

CONNECT 2020

Strategic plan for the 2016-2020 period



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AÉROPORTS DE PARIS

Augustin de Romanet

Chairman & Chief Executive Officer of Aéroports de Paris



“CONNECT 2020, the Aéroports de Paris strategic plan for the 2016-2020 period, espouses the vision of the airport as a node connecting local areas, passengers, airlines and the multiple skills of the men and women who work there every day. In a changing world, where the major airport cities are in competition, our task remains the same - connecting people with one another, guaranteeing the fastest and smoothest traffic of goods and services - but it obliges us to be more efficient.

Our strategic plan for the next five years is based on the Economic Regulation Agreement (ERA) that we have just signed with the French government, but it goes much further than that. It is a plan that nurtures the competitiveness of the whole air transport sector and local areas.

With CONNECT 2020, Aéroports de Paris wishes to express its full potential to pursue the ambition of being a leader in airport design, construction and operations.

For the next five years, we have defined three main strategic priorities: to optimise, to attract and to expand, that apply to all our activities.

Optimise by making the most of our resources in order to improve operational efficiency and provide a better service for the airlines. Over the next five years, we are undertaking an unprecedented capital expenditure programme of €4.6 billion, of which €3 billion is allocated to regulated activities, including our core business: airports. We are also continuing with our efforts in productivity, by bringing costs per passenger down by 8%.

Attract by targeting excellence in order to always better connect passengers, airlines and employees and capture a share of global growth here in Paris. Now that our customers have more and more choice, it is essential to make Paris their preferred choice. We have to target excellence to enhance the attractiveness of the Charles de Gaulle hub, in order to guarantee a world-class passenger experience that is also unique and differentiating. We also have to attract new talent and promote personal fulfilment among our employees and ultimately enhance our brand.

Expand - that is, nurture and share sustainable growth through the opening up of new horizons and positioning the company as a global player in integrated development. Our airports have no borders and we have to share the fruits of our growth with local areas, and also project our expertise in airport design, engineering and management, internationally, by bringing into play the synergies between our businesses and subsidiaries.

By successfully completing the many projects defined within the framework of these three strategic priorities, our Group is clearly giving itself the means to become a world leader in its field, recognised for its excellence and thereby secure its future serving local areas.



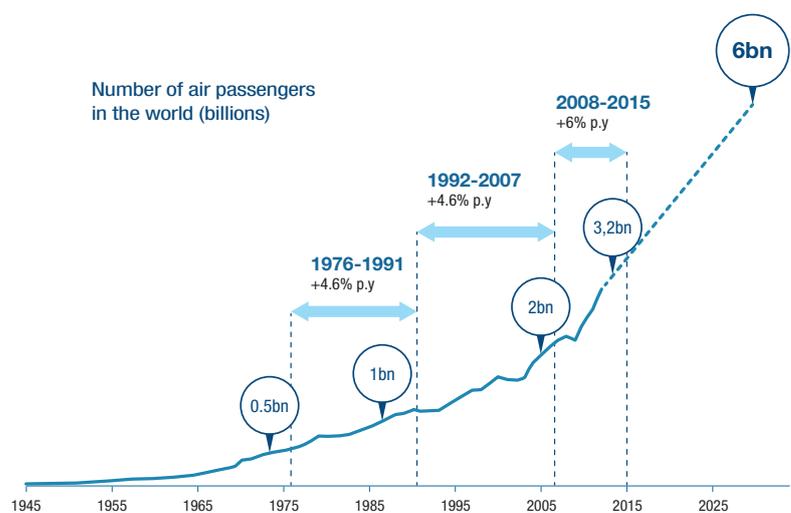
The context: Aéroports de Paris at the heart

With its robust economic model and strong potential for development, Aéroports de Paris is now faced with the changes taking place in global air travel.

While the number of air passengers in the world doubles on average every fifteen years or so, growth is gradually shifting from Europe and North America to Asia and the emerging countries. Furthermore, competition is intensifying as the airlines and hubs of the Gulf gain in importance for intercontinental traffic, and as low-cost airlines create more competition for short- to medium-haul flights. These changes defy the traditional models of European airlines and airports.

Air traffic will almost double over the next 15 years.

- 3.2 billion air passengers in 2014.
- Approximately 6 billion passengers forecast.



Source : Aéroports de Paris / SIMCA-DIIO APG 2014

... with growth led by the emerging markets...



XXX Traffic in millions of passengers (intra-regional and inter-regional)

↻ Intra-regional traffic

+X% 2013-2017 average annual intra-regional growth rate

---•--- Inter-regional traffic:

- **Intra-regional flow:** Asia remains the region with the strongest growth, with **+8.4% per year** compared to +4.7% in Europe and +3.9% in North America, which are mature markets

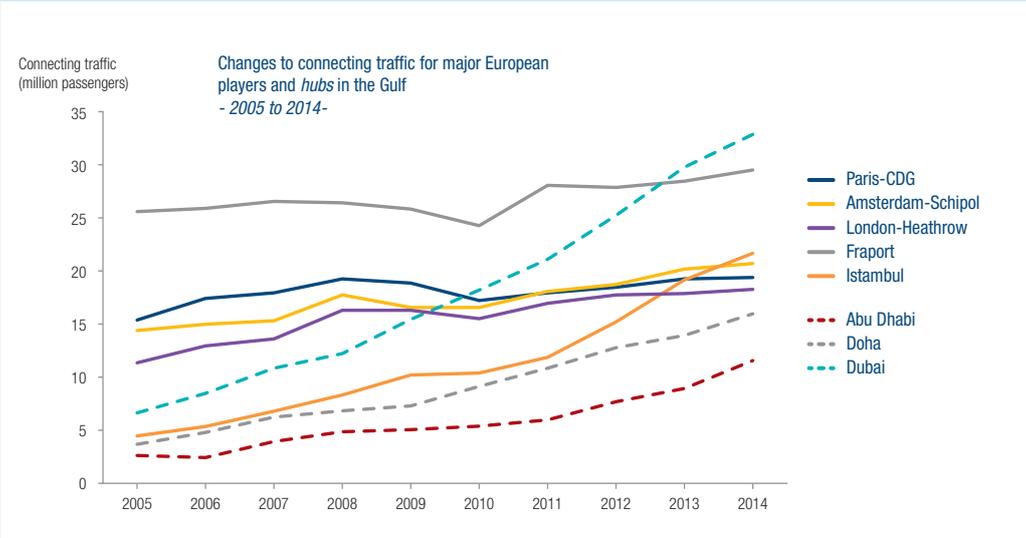
- **Inter-regional flow:** the greatest flow is between Europe and Asia, taking place directly between the two regions but also increasingly via the Middle East

- In 2015, 1 in 14 tourists worldwide is Chinese and this figure will be **→ 1 in 5 in 2030.**

Source : IATA 2014

of a buoyant rapidly-changing sector

... and mainly captured by new players



Source : Aéroports de Paris / SIMCA-DIIO APG 2014

Against this background, **the competitiveness of airlines is based more on the assets of the airport:** its ability to support airlines in their growth and their new needs and also in their quest for better control over operational costs.

For airport operators, this consists of the quality and robustness of its infrastructure, an adapted price structure and the highest standards of service quality and passenger care.

The opportunities offered by this industry of the future are enormous for Aéroports de Paris which intends to consolidate its position as a major player in the airport value chain.

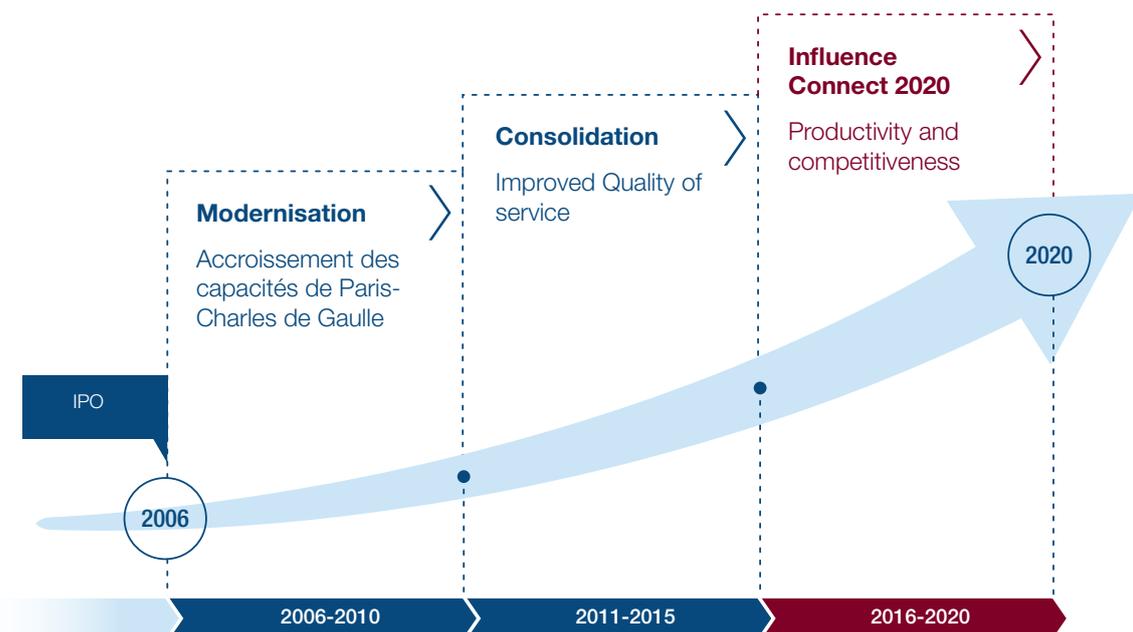
6
the number (in billions) of air passengers carried worldwide by 2030..

44%
the share of intra-European traffic captured by low-cost airlines.

70.4
the number (in millions) of international passengers in 2014 at Dubai, which has become the world's n°1 airport for intercontinental traffic.

A strategic plan to nourish an ambition: to be a leading group in airport design, construction and operation

The Aéroports de Paris strategic plan is part of the evolution of the company since it was converted into a public limited company in 2005 and was listed on the stock exchange in 2006.



After having given priority to the development of capacities at Paris-Charles de Gaulle (2006-2010) and quality of service at the Paris airports (2011-2015), in its 2016-2020 strategic plan, the Group is now placing the emphasis on expressing its overall development potential in pursuit of an ambition: **to be a leading Group in airport design, construction and operations.**

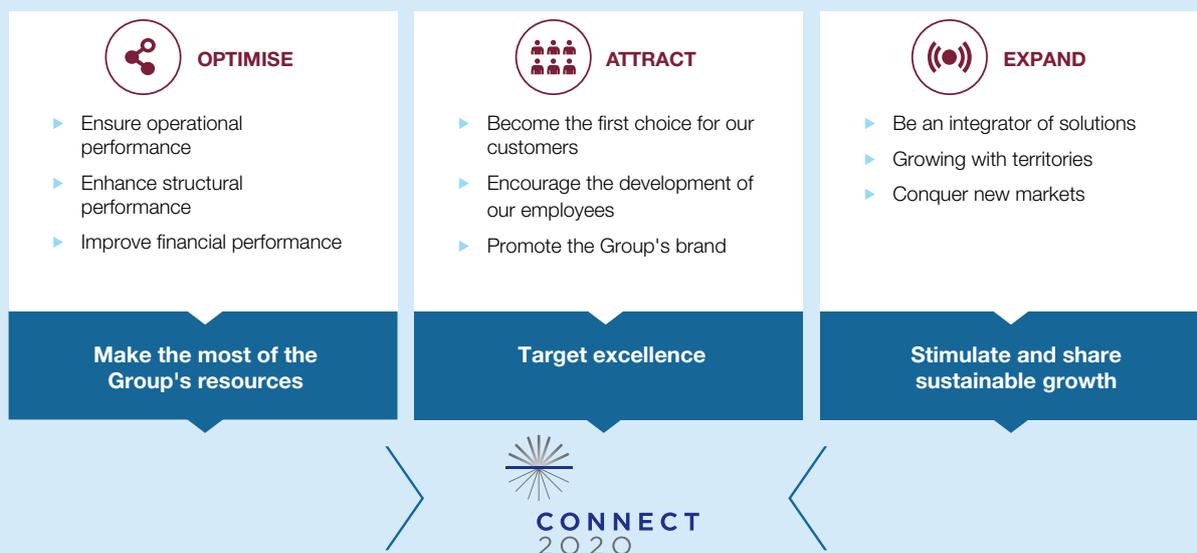
To address this ambition and the three challenges in terms of competitiveness, attractiveness and growth with which the Group is facing, the CONNECT 2020 plan sets three major strategic priorities: Optimise, Attract and Expand.

These priorities, which encompass the Group's various activities, are broken down into 9 commitments (see illustration on page 5) which Aéroports de Paris is making to all stakeholders (airlines, passengers, employees, shareholders, local areas and authorities), thus assuming its role as an integrator to connect all players to enhance the competitiveness of the air transport sector and the local areas.

This plan thus gives an integrated overview of a Group attuned to the challenges of a competitive world that is open, complex and uncertain.

A natural extension of the Economic Regulation Agreement (ERA) signed with the French government for the 2016-2020 period, the strategic plan also defines the targets of non-regulated activities: commercial activities related to shops and services in airports, diversified real estate (hotels, offices, etc.), subsidiaries and international shareholdings.

3 priorities and 9 collective commitments



The strategic plan is accompanied by significant efforts in terms of:

- **Service quality and customer experience**, in order to be sustainably recognised among the best benchmarks in Europe;
- **Investment with an envelope of €4.6 billion** in the parent company (excluding subsidiaries and foreign investments), 3 billion of which are for regulated activities including airport infrastructure;
- **Price control policy on fees for airlines**, which is accompanied by a structural update of prices to attract intercontinental and connecting traffic;
- **Incentive measures to attract traffic to Paris**, set to encourage the development of connection traffic and performance of the companies;
- **Financial discipline** through exemplary control of operational charges.

Regulated and non-regulated activities

Since 2006, a multi-year contract known as the **Economic Regulation Agreement (ERA)** has been finalised between Aéroports de Paris and the French government, after an in-depth consultation with the airlines and other stakeholders. This contract covers changes in tariffs for airport fees, the capital expenditures programme and the service quality level. Since 2010, the regulated scope only integrates the majority of aeronautical activities and certain non-aeronautical activities (see below).

Aéroports de Paris has just signed the next ERA with the French government, covering the 2016-2020 period.

This agreement provides the visibility and the stability needed to ensure the fair funding of aeronautical activities and encourages improved performance in the Group's different activities through a virtuous system called the "adjusted till".

	Regulated scope	Non-regulated scope
Aeronautical activities	<ul style="list-style-type: none"> • Airport fees (passenger, landing, parking) • Ancillary fees ⁽¹⁾ (check-in, baggage, de-icing) 	<ul style="list-style-type: none"> • Revenus liés à la sûreté et à la sécurité aéroportuaires
Non-aeronautical activities	<ul style="list-style-type: none"> • Car Parks • Industrial Services • Rentals in air terminals • Airport real estate 	<ul style="list-style-type: none"> • Commercial activities • Diversified real estate • Subsidiaries and shareholdings

(1) With the exception of the fee for assistance to persons with disabilities and reduced mobility



Optimize: making the most of the Group's resources

In an increasingly competitive and uncertain context, the Group's first priority is to consolidate its foundations in order to have a solid baseline to foster sustainable growth and get the most of its resources by creating value out of its businesses, its expertise, airport infrastructure and its financial structure.

Aéroports de Paris aims therefore to optimise its airport infrastructure, in particular with the construction of connecting buildings between terminals in order to ensure operational performance and combat fragmentation of the terminals. It also aims to enhance the performance of its organisations and its financial discipline.

1 Promote the Group's brand

Over the last ten years, the Group has considerably increased its passengers capacity at Paris-Charles de Gaulle (creation of the connecting building between 2A and 2C, Terminal 2E Halls L, K and M and Terminal 2G). The airport's capacity has thus risen between 2006 and 2014 from 47 to almost 72 million passengers and can respond to the expected increase in traffic until 2025. However, some weak points remain related on the one hand to the splintering and fragmentation of the facilities and, on the other hand, to the age of some of them, especially at Paris-Orly.

With CONNECT 2020, the Group will **stabilise the overall age level of Paris-Charles de Gaulle and Paris-Orly and optimise the capacity of certain terminals at a lower cost by merging them.**

€1bn

the maintenance investments at the three airports on the 2016-2020 ERA.

4

the number of runways to be renovated at the two Paris airports during the 2016-2020 period.

€663m

the investments in the 2016-2020 ERA dedicated to the three "one roof" projects (merger and joining of terminals).

+8

the increase in capacity (million passengers) by 2020 without the need for a new terminal at Paris-Charles de Gaulle.

€224m

investments related to the extension of the baggage sorting facility at Paris-Charles de Gaulle Terminal 2E.

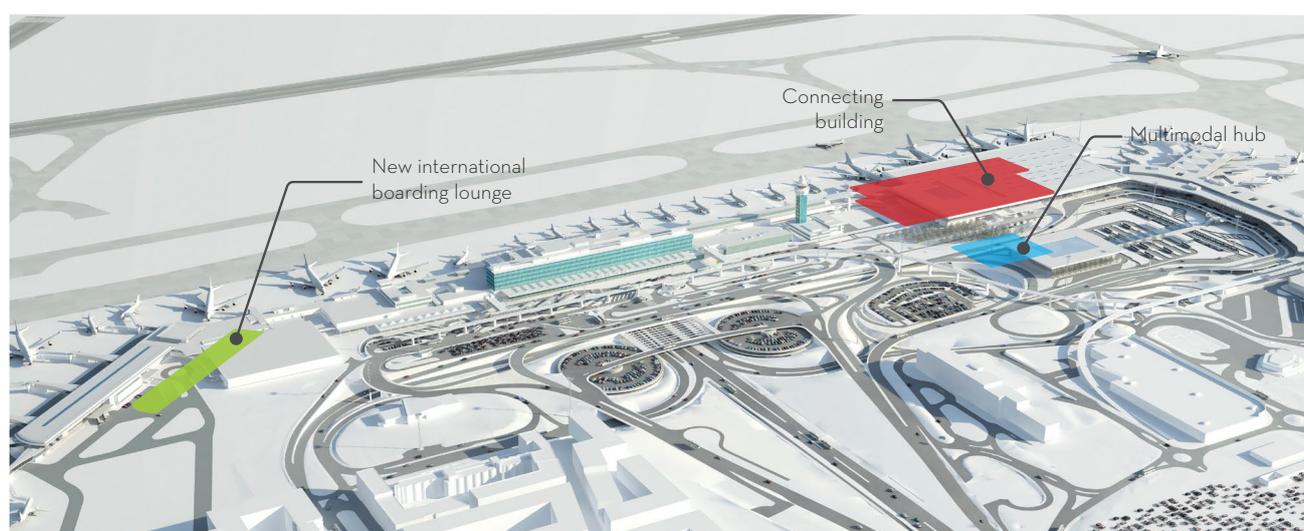
Carefully targeted to suit requirements in terms of capacity, safety and quality, the investment programme (€3 billion in the regulated scope) is exceptional in terms of its scale and the large number of projects. This investment plan is mainly targeted at:

- **Maintaining assets with an unprecedented effort in maintenance:**
with the renovation of runways 3 and 4 at Paris-Orly and runways 2 and 3 at Paris-Charles de Gaulle, but also through targeted operations, such as the refurbishment of Terminal 2B and part of Terminal 2D at Paris-Charles de Gaulle; and at both airports, with the renovation of the aircraft stands and maintenance operations on the computer systems;
- **Optimising infrastructure by working to create the "one roof" idea (connecting the terminals):**
with three main projects: junction of the South and West Terminals at Paris-Orly (see page 7), connection of Terminals 2B and 2D (34,800 sqm) and the merger of the international satellites in Terminal 1 (26,000 sqm) at Paris-Charles de Gaulle. The capacity of this airport will then be raised to almost 80 million passengers;
- **Guaranteeing the regulatory compliance of certain facilities:**
the runway and taxiway systems following the new regulations on civil aviation safety, the water treatment system at Paris-Charles de Gaulle, the security equipment due to the implementation of standard 3 for detection of explosives in hold baggage, etc.;
- **Enhance the competitiveness of the Paris-Charles de Gaulle hub:**
extension of the baggage sorting facility at Terminal 2E to Halls L et M, creation of widebody aircraft aprons (aircraft stands).
- **Improve road access to airports:**
development of the secondary road network at Paris-Charles de Gaulle.

Focus on modernisation at Paris-Orly

Launched two years ago, the programme of modernisation of the second-largest French airport will transform the face of the airport over the next five years in order to bring it into line with the highest European standards in terms of passenger comfort and reception.

Several major construction projects are already under way: the esplanades, external approach roads and car park access at the South and West Terminals were revamped in June 2014; a new departure lounge (approximately 20,000 sqm) located to the east of the South Terminal will be put into service in 2016 to accommodate widebody aircraft (12 aircraft stands) dedicated to international traffic.



However, the most spectacular transformation is the creation of a connecting building of approximately 80,000 sqm connecting the South and West Terminals, the construction of which will take place between 2015 and 2019. Airport maintenance spending has been revised upwards and will come to €409 million for 2016-2020.

Once its modernisation completed, Paris-Orly will have an annual capacity of 32.5 million passengers in strict compliance with the limitation of traffic (250,000 movements per year) and the night curfew. Finally, a multimodal hub will ultimately accommodate the Grand Paris metro stations (lines 14 and 18).

80,000 sqm

the total surface area of the connecting building linking Paris-Orly's South and West terminals.

32.5

the airport's reception capacity (in millions of passengers) after modernisation in 2020.

2 Enhance structural performance

Optimisation also involves the ability of Aéroports de Paris to improve its internal organisation and all of its operational and functional processes. The Group's current organisation mainly dates from 2003 and has made it possible to change over from operation by mainline job categories to operation closer to grass roots level and more concerned about operational efficiency.

Although relevant, this type of organisation should evolve to adapt to the new challenges of competitiveness and attractiveness. Aéroports de Paris therefore wishes to:

- **Reduce central functions by relying increasingly on airport divisions;**
- **Bring together and pool certain operational units** to make their operating procedures more flexible and efficient;
- **Rationalise jobs and support activities that do not contribute directly to the airport value chain;**
- **Innovate regarding tools, management and working methods.** For instance, the merger of the Paris-Orly terminals (see plan on page 7) is the opportunity to implement certain innovations such as *Building Information Modelling* (BIM) technology. Through 3D modelling, this optimises the design, production and future maintenance of a structure and facilitates team collaboration.

900

the number of engineers at the parent company involved in the "2020 Engineering" project.

€136m

the investments under the 2016-2020 ERA to modernise operational processes for airlines: automatic baggage drop-off, self-boarding gates, etc.

One construction project in particular embodies this change: **"2020 Engineering"**. Launched this year, this project should make it possible to guarantee full coordination of the various engineering jobs.

The challenge is to design and build better, more quickly and less expensively. Workshops have already been organised to identify the performance levers of tomorrow's engineering: on robustness of the programmes, strategic planning of investment chain resources, the airport of the future, etc. Some changes can already be seen with the Construction Engineering Regulation Bureau (BRIC) that promotes shared management of engineering resources at Group level.

Progress in terms of organisation contributes to the effort made to control operating costs incurred by the Group to enhance its overall competitiveness and also plays a part in improving our customers' operational efficiency, particularly the airlines.

3 Improve financial performance

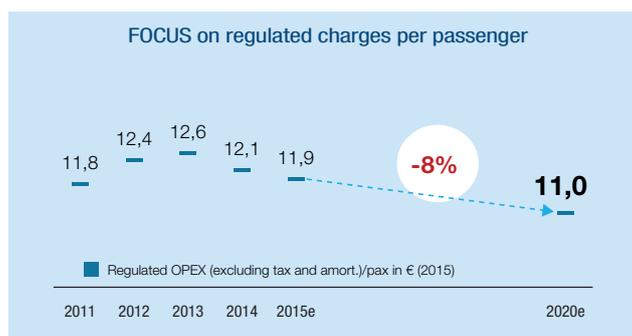
While guaranteeing its customers a robust, quality service, the company plans to strengthen its financial discipline with an additional structural savings target and will thus play a major role in obtaining fair remuneration of the capital used in the regulated scope.

In this respect, **Aéroports de Paris has a profitability target for the capital used (ROCE) in the regulated scope by 2020 at least equal to the average weighted cost of the capital (WACC), i.e. 5.4%**. By way of comparison, the ROCE of the regulated scope was 3.2% in 2014. Achievement of this target will be made possible by:

- **Improved pricing competitiveness through:**
 - a new tariffs structure (see box on page 9);
 - an accrued price control policy with an annual increase in fees, limited on average to the CPI⁽¹⁾ +1.0% - i.e. a lower level than that of the final two years of the 2011-2015 CRE (CPI +2.2%) -, with a price freeze in 2016, and then an increase of the CPI +1.25% over the following four years;
 - the introduction of measures providing more incentives to boost international traffic (three measures, each limited to €5 million).
- **Ongoing productivity efforts, mainly through:**
 - limitation of pay rises;
 - non-replacement of one out of every two people who leave;
 - additional savings made on the other operational charges, through purchasing optimisation and redesign of organisations.

(1) CPI : Consumer Price Index

These efforts make it possible to retain the target of an **8% cost reduction per passenger between 2015 and 2020** (at constant euro values) on the regulated scope of the parent company (see graph, right).



-8%

the targeted reduction in operating costs per passenger on the regulated scope between 2015 and 2020.

5.4%

the profitability of the capital committed to regulated activities expected by 2020 in line with the average weighted cost of capital.

+1.0%

on average per year

the ceiling for increases to airport fees (excluding inflation) set in the 2016-2020 ERA.

Thus, **based on the assumption of traffic growth of 2.5% on average per year, Group EBITDA is expected to grow by 30 to 40% between 2014 and 2020.**

Finally, Aéroports de Paris undertakes to maintain an attractive dividend policy with a payout ratio of 60% of the net result share of the Group until 2020. At the same time, employee share ownership will be energised.

A simplified and incentivising tariffs structure

Airport fees are paid by the airlines, which then include them in their pricing policy, according to changes in their other costs (fuel, operating costs, etc.), the competition and their profit targets.

The level of Group airport fees is broadly competitive compared to that of its European competitors. **However, the current tariffs structure is less advantageous for long-haul traffic and the use of widebody aircraft**, both of which are growth drivers for international traffic. For instance, airport fees per passenger on a widebody intercontinental flight out of Paris are 68% more expensive than on a medium-haul Schengen flight. However, this difference is 28% in Frankfurt, 19% in Amsterdam and only 10% in London.

Faced with this finding, Aéroports de Paris has begun to revamp its tariffs structure by acting simultaneously on passenger fees (which will be reduced) and on the aircraft fees (landing and parking).

This new simpler tariffs structure will be effective from 1st April 2016.

On the one hand, it will help to restore the competitiveness of direct and connecting long-haul flights, and, on the other hand, to foster the efficient use of slots by favouring the increase in load factors achieved through the use of widebody aircraft. By offering free overnight parking, for instance, it will also help to develop freight activity and airlines that choose to base themselves in Paris.

< 5%

the average weight of airport fees in the profit and loss statement of a traditional airline distributed equally between departure and arrival airports

+68%

the difference in airport fees per passenger between an international flight and a medium-haul Schengen flight leaving Paris



Attract: targeting excellence

Globalisation and the digital revolution have changed passenger behaviour by multiplying and customising the wealth of choice and facilitating information and comparisons online.

To meet the expectations of customers who are more fickle and more demanding because they are more sought-after, better informed and connected, the Group's second priority is to be acknowledged for its expertise and the excellence of its service, in order to be the preferred choice of its customers and employees and considered as a true brand.

4 Becoming the customers' preferred choice

370

the potential number (in millions) of passengers worldwide who can use Paris-Charles de Gaulle as a connecting hub.

35%

the percentage of long-haul passengers in Paris who pass through a hub operated by a competitor to get to Paris.

28

the number of new routes opened in 2014 in Paris.
24 (so far) in 2015.

When it comes to intercontinental traffic, Paris is in open competition with other airport hubs in passenger choice of gateway to Europe and connecting flight. Although it offers approximately 20,900 connection opportunities in less than two hours between medium- and long-haul flights every week⁽¹⁾, the Paris-Charles de Gaulle hub lost around 3,000 connection opportunities between 2007 and 2013 in favour of Amsterdam-Schiphol.

CONNECT 2020 should enable market share to be won back through a proactive search for traffic. Among the main actions decided in favour of customers (airlines and passengers) are:

- **The introduction of greater incentives to attract companies** and supply the hub, such as the exoneration of overnight parking fees for aircraft based in Paris;
- **A renewed commitment to improve quality of services**, measured by guaranteed standards (see box opposite);
- **The launch of a loyalty programme in 2106**, directed as a priority at French frequent flyers.

(1) Source : Air France-KLM

CONNECTING CLIENTS: a renewed commitment in favour of the quality of services

With CONNECTING CLIENTS, Aéroports de Paris commits to a service base to guarantee a basic contract with its customers: airlines and passengers. This base concerns the basic principles of the journey that are to be guaranteed by the airport:

- Guaranteed punctuality;
- Regular information in the event of unforeseen circumstances;
- Shorter waiting times at key points of the journey (check-in/baggage-drop, going through border control/security, baggage claim);
- Intuitive guidance so that passengers know at all times where to be or to go, the time it will take, and the way to get there;
- An offering of "convenience" rolled out and easy to access;
- A welcome with unfailing courtesy

Aéroports de Paris has defined new quality reference systems, that it will roll out over the next few years throughout the terminals at Paris-Charles de Gaulle and Paris-Orly Airports.

The main challenge will be to **raise the quality of service to the level of the best European airports and to standardise the atmosphere, welcome and amenities in all our terminals.**

It will also be a question of **offer the best of the Paris experience through a differentiating offering of stores and amenities.** For instance, for passengers in transit for more than three hours, in 2016, Aéroports de Paris will open a dedicated area for long connections airside at Paris-Charles de Gaulle Terminal 2E, comprising hotel services, lounges, restaurant and relaxation areas, and a range of original and free services.

Finally, Aéroports de Paris undertakes to **simplify and personalise customer service by the use of digital tools:** new interactive information and guidance devices, innovating services and increased presence on the social networks.

Ultimately, **the target in terms of quality of service is to achieve, after delivery of the installations over the 2016-2020 period, an overall ACI/ASQ rating of 4 out of 5** - Airport Service Quality: an indicator of the quality of airport services produced by the Airport Council International . By way of comparison, this score was 3.64 in 2014.

88.9%

percentage of passengers who said that they were satisfied overall with the quality of services in June 2015.

47

the number of positions advanced by Paris-Charles de Gaulle in the latest Skytrax classification measuring quality of service (from 95th to 48th place).
Hall M in Terminal 2E appears in the TOP 6 best terminals in the world.

€151m

invested in quality of service between 2016 and 2020.

5 Encourage the development of our employees

Achievement of the Group's ambition is only made possible by the commitment and mobilisation of the men and women of Aéroports de Paris, around shared objectives and common values.

To anchor its strategic reflection at the heart of its identity, **the Group has defined four corporate values based on collaborative work: Trust, Commitment, Boldness and Openness.**

For these values to be embodied on a daily basis, the Group has continued its work by translating them into the everyday practices of managers and employees, mobilising over 400 workers

Aéroports de Paris thus intends to:

2,200

the number of Aéroports de Paris employees mobilised on the redefinition of the values of the company as a generator of change.

- **Develop its managerial practices**, by laying down the foundations for a common culture that encourages the taking of initiatives, and is based on trust; a culture providing teams with the motivation to forge ahead. Known as **"Manager Attitude"**, this project aims to train all managers (from the members of the Executive Committee to local managers) over the next two years. In addition, a set of measures will be rolled out to develop individual practices, support teams in the transformation projects, and adapt the organisation as a whole.

≥ +10 points

the increase in the rate of employee commitment expected by 2020 measured by the annual surveys of the independent institute *Great Place to Work*.

- **Encourage internal mobility.** A major internal mobility project was launched in 2015 to organise career paths within the Group and at international level, taking into account the expertise acquired and developing project work and multidisciplinary assignments.

6 Promote the Group's brand

While the two large Paris airports (Paris-Charles de Gaulle and Paris-Orly) benefit from a well-known reputation, the Aéroports de Paris brand remains little known to the general public. Because it has to reflect what the company has become and its plans for development, the Group has started reflections on the development of its brand and the linking of subsidiaries or territorial brands to this new identity.

In spring 2016, Aéroports de Paris will unveil a new brand identity and architecture, that will be based on a clearly-defined customer promise and will meet three objectives:

- Embody the leadership ambition in a new powerful Group brand;
- Make the brand a lever for development for all businesses and subsidiaries;
- Make our airports the leading media and places of experience.

40%

target % of customers in 2020 who, when asked the question "Does the Aéroports de Paris brand inspire you with trust?" should reply "Yes, completely agree" (29% in 2014).

Through its new identity, Aéroports de Paris intends to become the first true airport brand in the world: a brand inspiring trust and carrying the promise made to our customers (airlines and passengers) regarding quality of service.

The Group will implement a series of actions so that its new identity is more visible in the airport, through cultural events (exhibitions, music, etc.), digital events (actions on social networks: Facebook, Twitter, Weibo, etc.) or even commercial events.

Shopping and dining: the promise of "The ultimate Parisian experience"

After increasing its retail areas and practically doubling the sales per passenger in the airside shops (from €9.8 to €18.2) between 2006 and 2014, Aéroports de Paris wishes to consolidate and pursue the development of its retail activities through three strategic priorities:

- **Offer the ultimate Parisian shopping and dining experience**, made possible by:
 - the standardisation of the offering within all airside concourses, through 6 major projects for renovation of retail areas at Paris-Orly and at Paris-Charles de Gaulle;
 - the expansion of the brand portfolio on our 3 main key lines (Beauty, Fashion & Accessories and French lifestyle);
 - a sustainable differentiation in relation to competitors through service.
- **Develop prior awareness among our passengers, before their arrival at the airport**, through actions targeted at frequent flyers and international customers and certain opinion leaders (tour operators, hotels, airlines, etc.);
- **Continue to make the most out of the retail business model, by duplication on Bars and Restaurants (through the creation of a fast-food Joint venture with SSP)** and by expanding the scope of the joint ventures scope our airports, in a responsible manner.

The idea is to offer passengers an airport shopping experience that reminds one of Paris, organised around leading brands and spaces inspired by emblematic places of Paris life, and in line with the best standards offered in the city centre.

59,100 sqm

the retail area (Shops, Bars & Restaurants) landside and airside in both airports at the end of 2014.

80

the number of shops for iconic brands at the end of 2014, compared to 11 in 2006.

€23

the sales per passenger in the airside shops on a full-year basis, after delivery of the new facilities over the 2016-2020 period.



Expand: nurturing and sharing sustainable growth

In an increasingly connected world, the demand for services is moving towards global offers where the various players find competitive advantages in working together in a coordinated manner. In this context, making the most of our resources and guaranteeing the excellence of our expertise is no longer enough.

This is why the Group's third priority is to fully assume its role as a coordinator-provider of solutions for the airport community, its role as an interface with the local areas and as a global, internationally-integrated player

7 Be an integrator of solutions

The challenge of this commitment is to **unite the airport community in the broadest sense through collaborative projects**, in which Aéroports de Paris has a legitimate role as an "integrator" to benefit the entire airport chain.

The areas of flight punctuality and Cargo are emblematic of this role as integrator:

- **Improvement of flight punctuality involves even greater integration of the airport's players** (airport operator, air navigation, airlines, Météo France, etc.). Over 2016-2020, the Group is aiming for further progress in reducing aircraft taxiing time (and therefore their fuel consumption) and keeping to time slots through work groups that it holds as part of the collaborative process known as CDM@CDG (*Collaborating Decision Making*). Organised around an application enabling real-time sharing of information at all stages of the flight, this process was launched jointly by Aéroports de Paris, la DSNA (Air Navigation Service Provider) and the airlines. Thus, during the heavy snowstorms in December 2010 and January to March 2013 affecting part of Europe, Paris-Charles de Gaulle Airport was the first airport to return to full capacity.

2.1

the volume (in millions of tonnes) of freight and mail processed at the Paris airports in 2014.

90%

on-time performance for flights targeted for 2020 (compared to 84% in 2014), a factor for measuring the operational performance of an airport.

-13.2%

the reduction in taxiing time for aircraft on the ground since 2010.

- **In Cargo, the target is to establish the leading position in Europe of Paris-Charles de Gaulle**

Major efforts have been made to develop, reorganise and re-energise the airport cargo area, which boasts approximately 500,000 sqm of buildings and 80 aircraft stands. Some 100,000 sqm of additional cargo terminal facilities (after the 80,000 sqm created in 2011-2015) are planned for 2016-2020.

Aéroports de Paris fully intends to play a part by uniting the various players in freight at Paris (customs, airlines, freight agents and handlers) in order to gain new customers and global operators. The group is increasing the number of initiatives:

- action plan with the government to simplify procedures (particularly customs);
- installation of video surveillance at access to the cargo area at Paris- Charles de Gaulle;
- participation in the "cargo information network" (a private platform enabling all logistics operators to send each other documents electronically and ensuring reliable traceability of the tracking of goods).

8 Growing with territories

Every additional million passengers in Paris leads on average to the creation of 4,100 jobs and energises the economy of the Paris region. Paris-Orly, Paris-Charles de Gaulle and Paris-Le Bourget thus contribute to the economic and social development and the attractiveness of Paris and France at international level. According to a BIPE study, Paris airport activity generates a total of over 340,000 jobs and €30 billion in value added.

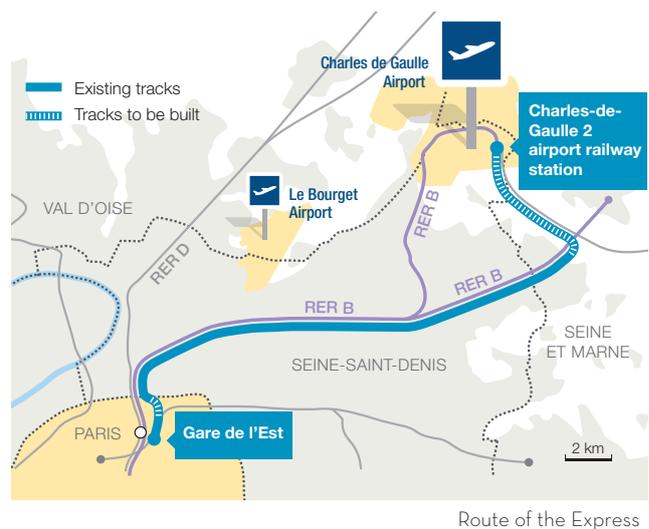
In order to maximise benefits for the local areas, CONNECT 2020 plans, amongst other things:

- The introduction of a veritable "place marketing" policy to promote Paris as a destination**, around a partner hub. This commitment support the target of the authorities for France to welcome 100 million international tourists by 2020, which requires an increase in appeal and air connectivity. Aéroports de Paris will increase the number of its partnerships and collaborations. This year it has signed an agreement with **Atout France** to develop the tourist appeal of Paris through the creation of an air connectivity observatory (which is tasked with observing and understanding the place competitiveness of Paris and France with respect to competitor places);
- Continuation of sustainable and responsible development by reducing our environmental footprint and that of our partners.** With a long term commitment to a CSR policy, Aéroports de Paris, the only airport operator to be included in the *Global100* index will strengthen its actions for combating climate change. Symbolically, it will host the 21st global summit on climate, COP 21, at Paris-Le Bourget Airport. Alongside Air France and GIFAS (the French aerospace industries group), it is committed to reducing CO₂ emissions at its airports by 50% between 2009 and 2020, raising the share of renewables to 15% by 2020, and improving its energy performance by 1.5% per year over the 2016-2020 period;
- Support for the Grand Paris projects and strong mobilisation around the CDG Express project** (see box).

CDG Express on the right track

While most other major cities benefit from a fast, direct rail link with their main international airport, Paris-Charles de Gaulle is currently only accessible from the capital by the RER B train or the A1-A3 motorway. Improvement of its connections is vital for its competitiveness and for the image of Paris.

In partnership with the French government and SNCF Réseau (formerly Réseau Ferré de France) within the company CDG Express SAS, which conducts the studies necessary for the creation of the CDG Express, Aéroports de Paris will remain mobilised during the 2016-2020 period to complete this major project that is complementary to the Grand Paris Metro. The Group will co-finance the construction of the link, which is due to begin in 2017, to allow the CDG Express to enter into service at the end of 2023.



70% and 90%

the respective proportion of passengers and employees of Paris-Charles de Gaulle using road access to arrive at or leave the airport

20 minutes

the time it will take the CDG Express to travel between the Gare de l'Est and Terminal 2 at Paris-Charles de Gaulle, with a non-stop train every 15 minutes.

~€1.7bn

the sum invested in the CDG Express, shared between Aéroports de Paris and SNCF Réseau.

1.76

the local population (millions of inhabitants) of the two main Paris airports (1.2 million for CDG and 560,000 for Orly)

4,100

the number of jobs generated per million additional passengers at Paris (source: BIPE).

-50%

the reduction in CO2 emissions to be achieved between 2009 and 2020 at the Paris airports.

Refurbishment of existing assets and development of: the Real Estate priorities

One of the advantages of Aéroports de Paris Group is that it owns freehold land assets of 6,686 hectares, 1,310 hectares of which are allocated to real estate development (twice the area of the town of Boulogne-Billancourt). The real estate business, structured over the years as an integrated real estate management business, has 405 hectares of undeveloped properties.

Two main priorities have been set for the next five years:

- **Continue to refurbish existing assets**, with the planned demolition of 100,000 sqm of obsolete buildings;
- **Guarantee the continuity of the policy for development of real estate areas**, in order to bolster Cargo activities (see page 15), but also diversified real estate (offices, hotels, stores, etc.) around the "Airport City", of which Aéroports de Paris is one of the pioneers and promoters. In this respect, the strategy consists of enhancing the districts established in the immediate vicinity of the terminals:
 - **in Roissy** (a business district with 230,000 sqm of office space and 2,800 hotel rooms in the heart of the Paris-Charles de Gaulle hub) with the acceleration of hotel developments (900 new rooms on the western side) and delivery of the new Aéroports de Paris headquarters by the end of 2016, associated with the Baikal office building in late 2017 (30,600 sqm in total);
 - **in Cœur d'Orly** (a business district combining hotels, offices and stores near the Paris-Orly airport terminals) with the delivery, by the end of 2015, of the first Askia office building (19,500 sqm) and the completion, by the end of 2017, of an area with three hotels (360 additional rooms) with the Accor group;
 - **at Paris-le Bourget Airport**, with the redefinition of the plan for fitting out the south of the airport and developing an aviation maintenance cluster in the commune of Dugny.

The main objective for real estate is to increase the value of the portfolio of managed assets through **increasing external rents (excluding re invoicing and indexation) which are expected to rise in the range of 10 to 15% between 2014 and 2020.**

Achievement of this target involves new developments: between 327,000 and 357,000 sqm identified at present (compared to the 335,600 sqm completed in 2011-2015).

1,310 hectares

the area dedicated to real estate, including 405 hectares of land reserves.

+10% to +15%

the growth target for external rents between 2015 and 2020. These rents came to €185m in 2014.

9 Conquer new markets

While opening up to new markets involves continued development of retail and real estate, **the international expansion of Aéroports de Paris is essential** in order to consolidate the Paris market and capture some of the increase in global traffic.

After acquiring 38% of TAV Airports and 49% of TAV Construction, which has enabled it to change size at the international level, **Aéroports de Paris is looking towards gradual and controlled development**. Our aim is to strengthen geographical zones where we already operate (Central Europe, North Africa and the Middle East, Central and Latin America) and to develop in the regions and countries offering strong prospects for growth (Asia and Africa).

In the long term, the Group plans to expand its portfolio of airports by targeting significant new holdings outside France, like the Santiago de Chile concession awarded in 2015. However, **against the current background of, at times, irrational behaviour concerning the value of airport assets, the building of a worldwide network will be done according to four criteria:**

- **Competence**, to enable to project the unique combination of our expertise in design, engineering, construction and operation;
- **Growth**, with the aim of seizing opportunities in geographical areas where traffic growth is greater than at our Paris airports;
- **Control**, in order to have a sufficient level of shareholding, so as to influence decisions and corporate governance;
- **Profitability**, in order to diversify the risks and generate a higher return than that of activities in Paris.

While Aéroports de Paris is now the only player to really master the entire airport value chain, **the main challenge to come will be to have a perfectly integrated overall offering**. In other words, we will have to increase the synergies between our different business areas and different subsidiaries and be in a position to allocate sufficient, skilled human resources.

To achieve this, the Group expects to capitalise on its years of experience as an operator of large hubs in Paris and Istanbul (via **TAV Airports**) and rely on its skills as:

- Investor and operator via **Aéroports de Paris Management (ADPM)**;
- Architect and specialist in airport engineering, via its subsidiary **ADP Ingénierie (ADPI)**,
 - which is equipped to develop after a 2 year-recovery plan;
 - Construction company via **TAV Construction**;
 - And operators in certain niches: Travel retail (with the **SDA** and **ATU** companies), catering (with **BTA**), lounge management (with **TAV O&M**) and computer infrastructure and telecommunications networks (via **TAV IT** and **HubOne**).

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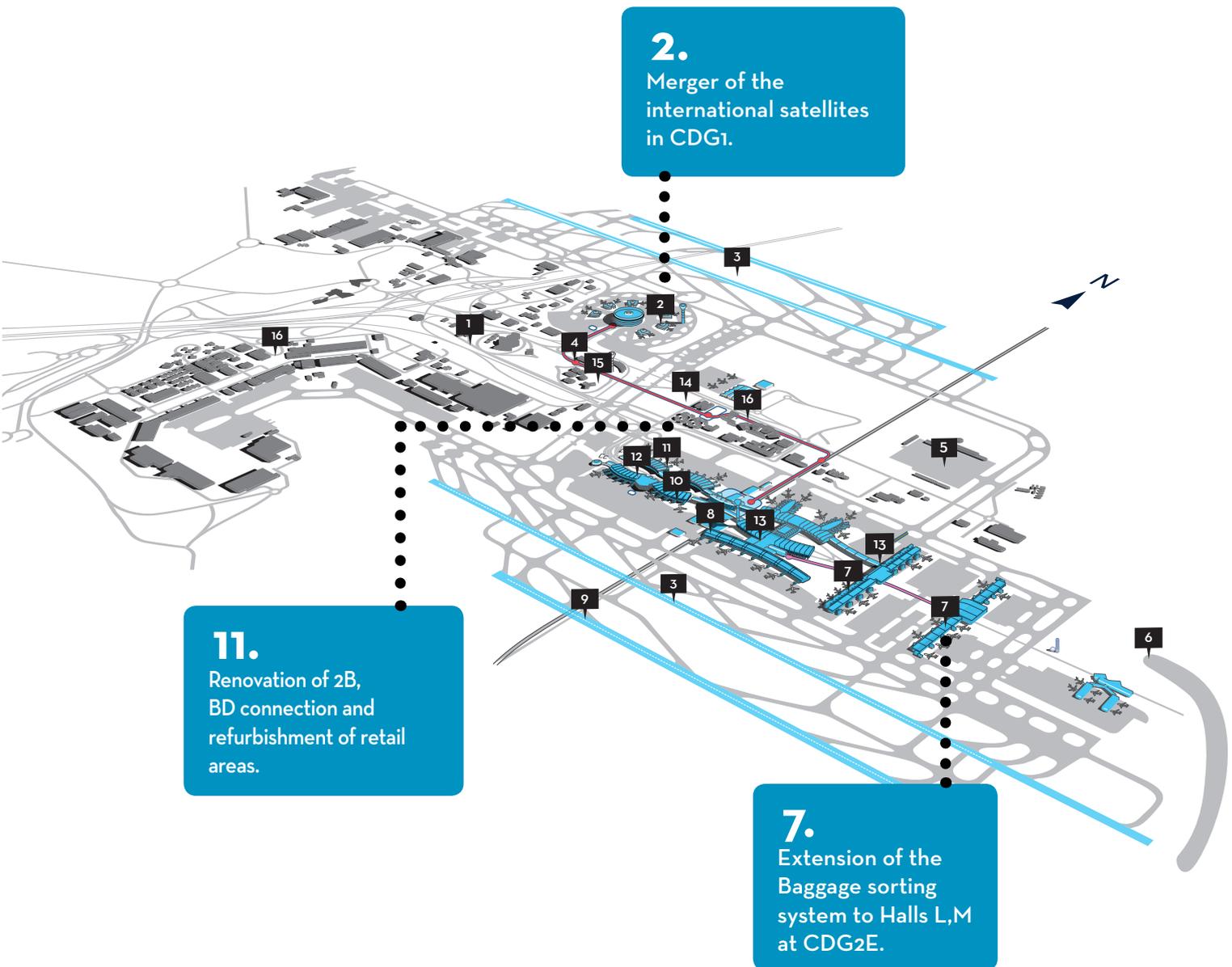
The number of airports worldwide operated by the Group (directly or via TAV Airports), with a total of 239 million passengers in 2014.

167

The number of projects underway at ADP Ingénierie (ADPI): design, engineering studies and assignments.

Aéroports de Paris aims at sustainably establishing international activities as the third business of the Group.

Changes at Paris-Charles de Gaulle



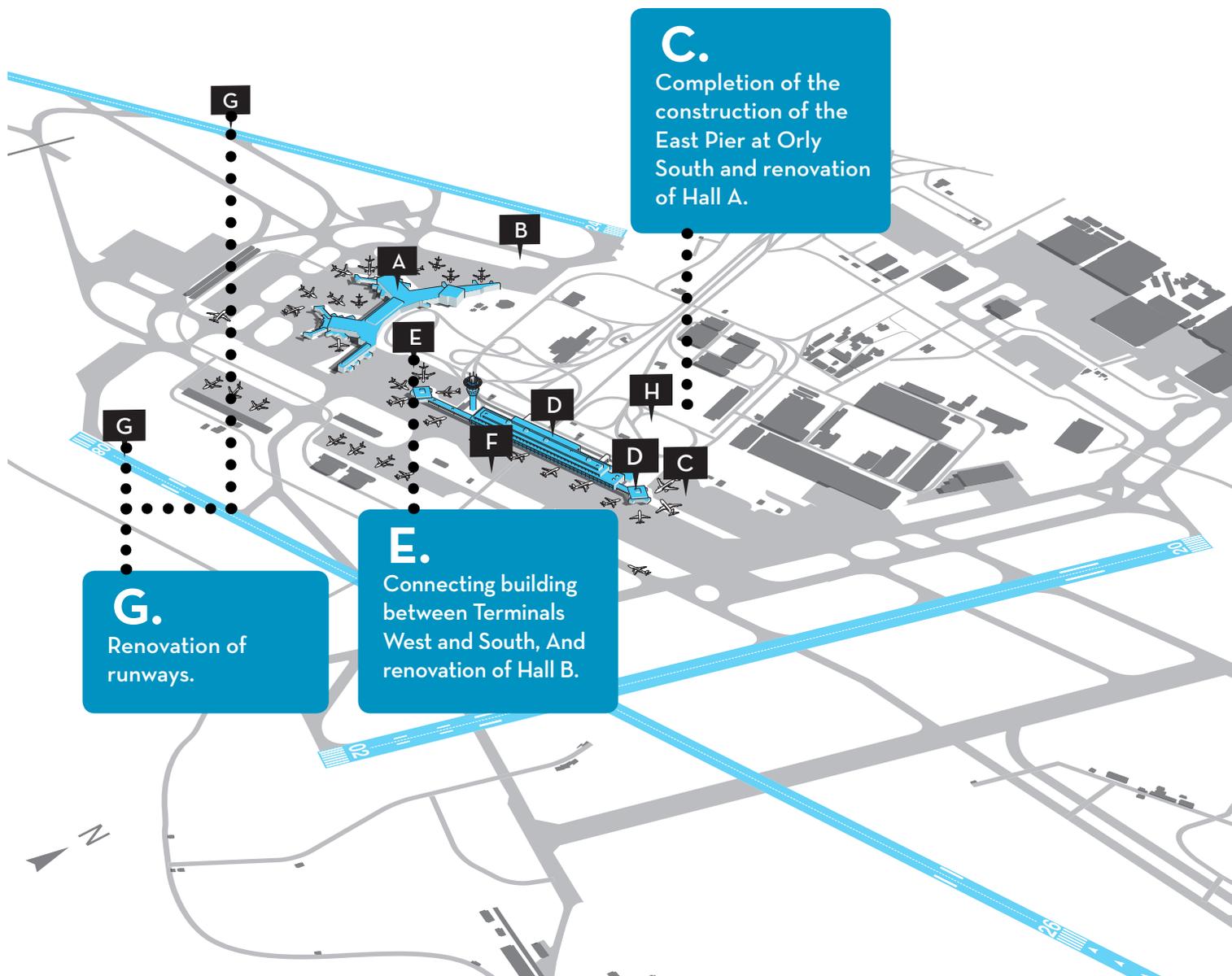
KEY:

1. Road widening to create three lanes from Paris.
2. Merger of international satellites at CDG1 and refurbishment of retail areas.
3. Securing of parallel runways + renovation of runways 2 and 3.
4. Deployment of additional trains (CDG Val).
5. Extension of parking areas for widebody aircraft.
6. Rainwater master plan.
7. Extension of the baggage sorting system to Halls L,M at CDG2E.
8. Creation of aircraft stands and adaptation of CDG2E.
9. Tunnel under runway 4 for the CDG Express.
10. Renovation of TBC1 and TBC2 baggage sorters.
11. Renovation of 2B, BD connection and refurbishment of retail areas.
12. Renovation of PAB car park.
13. Refurbishment of Retail areas.
14. New Aéroports de Paris head office.
15. Hotels Development.
16. Development of Cargo City.

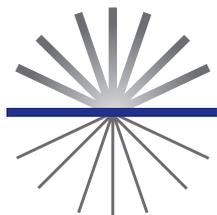
Changes at Paris-Orly

KEY:

- A. Renovation of Po Car park.
- B. Relocation of the VIP pavilion
- C. Completion of construction of the East Pier at Orly South and renovation of hall A.
- E. Connecting building South-West terminal, renovation of Hall B at terminal South, and Refurbishment of retail areas.
- F. Renovation of taxiways.
- G. Renovation of runways.
- H. Développement de Cœur d'Orly real estate programme
- H. Développement de Cœur d'Orly.



Key facts to remember about



CONNECT 2020

>	ANNUAL TRAFFIC GROWTH ASSUMPTION	+2.5% per year on average between 2016 and 2020
>	CAPITAL EXPENDITURE PROGRAMME	€4.6 billion in 2016-2020, including €3 billion across the regulated activities
>	CONVERGENCE OF THE REGULATED ROCE ⁽¹⁾ WITH THE WACC ⁽²⁾	5.4% in 2020e
>	RETAIL	Expected sales per passenger of €23 on full-year basis, after delivery of the 2016-2020e main infrastructure projects
>	REAL ESTATE	Increase in external rents (excluding re-invoicing and indexation) of between 10 and 15% between 2014 and 2020e
>	QUALITY OF SERVICE	Overall ACI/ASQ rating of 4 in 2020e
>	GROWTH IN CONSOLIDATED EBITDA ⁽³⁾	+30% to +40% between 2014 and 2020e

(1) Return On Capital Employed, calculated as Earnings before Interest and Tax on the regulated scope.

(2) Weighted Average Cost of Capital.

(3) Earnings Before Interest, Taxes, Depreciation, and Amortisation.



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Le monde entier est notre invité