends on the nature of incomes and expenses ; there are:



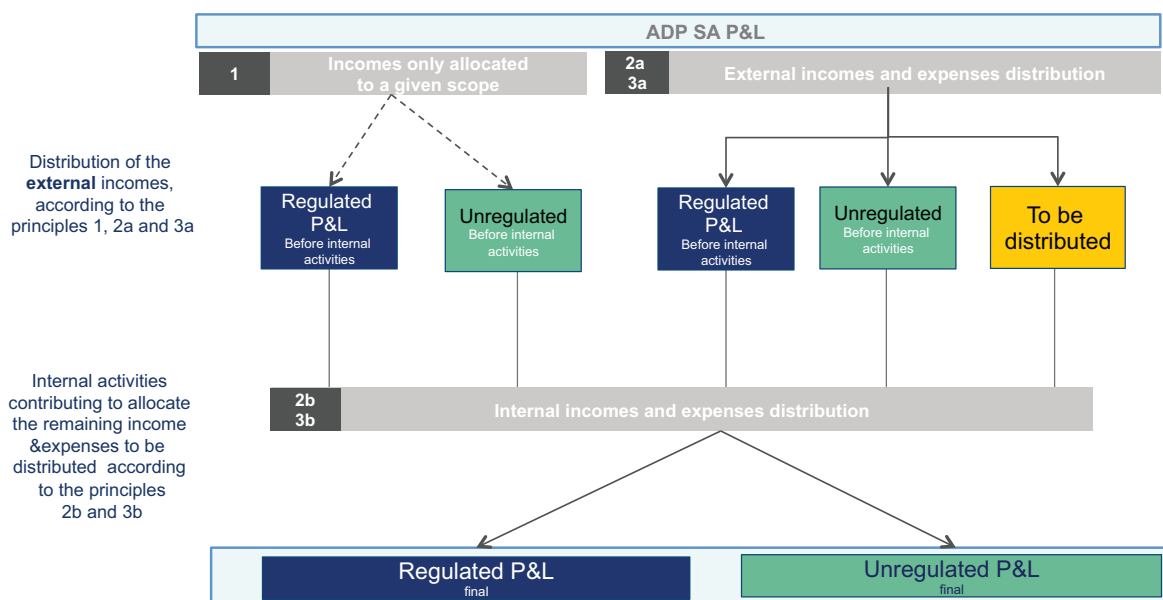
¹ excluding depreciation (part II) : « Regulated Asset Base »

² the Capitalized production is allocated accordingly principles 2a et 3a

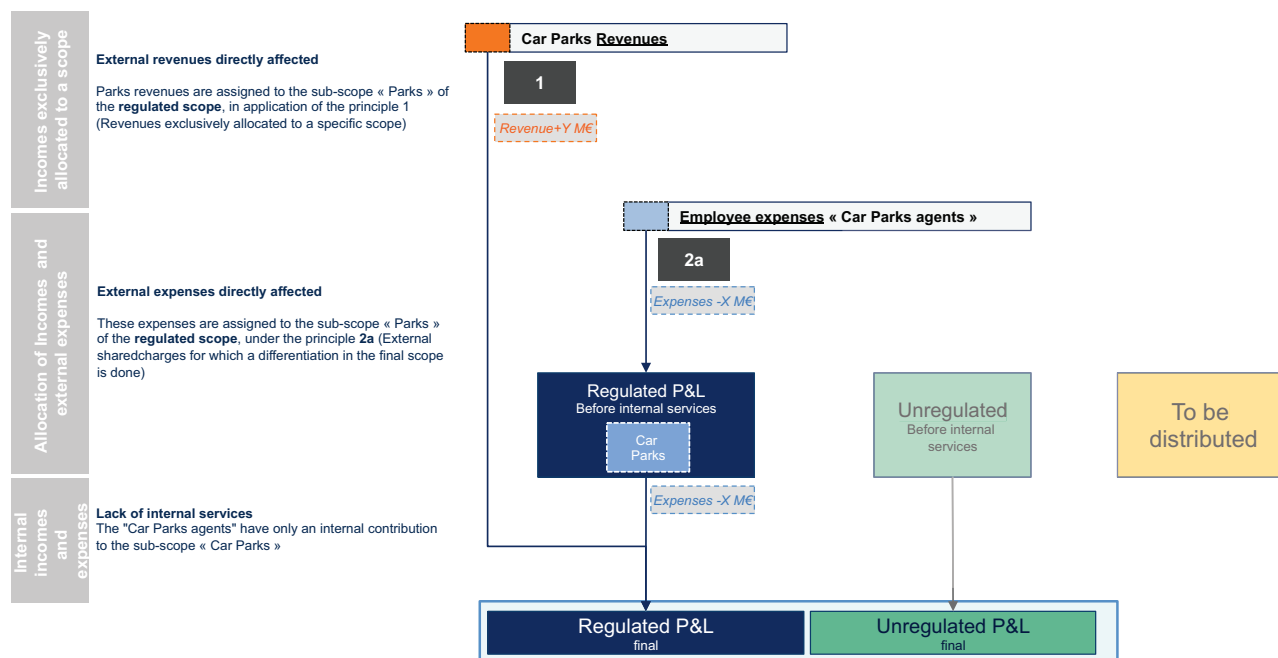
³ excluding End-of-career benefits, incentive plans...

⁴ DGAC and sanitation taxes

SUMMARY DIAGRAM OF THE REGULATION MECHANISM ON THE P&L

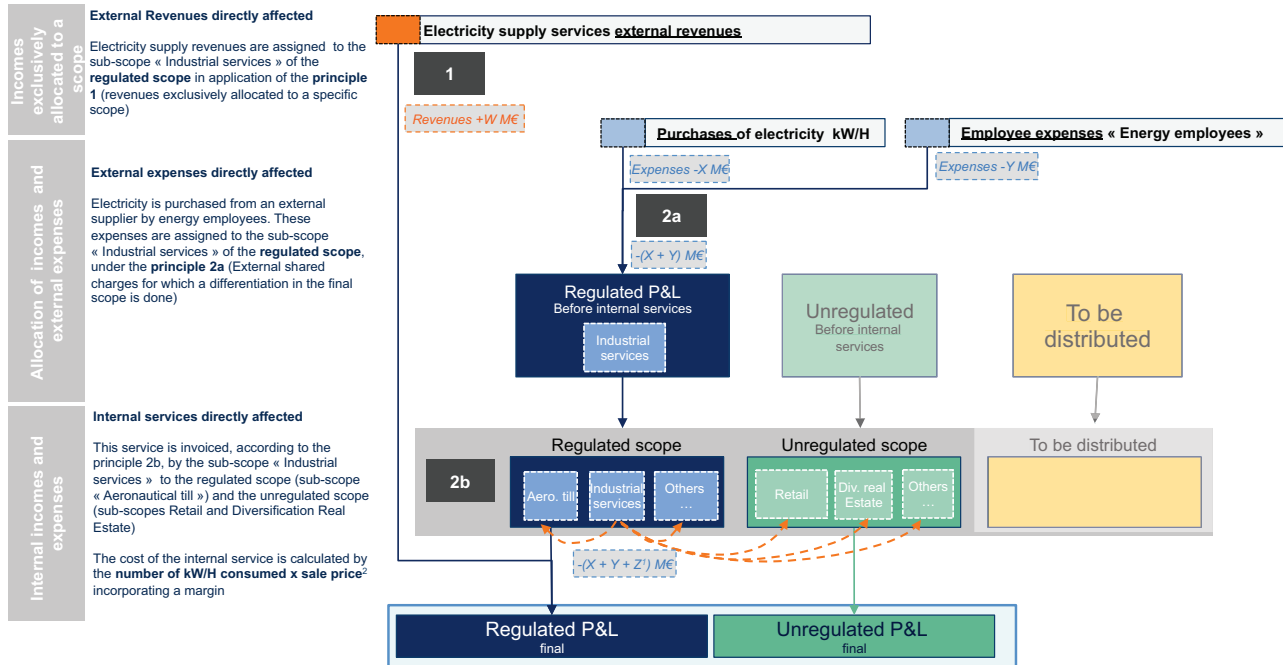


■ EXAMPLE 1 – “CAR PARKS AGENTS” – EMPLOYEE EXPENSES 1 + 2a



Appendixes

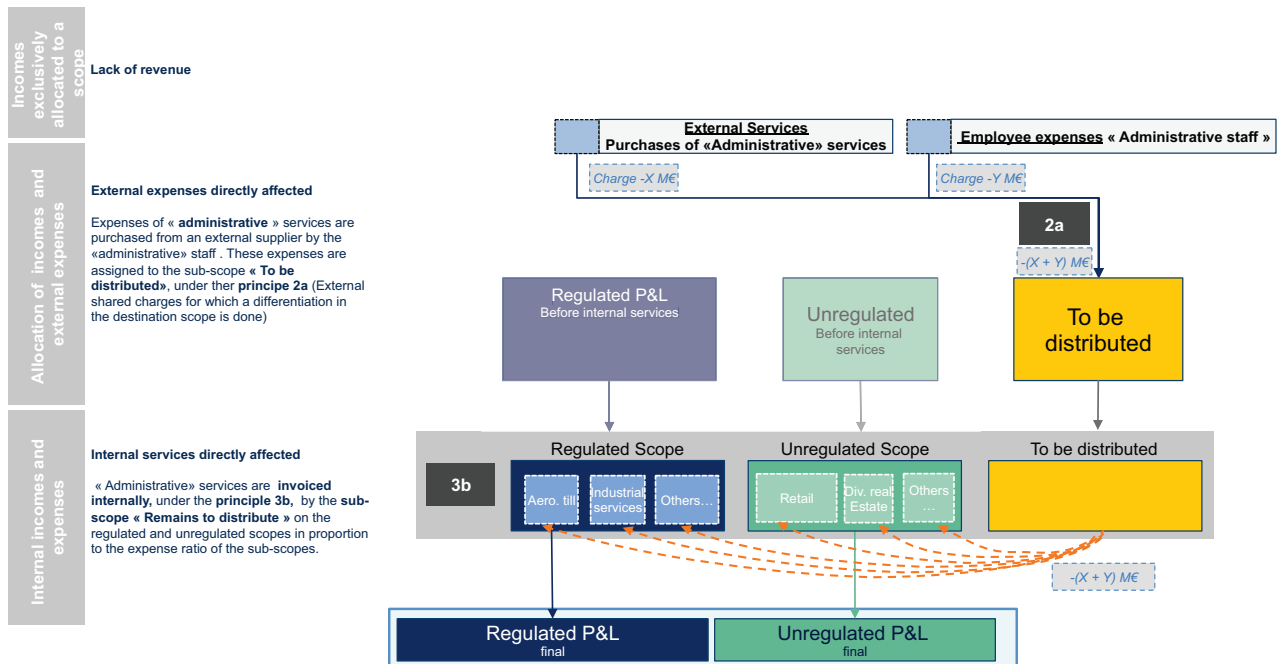
EXAMPLE 2 – ELECTRICITY SUPPLY SERVICES 1 + 2a + 2b



¹ Z = margin of electricity supply services

² Sale price = (X + Y + Z) / number of kW/H subscribed

EXAMPLE 3 – “ADMINISTRATIVE” EXPENSES 2a + 3b



SYNTHESIS OF INCOME AND EXPENSE ALLOCATION OF AÉROPORTS DE PARIS SA TO THE REGULATED SCOPE

| | ADP SA | Regulated | | Allocation principles | | | | |
|---|---------------|-----------------------|--------------|-----------------------|-------------|-------------|-------------|-------------|
| | M€ | % (% of total ADP SA) | M€ | 1 | 2a | 2b | 3a | 3b |
| Revenue | | | | | | | | |
| · Aeronautical fees | 914 | 100% | 914 | 914 | | | | |
| · Rental income | 323 | 71% | 229 | 229 | | | | |
| · Ancillary fees | 208 | 100% | 208 | 208 | | | | |
| · Industrial services | 60 | 100% | 60 | 60 | | | | |
| · Ground-handling | 129 | 0% | 0 | 0 | | | | |
| · Retail income | 388 | 1,2% | 5 | 5 | | | | |
| · Car parks and access road | 165 | 100% | 165 | 165 | | | | |
| · Airport safety | 502 | 0% | 0 | 0 | | | | |
| · Other income | 45 | 71% | 32 | 32 | | | | |
| Capitalized production | 60 | 76% | 46 | | 36 | | 10 | |
| Total | 2 794 | 59% | 1 657 | 1 612 | 36 | | 10 | |
| Operating expenses | -1 725 | 35% | -606 | | -475 | | -131 | |
| · Purchases | -91 | 78% | -71 | | -71 | | | |
| · General sub-contracting | -613 | 34% | -206 | | -206 | | | |
| · Maintenance and repairs | -116 | 29% | -34 | | -34 | | | |
| · Other external services | -145 | 26% | -37 | | -27 | | -10 | |
| · Taxes other than income taxes | -163 | 71% | -115 | | -7 | | -109 | |
| · Direct staff | -541 | 24% | -130 | | -130 | | | |
| · Indirect staff and employees' share of income | -57 | 22% | -13 | | | | -13 | |
| Internal net expenses | -0 | 77%* | -485 | | | -156 | | -329 |
| Other incomes and expenses | -21 | 1% | -0 | | 0 | | | |
| Depreciation and amortization | -410 | 80% | -329 | | | | | |
| Operating income | 638 | 37% | 237 | +1 612 | -439 | -156 | -121 | -329 |

TOTAL P&L Regulated – Real 2013

| | Before breakdown of internal services Principles 1, 2a, 3a | breakdown of internal services Principles 2b, 3b | Total Regulated | |
|--|---|---|-----------------|-------------------|
| | M€ | M€ | M€ | % of TOTAL ADP SA |
| Revenue | | | | |
| · Aeronautical fees | 914 | | 914 | |
| · Rental income | 229 | | 229 | |
| · Ancillary fees | 208 | | 208 | |
| · Industrial services revenue | 60 | | 60 | |
| · Retail income | 5 | | 5 | |
| · Car parks and access road income | 165 | | 165 | |
| · Other revenue | 32 | | 32 | |
| Capitalized production | 46 | | 46 | |
| TOTAL Revenue* | 1 657 | | 1 657 | 59% |
| · Purchases | -71 | -13 | -84 | 92% |
| · General sub-contracting | -206 | -20 | -226 | 37% |
| · Maintenance and repairs | -34 | -64 | -98 | 85% |
| · Other external services | -37 | -71 | -109 | 75% |
| · Taxes other than income taxes | -115 | -11 | -126 | 78% |
| · staff and employees' share of income | -143 | -281 | -424 | 71% |
| Other incomes and expenses | -0 | -20 | -20 | 94% |
| Total Operating expenses | -606 | -480 | -1 087 | 63% |
| Depreciation and amortization | -329 | -6 | -335 | 82% |
| Operating income | 722 | -485 | 237 | 37% |

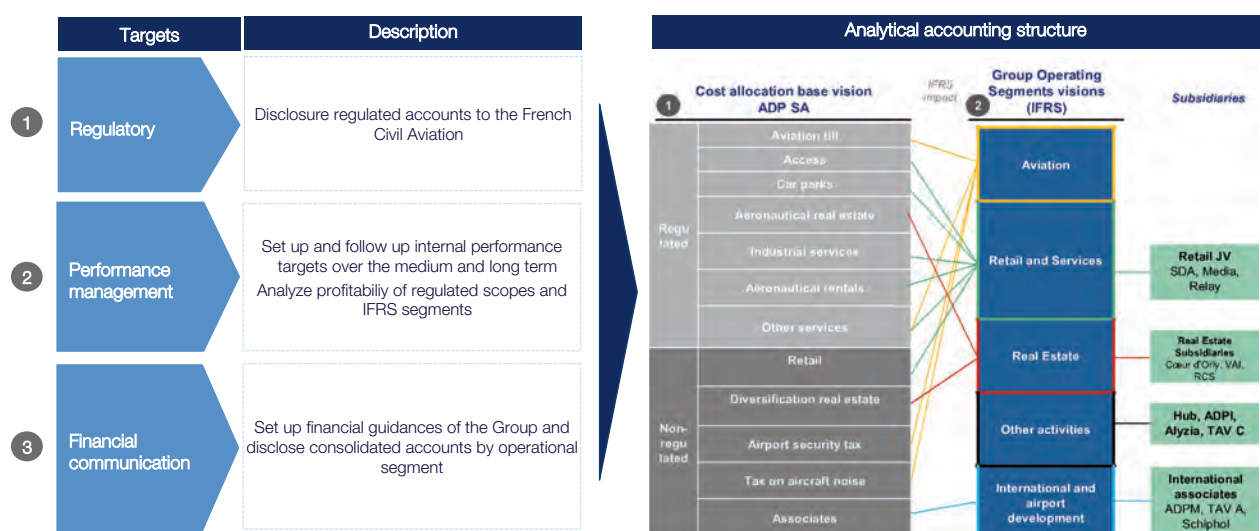
* Except internal disposals

Focus on internal consumptions after disposals of the regulated scope

| | Regulated | | Allocation principles | | Breakdown of expenses |
|-----------------------------------|---|---------------|-----------------------|------------|--|
| | % (% of total regulated + unregulated) | M€ | 2b | 3b | |
| • Maintenance | 86% | 132 M€ | 105 | 26 | <ul style="list-style-type: none"> Amortizations Taxes other than inc Purchases Sub-contracting Maintenance and rep Other external serv Staff |
| • Usage of common infrastructures | 74% | 29 M€ | | 29 | |
| • Investment | 78% | 83 M€ | 83 | | |
| • Various services | 54% | -32 M€ | -32 | | |
| • Operational resources | 62% | 51 M€ | | 51 | |
| • Administrative costs | 72% | 223 M€ | | 223 | |
| • TOTAL | 77% | 485 M€ | 156 | 329 | |

A4.3 Targets and organisation of analytical accounting

MULTIPLE OUTPUTS AIMING AT SPECIFIC OPERATIONAL AND REGULATORY TARGETS



- Because of the multiplicity of constraints, Aéroports de Paris analytical accounting model is made complex and heavy to manage.
- Reliability of consolidated accounts by segment and regulated account is ensured by auditors

A4.4 Conclusion

- ⦿ Aéroports de Paris' regulated accounts are built according to the following allocation principles:
 - A large part of assets and P&L items is directly allocated to regulated and non-regulated scopes
 - Other components of the P&L and of the asset base, common to both scopes, are allocated following keys which aim at reflect economic reality, especially costs associated to each function.
- ⦿ Aéroports de Paris' regulated accounts are intended for:
 - The regulator
 - Investors
 - Airlines and other stakeholders
- ⦿ Cost accounting reflects the diversity of Aéroports de Paris activities and has to reach several targets, and is, as a consequence, more complex
- ⦿ Reliability is ensured by the external review of auditors and the regulator.

A4.5 Complements

P&L 2013 OF AÉROPORTS DE PARIS SA

| In millions of euros | | Régulated scope 2013 | ADP SA 2013 |
|--------------------------------------|---|----------------------|----------------|
| Revenue | | 1611,5 | 2733,7 |
| O/Which | Airport fees | 913,5 | 913,5 |
| | O/Which | | |
| | | Landing | 195,8 |
| | | Pax | 591,1 |
| | | Parking | 126,6 |
| | Ancillary fees | 207,5 | 207,8 |
| | Industrial services revenue | 60,3 | 60,4 |
| | Rental income | 228,6 | 322,8 |
| | Accruals | 4,7 | 388,0 |
| | Car parks and access roads | 164,6 | 164,6 |
| | Other revenue | 32,3 | 45,4 |
| | Revenue from airport safety and security services | 0 | 502,2 |
| | Ground-handling | 0 | 129,0 |
| Internal disposals | | 306,9 | 1174,1 |
| Capitalized production | | 45,8 | 60,2 |
| Total income | | 1964,2 | 3968,0 |
| Operating expenses | | -602,5 | -1710,2 |
| O/Which | Cost of goods | -70,6 | -90,8 |
| | Sub-contracting | -206,3 | -612,6 |
| | Maintenance and repairs | -33,6 | -116,1 |
| | Other external services | -37,4 | -144,5 |
| | Taxes other than income taxes | -115,3 | -162,8 |
| | Employee benefit costs | -139,3 | -583,5 |
| Profit sharing | | -3,8 | -15,0 |
| Internal disposals | | -792,2 | -1174,1 |
| Depreciation and amortisation | | -329,0 | -409,7 |
| Total expense | | -1727,5 | -3309,1 |
| Other operating income | | -0,2 | -21,1 |
| Operating income | | 236,5 | 637,8 |

COMPLEMENTS ON REGULATED ASSET BASE

■ PRINCIPLE 1 – COMMON WORKING CAPITAL ACCOUNTS, AFFECTED DIRECTLY

| Principle 1 | All balance sheet accounts, affected directly or indirectly to one or the other of the scope regulated or non regulated | | |
|--|--|---|--------------|
| Account working capital type | Example | total ADP SA allocated to regulated scope | M€ regulated |
| Trade receivables and related accounts | The trade receivable of Easyjet on the parking fee is charged directly to aviation till | 55% | 270 |
| Trades receivables provisions | The concierge receivables provisions are charged directly to retails | 70% | -17 |
| Other receivables | Advances on operational staff of CDG1 employee costs are charged directly to aviation till | 98% | 2 |
| Other liabilities | Liabilities related to aid local residents are taken directly to the TNSA | 23% | - 8 |
| Advances and deposits received on orders | Advances received by Air France on its 2 ^E parking fee is charged directly to the aviation till | 0% | 0 |
| Advances and deposits paid on orders | Advances paid to Alyzia ground handling are charged directly to the ground handling scope | 73% | 4 |
| Debts on fixed assets and related accounts | Fixed assets liabilities relating to the construction of the walkthrough on the S4 are charged directly to the retails | 85% | -48 |
| Trade payables | Trade payables of cleaning sub-contracting on offices are charged directly to the rental aviation | 66% | -150 |
| Deferred income and prepaid expenses | Deferred income and prepaid expenses relating to the maintenance and repair of the sort system are charged directly to the aviation till | 76% | -111 |
| Total | | | -57 |

■ PRINCIPLE 2 – COMMON WORKING CAPITAL ACCOUNTS, AFFECTED INDIRECTLY (BASED ON KEYS)

| Principle 2 | All balance sheet accounts, affected directly or indirectly to one or the other of the scope regulated or non regulated | | | |
|---|--|--|-------------------------------------|--------------|
| Account working capital type | Example | Clé de répartition | total ADP SA allocated to regulated | M€ regulated |
| Other receivables | <u>Example with the key Employee benefit costs:</u> Advances on operational staff of CDG1 employee costs are charged directly to aviation till | 76% charged with key employee benefit costs 9% charged with key local residents 15% others | 92% | 2 |
| Other liabilities | <u>Example with the key local residents:</u> Liabilities related to aid local residents are taken directly to the TNSA | 78% charged with key local residents 22% charged with key insurances | 82% | -5 |
| Prepaid expenses | <u>Example with the key Insurances:</u> Prepaid expenses for insurances are allocated in proportion with the key insurance | 81% charged with key insurances 19% charged with key trade payables | 82% | 17 |
| Debts on fixed assets and related accounts | Fixed assets liabilities relating to the construction of the S4 are charged in proportion of IEC | Charged with key IEC | 76% | -40 |
| Inventories | Defrost inventories are charged in proportion with the key inventories | Charged with key Inventories (602* et 603*) | 98% | 12 |
| Tax and employee-related liabilities | <u>Example with the key employee benefit costs:</u> Debts on social contribution are charges in proportion of the employee benefit costs | 77% charged with key employee benefit costs 19% charged with tax key 4% charged with key IEC | 70% | -141 |
| Others (including chargeback fees to divide) | - | - | 84% | +4 |
| Total | | | | -152 |

■ PRINCIPLE 2 – WORKING CAPITAL – FOCUS ON KEY DISTRIBUTION

| Type of key distribution | Methodology for calculating the key of distribution |
|---|--|
| Key employee benefit costs | All the accounts 64* (including the share of the indirect employee benefit cost) by scope |
| Key inventories | All the accounts 602* (accounts purchase of stocks) et 603* (entry account and inventory output) by scope |
| Key Sales | External turnover only (accounts 706* et 708*) by scope |
| Key for distribution of suppliers | Purchases and Stocks (accounts 602* et 603*) + maintain / repair (615*) + sub-contracting (611* - excluding sub-contracting Security and ground handling) + other external services (613* rentals, 616* insurances et all the accounts 62* : fees, transport and mission expenses...) + internal consumption of maintenance + internal consumption of various services |
| Key for distribution « remains to distribute » | In proportion of the internal consumption of the administrative costs |
| Key Insurances | In proportion of the insurances costs of the year |
| Key local residents | In proportion to the disbursement of aid to local residents between Orly and CDG |

COMPLEMENTS ON REGULATED INCOME STATEMENT

■ PRINCIPLE 1 – P&L- REVENUE ITEMS THAT ARE EXCLUSIVELY ALLOCATED TO REGULATED OR NON-REGULATED SCOPES

| Principle 1 Income items that are exclusively affected to a given scope | Each item that constitutes ADP SA revenue is exclusively affected to one or another of the regulated or non regulated scope | % allocated to the regulated scope | amount (M euro) |
|---|---|------------------------------------|-----------------|
| | - Aviation till | 100% | 914 |
| | - Ancillary fees | 100% | 208 |
| | - Regulatory rental income (terminals and aeronautical real estate) | 100% | 229 |
| | - Industrial services revenue | 100% | 60 |
| | - Retail activities revenue | 1,2% | 5 |
| | - Car parks and access roads | 100% | 165 |
| | - Other income (credit from the annexed budget of the Civil Aviation Directorate) | 100% | 32 |
| | - Ground-handling | 0% | 0 |
| | - Revenue from airport safety and security services (Airport security tax) | 0% | 0 |
| TOTAL | | 59% | 1 612 |

■ PRINCIPLE 2A – P&L – EXTERNAL INCOME AND LIABILITIES DIRECTLY ASSIGNED TO A GIVEN SCOPE (REGULATED, NOT REGULATED, TO BE DISTRIBUTED)

| Principle 2a | External liabilities | Revenue and liabilities common to both scopes, for which a distinction is drawn regarding the scope of destination (regulated, non regulated, to be distributed) | % allocated to the regulated scope ² | Amount (M euro) ² Before internal disposals |
|-------------------|---|--|---|---|
| - | Direct employee benefit costs ¹ : car park staff, operation managers, emergency medical unit... | | 24% | 130 |
| - | Subcontracting : cleaning, PHMR, transportation, baggage cart management, guarding service, waste processing... | | 34% | 206 |
| - | Maintenance and repairs | | 29% | 34 |
| - | Supplies : electricity, gas and other fuels, winter products | | 78% | 71 |
| - | Other external services (excl. insurance) : telecommunications, remuneration of intermediaries and fees, external personnel | | 21% | 27 |
| - | Directory-General of Civil Aviation tax and sanitation tax | | 100% | 7 |
| TOTAL Liabilities | | | 32% | 475 |
| - | Capitalized production (Information systems et support functions activities) | | 72% | 36 |

¹ excl. end-of-career benefits, contractual profit-sharing...

² at the end of step 2a a part of these liabilities are first affected to the « to be distributed » scope, and eventually affected to the regulated or non regulated scope through the internal disposals process, at the end of step 2b and 3b

PRINCIPLE 2B – P&L – INTERNAL LIABILITIES THAT ARE DIRECTLY AFFECTED TO A REGULATED OR NON-REGULATED SCOPES

| Principe 2b | Internal liabilities | Internal disposals from several activities, and for which a distinction du scope of destination (regulated or not regulated) is drawn | | |
|---|----------------------|---|--|------------------------------|
| Description | | Allocation method | % allocated to the regulatory scope ¹ | Amount (M euro) ³ |
| <ul style="list-style-type: none">- Maintenance (excl. support functions activities in terminals): repairs, technical adjustment, technical revision, material or immaterial (software) equipments monitoring and verification- Investment : conception and design (engeneering and architecture), studies and monitoring of works (delegated project management),- Other services : energy supply (electricity, thermal energy...), waste management, IT service (hardware and applications), logistics (snow removal, vehicle leasing...), staff training, leasing expenses (internal rentals for the provision of offices in terminals or office buildings) | | Valuation is calculated by multiplying (i) the quantity of inputs actually accounted for each activity (working hour/day, kWph, m³) by (ii) the internal disposal price calculated for the previous year: | | |
| | | - Price x working hour + direct costs ² | 84% | 105 |
| | | - Price x working hour + direct costs ² | 78% | 83 |
| | | - Price x [working hour or day] or [m³] or [m²] or [kWh] according to the type of activity | 54% | -32 ⁴ |
| TOTAL | | | 89% | 156 |

¹ of the total amount (regulated + non-regulated)

² some expenses are related to one of the services listed above (purchases of goods, sub-contracting) and are directly affected to this service.

³ net internal disposal amounts : if positive, the regulated scope is net purchaser. If negative, it is net seller.

⁴ the regulated scope is net seller (32 Meuro) to the non-regulated and « to be distributed » scopes (energy supply)

PRINCIPLE 3A – P&L – COMMON EXTERNAL EXPENSES INDIRECTLY ALLOCATED (VIA KEY ALLOCATION)

| Principle 3a | External expenses | Common expenses with an allocation method (regulated scope, non-regulated scope or to distribut) based on key allocation established in function of expense nature | | |
|---|--|--|--|--|
| Description | Allocation method | % total ADP SA allocated to the regulated scope ¹ | €m regulated ¹ Before internal disposals | |
| Taxes other than income taxes - Property tax - Territorial financial contribution - Offices taxes - Solidarity taxes - Tax on company cars - Payroll tax | - In proportion to the amount of the tax base of the works of each area - In proportion to the gross value of N-2 intangible assets (pursuant to the tax base of the property contribution of companies) - In proportion to the amount of tax on the offices of each area - In proportion to the revenue of the different areas - In proportion to the fleet of the different areas - In proportion to direct staff costs | 70% | 109 | |
| Insurances - Damage, liability, construction, vehicles, various | - Repartition to a specific key in function of the five types of insurance policies (distribution of life insurance in proportion to the replacement value of the buildings, distribution of liability insurance in proportion to the turnover ...) | 91% | 10 | |
| Indirect employee benefit costs and profit sharing - sharing, grant the works council, retirement benefits, mutual ... | - In proportion to direct employee benefit costs | 22% | 13 | |
| Total expenses | | 59% | 131 | |
| Capitalized production - Transversal activities of terminals - Management information systems | - In proportion to the surfaces of the concerned terminals - In proportion to the domestic consumption of computer services in N-1 | 95% | 10 | |

¹ At the end of the step 3a, a part of the expenses are allocated to the scope « to distribut », and definitively allocated to the regulated and the non-regulated scope via internal disposals , in step 2b & 3b

■ PRINCIPLE 3B – P&L – COMMON INTERNAL EXPENSES INDIRECTLY ALLOCATED (VIA KEY ALLOCATION)

| Principle 3b | Internal expenses | internal disposals common to different scope and distribut in function of the expenses nature | | |
|--|-------------------|---|---|---------------------------|
| | | | % allocated to the regulated scope ¹ | €m regulated ² |
| - Administrative costs: Support teams of the operational units, platforms (quality center, operating division ...) and central (DGs, HR, CIO ...) | | - In proportion to the costs (excluding exceptional and financial) | 72% | 223 |
| - Operational resources: includes the cost of cross-operational teams (integrated headquarters, operations managers ...) | | - In proportion to the number of aircraft parking areas (for the operating division of traffic areas), in proportion of costs (for the operational management staff) ... | 62% | 51 |
| - Use of common infrastructure: includes loads of terminal buildings (purchasing, subcontracting ...), immediate access (linear, bus stations, bus shuttles, taxis rear base, RER station) and stormwater treatment systems | | - In proportion to the surfaces (for buildings loads), the outsourcing shuttle (for shuttles and bus stations) of impermeable surfaces (for stormwater treatment systems) ... | 74% | 29 |
| - Transverse maintenance for terminals | | - In proportion to the surfaces | 94% | 26 |
| TOTAL | | | 72% | 329 |

¹ On the regulated and non regulated total

² Net internal disposals: if positive, the regulated scope is a net buyer of services. If negative, it is seller

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