



# **RÉGIE AUTONOME DES TRANSPORTS PARISIENS**

**Euro 5,000,000,000**

## **Euro Medium Term Notes**

*Under the Euro Medium Term Note Programme described in this Base Prospectus (the "**Programme**"), Régie Autonome des Transports Parisiens (the "**Issuer**" or "**RATP**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Euro Medium Term Notes (the "**Notes**"). The aggregate principal amount of Notes outstanding will not at any time exceed Euro 5,000,000,000 (or the equivalent in other currencies) and may be denominated in any currency.*

*Application has been made to the Autorité des marchés financiers (the "**AMF**") for approval of this Base Prospectus in its capacity as competent authority under the prospectus directive (Directive 2003/71/EC) as amended, (the "**Prospectus Directive**"). This Base Prospectus received the visa no. 15-375 on 17 July 2015 from the AMF. Application may be made (i) to Euronext Paris during the period of 12 months from the date of the approval of this Base Prospectus for Notes issued under the Programme to be admitted to trading and/or (ii) to the competent authority of any other Member State of the European Economic Area ("**EEA**") for Notes issued under the Programme to be listed and admitted to trading on a Regulated Market (as defined below) in such Member State. Euronext Paris is a regulated market for the purposes of the Markets in Financial Instruments Directive 2004/39/EC (a "**Regulated Market**"). However, Notes may be issued pursuant to the Programme which are not listed and admitted to trading on a Regulated Market. The relevant final terms in respect of the issue of any Notes (the "**Final Terms**"), a form of which is contained herein, will specify whether or not such Notes will be listed and admitted to trading, and, if so, the relevant Regulated Market in the EEA.*

*Notes may be issued either in dematerialised form ("**Dematerialised Notes**") or in materialised form ("**Materialised Notes**") as more fully described herein.*

*Dematerialised Notes will at all times be in book entry form in compliance with Articles L.211-3 and R.211-1 of the French Code monétaire et financier. No physical documents of title will be issued in respect of the Dematerialised Notes.*

*Dematerialised Notes may, at the option of the Issuer, be in bearer dematerialised form (au porteur) inscribed as from the issue date in the books of Euroclear France ("**Euroclear France**") (acting as central depositary) which shall credit the accounts of Account Holders (as defined in "Terms and Conditions of the Notes – Form, Denomination and Title") including Euroclear Bank S.A./N.V. ("**Euroclear**") and the depositary bank for Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") or in registered dematerialised form (au nominatif) and, in such latter case, at the option of the relevant Noteholder (as defined in Condition 1.3.4 of the Terms and Conditions below), in either fully registered form (au nominatif pur), in which case they will be inscribed either with the Issuer or with the registration agent (designated in the relevant Final Terms) for the Issuer, or in administered registered form (au nominatif administré) in which case they will be inscribed in the accounts of the Account Holders designated by the relevant Noteholders.*

*Materialised Notes will be in bearer materialised form only and may only be issued outside France. A temporary global certificate in bearer form without interest coupons attached (a "**Temporary Global Certificate**") will initially*

be issued in connection with Materialised Notes. Such Temporary Global Certificate will be exchanged for Definitive Materialised Notes in bearer form with, where applicable, coupons for interest attached, on or after a date expected to be on or about the fortieth calendar day after the issue date of the Notes (subject to postponement as described in "Temporary Global Certificates issued in respect of Materialised Notes" below) upon certification as to non U.S. beneficial ownership as more fully described herein. Temporary Global Certificates will (a) in the case of a Tranche (as defined below) intended to be cleared through Euroclear and/or Clearstream, Luxembourg, be deposited on the issue date with a common depository on behalf of Euroclear and/or Clearstream, Luxembourg and (b) in the case of a Tranche intended to be cleared through a clearing system other than or in addition to Euroclear and/or Clearstream, Luxembourg or delivered outside a clearing system, be deposited as agreed between the Issuer and the relevant Dealer (as defined above).

The Issuer is rated Aa1 (negative outlook) by Moody's Investors Service Ltd. ("**Moody's**") and AA (outlook stable) by Fitch France S.A.S. ("**Fitch**"). Each of Moody's and Fitch is established in the European Union and is registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**"). As such each of Moody's and Fitch is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such regulation and they appear on the latest update of the list of registered credit rating agencies (as of 10 July 2015) on the ESMA website <http://www.esma.europa.eu>. The rating of the Notes (if any) will be specified in the Final Terms. Whether or not a rating in relation to any Notes will be treated as having been issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the relevant Final Terms. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. The Final Terms of the relevant Notes to be issued under the Programme will be determined by the Issuer and the Relevant Dealer based on their prevailing market conditions at the time of the issue of such Notes and will be set out in the relevant Final Terms.

In the case of any Notes which are to be admitted to trading on a Regulated Market, or offered to the public, within the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes).

This Base Prospectus will be made available on the websites of the AMF ([www.amf-france.org](http://www.amf-france.org)) and the Issuer ([http://www.ratp.fr/fr/ratp/r\\_56843/publications-legales/](http://www.ratp.fr/fr/ratp/r_56843/publications-legales/)).

**Prospective investors should have regard to the factors described under the section headed "Risk Factors" in this Base Prospectus before deciding to invest in the Notes issued under the Programme.**

**Arranger for the Programme**  
**BNP PARIBAS**  
**Dealers**  
**BARCLAYS**  
**BNP PARIBAS**  
**BOFA MERRILL LYNCH**  
**COMMERZBANK**  
**CREDIT SUISSE**  
**DEUTSCHE BANK**  
**GOLDMAN SACHS INTERNATIONAL**  
**HSBC**  
**J.P. MORGAN**  
**UBS INVESTMENT BANK**

*This Base Prospectus (together with any Supplements to this Base Prospectus published from time to time (each a "Supplement" and together the "Supplements")) constitutes a base prospectus for the purposes of Article 5.4 of the Prospectus Directive and for the purpose of giving information with regard to the Issuer and the Notes which, according to the particular nature of the Issuer and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer.*

*This Base Prospectus is to be read in conjunction with all documents which are incorporated herein by reference (see "Documents Incorporated by Reference" below) and with the applicable Final Terms.*

*No person has been authorised to give any information or to make any representation other than those contained in the Base Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Arranger or any Dealer (as defined in "General Description of the Programme-Arranger" and "General Description of the Programme-Dealers"). Neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or its subsidiaries and affiliates, taken as a whole (the "Group" or the "RATP Group") since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer or the Group since the date hereof or the date upon which this document has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.*

*In the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area and/or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum specified denomination shall be at least €100,000 (or its equivalent in any other currency as at the date of issue of the Notes).*

*The distribution of the Base Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession the Base Prospectus comes are required to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and may include Notes that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act or in the case of Materialised Notes in bearer form, the U.S. Internal Revenue Code of 1986, as amended). For a description of certain restrictions on offers and sales of Notes and on distribution of the Base Prospectus and any Final Terms, see "Subscription and Sale".*

*The Base Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Dealers or the Arranger to subscribe for, or purchase, any Notes.*

*The Arranger and Dealers have not separately verified the information contained in this Base Prospectus. None of the Dealers or the Arranger makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Base Prospectus. Neither the Base Prospectus nor any other information incorporated by reference is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arranger or the Dealers that any recipient of the Base Prospectus, any Final Terms or any other information incorporated by reference should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in the Base Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers or the Arranger undertakes to review the*

*financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.*

*A prospective investor may not rely on the Issuer or the Dealer(s) or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to herein.*

*In connection with the issue of any Tranche (as defined below), the Dealer or Dealers (if any) named as the stabilising manager(s) (the "**Stabilising Manager(s)**") (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes) or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the relevant Tranche is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 calendar days after the issue date of the relevant Tranche and 60 calendar days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) shall be conducted in accordance with all applicable laws and rules.*

*In the Base Prospectus, unless otherwise specified or the context otherwise requires, references to "**Euro**", "**EUR**" or "**€**" are to the lawful currency of member states of the European Union that adopt the single currency introduced in accordance with the Treaty establishing the European Community (as amended), references to "**Canadian Dollars**" or "**CAD**" are to the lawful currency of Canada, references to "**Australian dollars**" or "**AUD**" are to the lawful currency of Australia, references to "**New Zealand dollars**" or "**NZD**" are to the lawful currency of New Zealand, references to "**Sterling**", "**GBP**" or "**£**" are to the lawful currency of the United Kingdom, references to "**Hong Kong dollars**" or "**HKD**" are to the lawful currency of Hong Kong, references to "**Swiss francs**" or "**CHF**" are to the lawful currency of Switzerland, references to "**Japanese yen**", "**JPY**" or "**yen**" are to the lawful currency of Japan and references to "**U.S.\$**", "**USD**" or "**dollars**" are to the lawful currency of the United States of America.*

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## RISK FACTORS

*The following paragraphs describe some risk factors that are material to the Issuer in order to assess the market risk associated with these Notes. They do not describe all the risks of an investment in the Issuer.*

*Prospective investors should consult their own financial and legal advisers about risks associated with investment in the Issuer in light of their particular circumstances. In particular, investors should make their own assessment as to the risks associated with the Notes prior to investing in the Notes. Each prospective investor of Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.*

*Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.*

*In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.*

*The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.*

*The Issuer believes that Notes should only be purchased by investors who are (or are purchasing under the guidance of), financial institutions or other professional investors that are in a position to understand the special risks that an investment in the Notes involves.*

### RISK FACTORS RELATING TO THE ISSUER

#### **1 Market Risks (Interest Rate, Currency and Credit Risks) related to the Issuer**

RATP is exposed to interest rate risks, currency risks and credit risks (signature and counterparty risks) on debt, the bond portfolio and cash management transactions.

##### **1.1 Interest Rate Risk**

Interest rate risk corresponds to the risk of a fall in interest rates, impacting RATP's fixed rate debt. The best measure of interest rate risk is the average duration of debt. Duration provides an indication of the sensitivity of fixed rate debt to a parallel increase (or decrease) in rates. RATP's current duration of debt is around 5.63 years (reporting middle office dated 30 June 2015).

This risk is managed by modulating the allocation of fixed and floating debt, and by matching maturities of off-balance sheet hedging instruments as closely as possible to maturities of the hedged bond issues.

Derivatives, such as swaps, caps and floors are the most traded instruments. RATP also uses off-balance sheet instruments to reduce financing costs, in line with its policy of actively managing debt. Each instrument is allocated to a specific issue.

## 1.2 Currency Risk

Currency risks on long-term debt denominated in foreign currency are hedged systematically.

## 1.3 Credit Risk

Credit risks include counterparty risks arising from the use of over-the-counter off-balance sheet instruments, and signature risks on bonds held in the long-term investments portfolio and money market securities held in the short-term portfolio.

### (i) Counterparty Risk

Transactions involving over-the-counter off-balance sheet instruments are carried out exclusively with approved counterparties. Furthermore, RATP has signed CSA (Credit Support Annex) with most of its counterparties.

### (ii) Signature Risk

Signature risk arises from RATP's investments in certificates of deposit and commercial paper. These investments are made solely with counterparties that have a short-term rating of at least A1/P1. The same rules apply to fund custodians.

The financial management is based on in-house rules, approved by the Senior Management, and on the prudence principle.

## 2 Operational Risks

The operational risks comprise notably risks related to:

- Train accident
- Tram accident
- Fire
- Financial fraud
- Degradation of infrastructure ( including natural disasters and terrorism)
- Construction accident
- Traffic accident

### 2.1 Identification and evaluation instruments:

RATP uses the GAME principle (*Globalement au moins équivalent* - globally at least equivalent). It includes the application of European legislation and uses functional analysis, risks analysis and failure analysis (conception and development of rail transport security systems) methods. RATP has been working on processes able to evaluate the running safety of systems, materials and soft-wares.

### 2.2 Prevention and protection resources:

- Legislation, procedures and management systems of quality

- Planning of crisis management, such as urgency command for serious accidents, or flood planning, business continuity plans for flooding, prepared by all RATP departments and sent to the Prefect of Paris, was updated in November 2012.
- Technical control (double control in the railway security field)
- Control of legislation and procedures application, such as systematic examination of operating parameters and inspections
- Audits, such as functional safety audit.

Moreover, concerning the control of subsidiaries, RATP has created a report of individual risks of its subsidiaries. An auditory committee verifies it regularly.

### **2.3 Friable Asbestos**

The plan to eliminate friable asbestos required by the decree No. 96-97 of 7 February 1996, has almost been completed.

An internal study has been conducted to investigate asbestos-related illnesses among employees and assess the financial impact on the company. All risks arising from cases already declared or which have been brought to court have been noted as reservations. Although it is not possible to predict the financial impact of future litigation, RATP believes that the provision of €0.6 million recorded in the balance sheet as of 31 December 2014 is adequate and reflects the best estimate of the financial risk borne by RATP.

### **2.4 Dependence on the Ile de France Transport Authority**

RATP derives, and expects to continue to derive, the majority of its revenue (including subsidies) from the Ile de France Transport Authority. A significant decrease in this revenue (including subsidies), or a failure to pay or a delay in payments or compensation by the Ile de France Transport authority to RATP, could have a material adverse effect on RATP's business, results of operations and financial conditions.

## **3 Risk Factors Incorporated by Reference**

Further risk factors contained on pages 9, 36-43 and 100-101 of RATP's 2014 Financial Statements are incorporated by reference into this Base Prospectus.



## RISK FACTORS RELATING TO THE NOTES

### 1 General Risks Relating to the Notes

#### 1.1 Modification, waivers and substitution

The terms and conditions of the Notes contain provisions for calling General Meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant General Meeting and Noteholders who voted in a manner contrary to the majority.

#### 1.2 No active Secondary/Trading Market for the Notes

Notes issued under the Programme will be new securities which may not be widely distributed and for which there may be no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although in relation to Notes to be listed and admitted to trading on Euronext Paris and/or any other Regulated Market in the European Economic Area and/or offered to the public in the European Economic Area, the Final Terms of the Notes will be filed with the AMF in France and/or with the competent authority of the Regulated Market of the European Economic Area where the Notes will be listed and admitted to trading, there is no assurance that such admission to trading or offer to the public will occur, that any particular Tranche of Notes will be so listed and admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes.

#### 1.3 Potential Conflicts of Interest

All or some of the Dealers and their affiliates (including their parent companies) have and/or may in the future engage, in the ordinary course of business, in investment banking, commercial banking and/or other financial advisory and commercial dealings with the Issuer and its affiliates and in relation to securities issued by any entity of the RATP Group. They have or may, in the ordinary course of their business, (i) engage in investment banking, trading or hedging activities including activities that may include prime brokerage business, financing transactions or entry into derivative transactions, (ii) act as underwriters in connection with the offering of securities issued by any entity of the RATP Group or (iii) act as financial advisers to the Issuer or other companies of the RATP Group. In the context of these transactions, certain of such Dealers have or may hold securities issued by entities of the RATP Group. Where applicable, they have or will receive customary fees and commissions for these transactions.

Each of the Issuer and the Dealer(s) may from time to time be engaged in transactions involving an index or related derivatives which may affect the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the Noteholders.

Potential conflicts of interest may arise between the calculation agent, if any, for a Tranche of Notes and the Noteholders, including with respect to certain discretionary determinations and judgements that such calculation agent may make pursuant to the Terms and Conditions that may influence the amount receivable upon redemption of the Notes.

#### 1.4 Exchange Rates

Prospective investors of the Notes should be aware that an investment in the Notes may involve exchange rate risks. The reference assets or the Notes may be denominated in a currency other than the currency of the purchaser's home jurisdiction; and/or the reference assets or the Notes may be

denominated in a currency other than the currency in which a purchaser wishes to receive funds. Exchange rates between currencies are determined by factors of supply and demand in the international currency markets which are influenced by macro economic factors, speculation and central bank and government intervention (including the imposition of currency controls and restrictions). Fluctuations in exchange rates may affect the value of the Notes or the reference assets.

### **1.5 Legality of Purchase**

Neither the Issuer, the Dealer(s) nor any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective investor of the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

### **1.6 Credit ratings may not reflect all risks**

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

### **1.7 Taxation**

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are acquired, sold or transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for financial instruments such as the Notes. Potential investors are advised not to rely upon the tax information contained in this Base Prospectus and/or in the Final Terms (which does not constitute tax advice) but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, holding, sale and redemption of the Notes. Only these advisors are in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Base Prospectus.

### **1.8 EU Savings Directive**

Under EC Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the "**Savings Directive**"), each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in that other Member State; however, for a transitional period, Austria may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35%. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

According to the Luxembourg law dated 25 November 2014, the Luxembourg government has abolished the withholding tax system with effect from 1 January 2015 in favour of automatic exchange of information under the Savings Directive.

A number of non-EU countries, and certain dependent or associated territories of certain Member States, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or

collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

The Council of the European Union formally adopted a Council Directive amending the Directive on 24 March 2014 (the "**Amending Directive**"). The Amending Directive broadens the scope of the requirements described above. Member States have until 1 January 2016 to adopt the national legislation necessary to comply with the Amending Directive. The changes made under the Amending Directive include extending the scope of the Directive to payments made to, or collected for, certain other entities and legal arrangements. They also broaden the definition of "interest payment" to cover income that is equivalent to interest.

However, the European Commission has proposed the repeal of the Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU). The proposal also provides that, if it proceeds, Member States will not be required to apply the new requirements of the Amending Directive.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent (as defined in the Terms and Conditions of the Notes) nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive.

Investors who are in any doubt as to their position should consult their professional advisers.

## **1.9 The proposed financial transactions tax ("FTT")**

On 14 February 2013, the European Commission has published a proposal for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**Participating Member States**").

The proposed FTT has very broad scope if introduced in the form proposed on 14 February 2013, and could apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

Under the 14 February 2013 proposal, the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, "established" in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

Joint statements issued by participating Member States indicate an intention to implement the FTT by 1 January 2016. However, the FTT proposal remains subject to negotiation between the participating Member States and the scope of any such tax is uncertain. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

### **1.10 Market Value of the Notes**

The market value of the Notes will be affected by the creditworthiness of the Issuer and a number of additional factors, including, but not limited to, the volatility of the market interest and yield rates and the time remaining to the maturity date.

The value of the Notes depends on a number of interrelated factors, including economic, financial and political events in France or elsewhere, including factors affecting capital markets generally and the stock exchanges on which the Notes are traded. The price at which a Noteholder will be able to sell the Notes prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser.

### **1.11 Change of Law**

The Terms and Conditions of the Notes are based on French law and EU rules in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in French law, EU rules or their official application or interpretation after the date of this Base Prospectus.

### **1.12 Legal investment considerations may restrict certain investments**

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions, insurance companies and other regulated entities should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

### **1.13 A Noteholder's actual yield on the Notes may be reduced from the stated yield by transaction costs**

When Notes are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the current price of the security. These incidental costs may significantly reduce or even exclude the profit potential of the Notes. For instance, credit institutions as a rule charge their clients for own commissions which are either fixed minimum commissions or pro-rata commissions depending on the order value. To the extent that additional – domestic or foreign – parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, Noteholders must take into account that they may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs).

In addition to such costs directly related to the purchase of securities (direct costs), Noteholders must also take into account any follow-up costs (such as custody fees). Investors should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of the Notes before investing in the Notes.

### **1.14 Independent Review and Advice**

Each prospective investor of Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

A prospective investor may not rely on the Issuer, the Arranger or the Dealer(s) or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

## **2 Risks related to the structure of a particular issue of Notes**

The Programme allows for different types of Notes to be issued. Accordingly, each Tranche of Notes may carry varying risks for potential investors depending on the specific features of such Notes such as, *inter alia*, the provisions for computation of periodic interest payments, if any, redemption and issue price. Depending on the specific features of the Notes, investors may lose the value of their entire investment or part of it, as the case may be.

### **2.1 Notes subject to optional redemption by the Issuer**

In the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the country of domicile (or residence for tax purposes) by the Issuer, or on behalf of France, or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Terms and Conditions.

In addition, if in the case of any particular Tranche of Notes the relevant Final Terms specifies that the Notes are redeemable at the Issuer's option in certain other circumstances the Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low. During a period when the Issuer may elect, or has elected, to redeem Notes, such Notes may feature a market value not substantially above the price at which they can be redeemed. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes and may only be able to do so at a lower rate. Prospective investors should consider reinvestment risk in light of other investments available at that time.

### **2.2 Fixed Rate Notes**

Investment in Notes which bear interest at a fixed rate involves the risk that subsequent changes in market interest rates may adversely affect the value of the relevant Tranche of Notes.

### **2.3 Floating Rate Notes**

Investment in Notes which bear interest at a floating rate comprise (i) a reference rate and (ii) a margin to be added or subtracted, as the case may be, from such base rate. Typically, the relevant margin will not change throughout the life of the Notes but there will be a periodic adjustment (as specified in the relevant Final Terms) of the reference rate (e.g., every three months or six months) which itself will change in accordance with general market conditions. Accordingly, the market value of floating rate Notes may be volatile if changes, particularly short term changes, to market interest rates evidenced by the relevant reference rate can only be reflected in the interest rate of these Notes upon the next periodic adjustment of the relevant reference rate.

### **2.4 Inverse Floating Rate Notes**

Investment in Notes which bear interest at an inverse floating rate comprise (i) a fixed base rate minus (ii) a reference rate. The market value of such Notes typically is more volatile than the market value of floating rate Notes based on the same reference rate (and with otherwise comparable terms). Inverse floating rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

## **2.5 Fixed to Floating Rate Notes**

Fixed to floating rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the fixed to floating Rate Notes may be less favourable than then prevailing spreads on comparable floating rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

## **2.6 Notes issued at a substantial discount or premium**

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

## **2.7 Partly-paid Notes**

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of his investment.

## **2.8 Variable rate Notes with a multiplier or other leverage factor**

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features, their market values may be even more volatile than those for securities that do not include those features.

## **2.9 Notes subject to Put Option**

If the option of a Put Option is specified in the relevant Final Terms, the exercise of the Put Option in respect of a significant number of Notes may affect the liquidity of the Notes in respect of which the Put Option is not exercised.

Depending on the number of Notes in respect of which the Put Option is exercised in conjunction, if applicable, with any Notes purchased by the Issuer and cancelled, any trading market of the Notes in respect of which the Put Option is not exercised may become less liquid or illiquid.

## **2.10 Zero Coupon Notes are subject to higher price fluctuations than non-discounted notes**

Changes in market interest rates have a substantially stronger impact on the prices of Zero Coupon Notes than on the prices of ordinary notes because the discounted issues prices are substantially below par. If market interest rates increase, Zero Coupon Notes can suffer higher prices losses than other notes having the same maturity and credit rating. Due to their leverage effect, Zero Coupon Notes are a type of investment associated with a particularly high price risk.

## DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus should be read and construed in conjunction with the sections referred to in the table below included in the following documents in the French language which have previously been published or are published simultaneously with this Base Prospectus and have been filed with the AMF as competent authority in France for the purposes of the Prospectus Directive and shall be incorporated in, and form part of, this Base Prospectus:

- the terms and conditions set out on pages 24 to 46 of the 2014 Base Prospectus,
- the 2014 Non-Consolidated Financial Statements (the "**2014 NCFS**"),
- the 2014 Consolidated Financial Statements (the "**2014 CFS**"),
- the 2013 Non-Consolidated Financial Statements (the "**2013 NCFS**"), and
- the 2013 Consolidated Financial Statements (the "**2013 CFS**")

including the audit reports, issued by PricewaterhouseCoopers Audit and Ernst & Young et Autres, of the Issuer in the French language which are included in the 2014 CFS and the 2013 CFS, which have been filed with the AMF.

The 2014 NCFS and the 2014 CFS form part of RATP's 2014 Financial Statements, and the 2013 NCFS and the 2013CFS form part of RATP's 2013 Financial Statements.

The information in the table set out below shall be deemed to be incorporated in, and to form part of, this Base Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Base Prospectus.

Information contained in the documents incorporated by reference other than information listed in the table below is for information purposes only.

The information incorporated by reference below is available as follows (with the references corresponding to the French language versions of the financial reports):

<b>Information incorporated by reference</b>	<i>Reference and page number</i>			
<i>(Annex IX of the European Regulation 809/2004/EC of 29 April 2004 as amended by the European Regulation 486/2012 of 30 March 2012 )</i>				
	<b>2014 CFS</b> <i>(pages of the 2014 Financial report)</i>	<b>2014 NCFS</b> <i>(pages of the 2014 Financial report)</i>	<b>2013 CFS</b> <i>(pages of the 2013 Financial report)</i>	<b>2013 NCFS</b> <i>(pages of the 2013 Financial report)</i>
<b>3. Risk Factors relating to the issuer</b>	Pages 9, 36-43, 100-101			

<b>11. Financial information concerning the Issuer's assets and liabilities, financial position and profits and losses</b>				
Income Statement relating to the above	page 58	page 116-117	page 50	pages 106-107
Balance Sheet relating to the above	page 59	page 114-115	page 51	pages 104-105
Accounting Principles relating to the above and notes to the financial statements	pages 62-111	pages 118-150	page 54-101	pages 108-141
Audit Report relating to the above	page 57	page 113	page 47	page 103

This Base Prospectus and all documents incorporated by reference in this Base Prospectus are available on the website of the Issuer ([http://www.ratp.fr/en/ratp/r\\_56856/legal-publications/](http://www.ratp.fr/en/ratp/r_56856/legal-publications/)). The Base Prospectus is available on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)). Such documents may also be obtained, free of charge, at the offices of each Paying Agent set out at the end of this Base Prospectus during normal business hours and as long as any of the Notes are outstanding.

Copies of the 2013 NCFS, the 2013 CFS, the 2014 NCFS and the 2014 CFS are available without charge on request at the registered office of the Issuer. The free English translations of the 2013 NCFS, 2013 CFS, 2014 NCFS and 2014 CFS may be obtained from the website of the Issuer ([www.ratp.fr](http://www.ratp.fr)). These free English translations are not incorporated by reference herein. To the extent that there is any inconsistency between any statement in the French versions of the 2013 NCFS, 2013 CFS, 2014 NCFS and 2014 CFS and the English translations thereof, the statements in the French versions of the 2013 NCFS, 2013 CFS, 2014 NCFS and 2014 CFS will prevail.



## **SUPPLEMENT TO THE BASE PROSPECTUS**

If at any time the Issuer shall be required to prepare a supplement to this Base Prospectus pursuant to the provisions of Article 16 of the Prospectus Directive and Article 212-25 of the *Règlement Général* of the AMF, the Issuer will prepare and make available an appropriate supplement to this Base Prospectus or a further Base Prospectus, which in respect of any subsequent issue of Notes to be listed and admitted to trading on Euronext Paris or on a Regulated Market of a Member State of the European Economic Area, shall constitute a supplement to the Base Prospectus for the purpose of the relevant provisions of the Prospectus Directive.

## GENERAL DESCRIPTION OF THE PROGRAMME

*The following overview is qualified in its entirety by the remainder of this Base Prospectus.*

<b>Issuer</b>	Régie Autonome des Transports Parisiens
<b>Description</b>	Continuously Offered Euro Medium Term Note Programme (the " <b>Programme</b> ")
<b>Arranger</b>	BNP Paribas
<b>Dealers</b>	<p>Barclays Bank PLC, BNP Paribas, Commerzbank Aktiengesellschaft, Credit Suisse Securities (Europe) Limited, Deutsche Bank AG, London Branch, Goldman Sachs International, HSBC France, J.P. Morgan Securities plc, Merrill Lynch International and UBS Limited.</p> <p>The Issuer may from time to time terminate the appointment of any Dealer under the Programme or appoint additional Dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Base Prospectus to "<b>Permanent Dealers</b>" are to the persons listed above as Dealers and to such additional persons which are appointed as Dealers in respect of the whole Programme (and whose appointment has not been terminated) and to "<b>Dealers</b>" are to all Permanent Dealers and all persons appointed as a Dealer in respect of one or more Tranches. The identity of the Dealer(s) in respect of a specific Tranche will be disclosed in the relevant Final Terms.</p>
<b>Fiscal Agent and Principal Paying Agent</b>	BNP Paribas Securities Services.
<b>Paying Agent</b>	BNP Paribas Securities Services.
<b>Programme Limit</b>	Up to Euro 5,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time.
<b>Currencies</b>	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in U.S. dollars, Australian dollars, Canadian dollars, Euro, Hong Kong dollars, New Zealand dollars, Sterling, Swiss francs or yen or in other currencies if the Issuer and the relevant Dealers so agree as specified in the relevant Final Terms.
<b>Maturities</b>	Subject to compliance with all relevant laws, regulations and directives, any maturity greater than one month.
<b>Denominations</b>	The Notes will be issued in such denominations as may be specified in the relevant Final Terms, save that i) in case of any Notes which are to be listed or admitted to trading on a regulated market of a Member State of the EEA and/or offered to the public in a Member State of the EEA in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum specified denomination shall be

€100,000 (or its equivalent in any other currency as at the date of issue of the Notes); and (ii) unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in sterling) having a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000 will have a minimum denomination of £100,000 (or its equivalent in other currencies).

**Method of Issue**

The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in one or more series (each a "**Series**") having one or more issue dates and on terms otherwise identical (other than in respect of the first payment of interest), the Notes of that Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a "**Tranche**") on the same or different issue dates, on a continuous basis with no minimum issue size. Further Notes may be issued as part of an existing Series.

**Redenomination**

Notes issued in the currency of any Member State of the European Union which adopts the single currency in accordance with the Treaty establishing the European Union may be redenominated into Euro pursuant to the provisions of "Terms and Conditions of the Notes – Form, Denomination, Title and Redenomination" below (see also "Consolidation" below).

**Form of Notes**

Notes may be issued in either dematerialised form ("**Dematerialised Notes**") or in materialised form ("**Materialised Notes**").

Dematerialised Notes may, at the option of the Issuer, be issued in bearer dematerialised form (*au porteur*) or in registered dematerialised form (*au nominatif*) and, in such latter case, at the option of the relevant Noteholder, in either fully registered form (*au nominatif pur*) or administered registered form (*au nominatif administré*). No physical documents of title will be issued in respect of Dematerialised Notes. See "Terms and Conditions of the Notes - Form, Denomination and Title".

Materialised Notes will be in bearer materialised form only. A temporary Global Certificate will be issued initially in respect of each Tranche of Materialised Notes. Materialised Notes may only be issued outside France. See "Terms and Conditions of the Notes - Form, Denomination and Title" below.

**Issue Price**

Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. Partly-paid Notes may be issued, the Issue Price of which will be payable in two or more instalments. The Issue Price of the Notes will be specified in the relevant Final Terms.

**Fixed Rate Notes**

Fixed interest will be payable in arrear on the date or dates in

	each year specified in the relevant Final Terms.
<b>Floating Rate Notes</b>	Floating Rate Notes will bear interest determined separately for each Series by reference to EURIBOR, LIBOR, LIBID or LIMEAN (or such other benchmark as may be specified in the relevant Final Terms) as adjusted for any applicable margin. Interest periods will be specified in the relevant Final Terms.
<b>Zero Coupon Notes</b>	Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest.
<b>Dual Currency Notes</b>	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange as may be specified in the relevant Final Terms.
<b>Interest Periods and Rates of Interest</b>	The length of the interest periods for the Notes and the applicable rate of interest or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms.
<b>Redemption</b>	The Final Terms issued in respect of each issue of Notes will specify the basis for calculating the redemption amounts payable. Unless permitted by then current laws and regulations, Notes (including Notes denominated in sterling) having a maturity of less than one year from the date of issue and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000 will have a minimum redemption value of £100,000 (or its equivalent in other currencies).
<b>Redemption by Instalments</b>	The Final Terms issued in respect of each issue of Notes which are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.
<b>Other Notes</b>	Terms applicable to high interest Notes, low interest Notes, step-up Notes, step-down Notes, dual currency Notes, reverse dual currency Notes, optional dual currency Notes, partly-paid Notes and any other type of Note which the Issuer and any Dealer or Dealers may agree to issue under the Programme will be set out in the relevant Final Terms.
<b>Optional Redemption</b>	The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed before their stated maturity at the option of the Issuer (either in whole or in part) and/or the holders and if so the terms applicable to such redemption.

<b>Status of Note</b>	The Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer all as described in "Terms and Conditions of the Notes - Status".
<b>Negative Pledge</b>	See "Terms and Conditions of the Notes - Negative Pledge".
<b>Cross Default</b>	See "Terms and Conditions of the Notes - Events of Default".
<b>Rating</b>	Tranches of Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating assigned to other Notes issued under the Programme. The relevant Final Terms will specify whether or not credit ratings are issued by a credit rating agency established in the European Union and registered under the CRA Regulation. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.
<b>Early Redemption</b>	Except as provided in "Optional Redemption" above, Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons.
<b>Withholding Tax</b>	All payments in respect of the Notes will be made without deduction for or on account of French withholding taxes, subject as provided in Condition 7. In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 7, be required to pay additional amounts to cover the amounts so deducted.
<b>Consolidation</b>	Notes of one Series may be consolidated with those of another Series, all as described in "Terms and Conditions of the Notes – Further Issues and Consolidation".
<b>Governing Law</b>	French.
<b>Listing and Admission to Trading</b>	Each Series issued under the Programme may be listed and admitted to trading on Euronext Paris and/or any other stock exchange as may be agreed between the Issuer and the relevant Dealer(s) and specified in the relevant Final Terms, or may be unlisted.
<b>Selling Restrictions</b>	<p>There are restrictions on the sale of Notes and the distribution of offering material in various jurisdictions. See "Subscription and Sale".</p> <p>The Notes to be issued by the Issuer qualify under Category 2 for the purposes of Regulation S under the Securities Act.</p> <p>Materialised Notes will be issued in compliance with US Treas. Reg. §1.163-5(c)(2)(i)(D) (the "<b>D Rules</b>") unless the relevant Final Terms state that such Materialised Notes are issued in compliance with US Treas. Reg. §1.163-5(c)(2)(i)(C) (the "<b>C Rules</b>"), or (ii) such Materialised Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances</p>

in which the Notes will not constitute "registration required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 ("**TEFRA**"), which circumstance will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.

The TEFRA rules do not apply to Dematerialised Notes.

**Clearing Systems**

Clearstream, Luxembourg, Euroclear or any other clearing system (provided proper clearing and settlement procedures have previously been put in place) that may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer in relation to Materialised Notes.

**Central Depository**

Euroclear France in relation to Dematerialised Notes.

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions that, subject to completion by the relevant Final Terms, shall be applicable to the Notes.*

*In the case of Dematerialised Notes, the text of the terms and conditions will not be endorsed on physical documents of title but will be constituted by the following text as completed by the relevant Final Terms. In the case of Materialised Notes, either (i) the full text of these terms and conditions together with the relevant provisions of the Final Terms or (ii) these terms and conditions as so completed (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed or attached on Definitive Materialised Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Final Terms. References in the Conditions to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme.*

The Notes are issued with the benefit of an amended and restated agency agreement dated 17 July 2015 between the Issuer and BNP Paribas Securities Services as fiscal agent (the "**Fiscal Agent**"), as principal paying agent and as paying agent (together with the Fiscal Agent and any additional or other paying agents in respect of the Notes from time to time appointed, the "**Paying Agents**") (together, as further amended or supplemented from time to time, the "**Agency Agreement**"). The initial Calculation Agent(s) (if any) is specified in the relevant Final Terms. The Noteholders (as defined below) and where applicable the Couponholders (as defined below) are deemed to have notice of all of the provisions of the Agency Agreement applicable to them.

Copies of the Agency Agreement are available at the specified offices of each of the Paying Agents.

References below to "**Conditions**" are, unless the context otherwise requires, to the numbered paragraphs below.

For the purpose of these Terms and Conditions, "**Regulated Market**" means any regulated market situated in a Member State of the European Economic Area ("**EEA**") as defined in the Markets in Financial Instruments Directive 2004/39/EC and as listed on the website of the European Securities and Markets Authority (<http://www.esma.europa.eu/>).

### 1 Form, Denomination, Title, Redenomination and Method of Issue

#### 1.1 Form

Notes may be issued either in dematerialised form ("**Dematerialised Notes**") or in materialised form ("**Materialised Notes**").

1.1.1 Title to Dematerialised Notes will be evidenced in accordance with Articles L.211-3 and R.211-1 of the French *Code monétaire et financier* by book entries (*inscriptions en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Dematerialised Notes.

Dematerialised Notes are issued, at the option of the Issuer and as specified in the relevant final terms (the "**Final Terms**"), in either bearer dematerialised form (*au porteur*) only, which will be inscribed in the books of Euroclear France S.A. ("**Euroclear France**") (acting as central depository) which shall credit the accounts of Account Holders, or in registered dematerialised form (*au nominatif*) and, in such latter case, at the option of the relevant Noteholder in either administered registered form (*au nominatif administré*) inscribed in the books of an Account Holder designated by the relevant Noteholder or in fully registered form (*au nominatif pur*) inscribed in an account in the books of Euroclear France maintained by the Issuer or the

registration agent (designated in the relevant Final Terms) acting on behalf of the Issuer (the "**Registration Agent**").

For the purpose of these Conditions, "**Account Holder**" means any authorised intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, and includes Euroclear Bank S.A./N.V. ("**Euroclear**") and the depositary bank for Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**").

- 1.1.2 Materialised Notes are issued in bearer form only. Materialised Notes are serially numbered and are issued with interest coupons (each, a "**Coupon**") and, where appropriate, a talon (a "**Talon**") attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable.

In accordance with Articles L.211-3 and R.211-1 of the French *Code monétaire et financier*, securities (such as the Notes) which are governed by French law and are in materialised form must be issued outside the French territory.

## 1.2 Denomination(s)

Notes shall be issued in the specified denomination(s) as set out in the relevant Final Terms (the "**Specified Denomination(s)**") save that the minimum denomination of each Note listed and admitted to trading on a Regulated Market in a Member State of the EEA and/or offered to the public in the EEA in circumstances which require the publication of a prospectus under the Prospectus Directive will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency at the issue date) or such other higher amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency. Dematerialised Notes shall be issued in one Specified Denomination only.

## 1.3 Title

- 1.3.1 Title to Dematerialised Notes in bearer dematerialised form (*au porteur*) and in administered registered form (*au nominatif administré*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of the Account Holders. Title to Dematerialised Notes in fully registered form (*au nominatif pur*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of the Issuer or the Registration Agent.
- 1.3.2 Title to Materialised Notes in definitive form having, where appropriate, Coupons and/or a Talon attached thereto on issue ("**Definitive Materialised Notes**"), shall pass by delivery.
- 1.3.3 Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note (as defined below), Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the holder.
- 1.3.4 In these Conditions, "**holder of Notes**", "**holder of any Note**" or "**Noteholder**" means (i) in the case of Dematerialised Notes, the individual or entity whose name appears in the account of the relevant Account Holder, the Issuer or the Registration Agent (as the case may be) as being entitled to such Notes and (ii) in the case of Materialised Notes, the bearer of any Definitive Materialised Note and the Coupons ("**Couponholder**" being construed accordingly), or Talon relating to it, and capitalised terms have the meanings given to them in the relevant Final Terms,



the absence of any such meaning indicating that such term is not applicable to the Notes.

#### 1.4 **Redenomination**

If this Condition 1.4 is specified as being applicable in the relevant Final Terms, the Issuer may, without the consent of the holders of any of the Notes, Receipts, Coupons or Talons by giving at least 30 calendar days' notice in accordance with Condition 13, redenominate all, but not some only, of the Notes of any Series into Euro and adjust the aggregate principal amount and the Specified Denomination(s) on or after the date on which the Member State of the European Union in whose national currency such Notes are denominated has become a participating Member State in the third stage of the European economic and monetary union ("**EMU**"), with effect from any Interest Payment Date (the "**Redenomination Date**"), all as more fully provided in the relevant Final Terms.

#### 1.5 **Method of Issue**

The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a "**Series**") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a "**Tranche**") on the same or different issue dates. The specific terms of each Tranche (which, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in the relevant Final Terms.

#### 1.6 **Conversion and Exchange of Notes**

##### 1.6.1 **Dematerialised Notes**

Dematerialised Notes being issued in bearer dematerialised form (*au porteur*) may not be converted into Dematerialised Notes in registered dematerialised form, whether in fully registered form (*au nominatif pur*) or in administered registered form (*au nominatif administré*). Dematerialised Notes issued in registered dematerialised form (*au nominatif*) may not be converted into Dematerialised Notes in bearer dematerialised form (*au porteur*). Dematerialised Notes issued in fully registered form (*au nominatif pur*) may, at the option of the Noteholder, be converted into Notes in administered registered form (*au nominatif administré*), and vice versa. The exercise of any such option by such Noteholder shall be made in accordance with Article R.211-4 of the Code. Any such conversion shall be effected at the cost of such Noteholder.

##### 1.6.2 **Materialised Notes**

Materialised Notes of one Specified Denomination may not be exchanged for Materialised Bearer Notes of another Specified Denomination.

## 2 **Status**

The principal and interest on the Notes constitute direct, unconditional, unsubordinated and (without prejudice to the provisions of Condition 3) unsecured obligations of the Issuer and rank and will rank *pari passu* and rateably without any preference among themselves and, save for statutorily preferred exceptions, equally with all other unsecured and unsubordinated obligations of the Issuer.

## 3 **Negative Pledge**

So long as any of the Notes, Receipts or Coupons remain outstanding (as defined in the Agency Agreement) the Issuer undertakes (without, however, thereby affecting its right to dispose of any of its assets) that it will not grant or permit to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest

("Security") upon the whole or any part of its real property rights, assets or revenues present or future to secure any Relevant Debt (as defined below) or any guarantee of any Relevant Debt unless, at the same time or prior thereto, the Issuer's obligations under the Notes, Receipts and Coupons (a) are secured equally and rateably therewith or benefit from a guarantee in substantially identical terms thereto, as the case may be, or (b) have the benefit of such other security, guarantee or other arrangement as shall be approved by a General Meeting (as defined below) of the Noteholders.

For the purposes of this Condition, "**Relevant Debt**" means any present or future indebtedness in the form of, or represented by, bonds, notes, debentures or other securities which are for the time being, or are capable of being, quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market.

## **4 Interest and Other Calculations**

### **4.1 Interest and Accrual**

Each Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 4.9.

Interest will cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the Rate of Interest in the manner provided in this Condition 4 to the Relevant Date (as defined in Condition 4.11).

### **4.2 Business Day Convention**

If any date referred to in these Conditions which is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is (i) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) it shall be brought forward to the immediately preceding Business Day and (B) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (ii) the Following Business Day Convention, such date shall be postponed to the next day which is a Business Day, (iii) the Modified Following Business Day Convention, such date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event it shall be brought forward to the immediately preceding Business Day or (iv) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

### **4.3 Interest on Fixed Rate Notes**

Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 4.9.

### **4.4 Interest on Floating Rate Notes**

If the Interest Basis is specified as being Floating Rate, the Rate of Interest for each Interest Accrual Period will be determined by the Calculation Agent at or about the Relevant Time on the Interest Determination Date in respect of such Interest Accrual Period in accordance with the following (corresponding to Screen Rate Determination):

- 4.4.1 if the Primary Source for the Floating Rate is a Page or appears on a Page, subject as provided below, the Rate of Interest shall be:
- (i) the Relevant Rate (where such Relevant Rate on such Page is a composite quotation or is customarily supplied by one entity); or
  - (ii) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Page,
- in each case appearing on such Page at the Relevant Time on the Interest Determination Date;
- 4.4.2 if the Primary Source for the Floating Rate is Reference Banks or if sub-paragraph 4.4.1(i) applies and no Relevant Rate appears on the Page at the Relevant Time on the Interest Determination Date or if sub-paragraph 4.4.1(ii) above applies and fewer than two Relevant Rates appear on the Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the arithmetic mean of the Relevant Rates which each of the Reference Banks is quoting to major banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent;
- 4.4.3 if paragraph 4.4.2 above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) which the Calculation Agent determines to be the rates (being the nearest equivalent to the Benchmark) in respect of a Representative Amount of the Specified Currency which five leading banks in the principal financial centre of the country of the Specified Currency or, if the Specified Currency is Euro, in those member states that adopt the single currency in accordance with the Treaty establishing the European Union (the "**Euro-zone**") (the "**Principal Financial Centre**") selected by the Calculation Agent are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the Effective Date for a period equivalent to the Specified Duration to leading banks carrying on business in Europe, or, if the Calculation Agent determines that fewer than three of such banks are so quoting, in the Principal Financial Centre, except that, if fewer than three of the banks in the Principal Financial Centre so selected by the Calculation Agent are quoting as aforesaid, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date (after readjustment for any difference between any Margin, Rate Multiplier or Maximum or Minimum Rate of Interest applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).
- 4.4.4 if paragraph 4.4.2 above applies and, in the case of a Reference Rate other than an inter-bank offered rate, for any reason, the Reference Rate is no longer published or if fewer than two quotations are provided to the Calculation Agent in accordance with the above paragraph, the Reference Rate will be determined by the Calculation Agent in its sole discretion, acting in good faith and in a commercial and reasonable manner.

The amount of interest payable shall be determined in accordance with Condition 4.9.

#### 4.5 **Interest on Zero Coupon Notes**

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue

principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as defined in Condition 5.4).

#### **4.6 Dual Currency Notes**

In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified in the relevant Final Terms.

#### **4.7 Partly Paid Notes**

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the relevant Final Terms.

#### **4.8 Margin, Maximum/Minimum, Rates of Interest, Instalment Amounts and Redemption Amounts, Rate Multipliers and Rounding**

4.8.1 If any Margin or Rate Multiplier is specified in the relevant Final Terms (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 4.4 above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin or multiplying by such Rate Multiplier, subject always to the next paragraph.

4.8.2 If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified in the relevant Final Terms, then any Rate of Interest, Instalment Amount or Redemption Amount shall not exceed the maximum or be less than the minimum.

4.8.3 For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations will be rounded, if necessary, to the nearest five places of decimals (with halves being rounded up), (y) all figures will be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts which fall due and payable will be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "unit" means the lowest amount of such currency which is available as legal tender in the country of such currency.

#### **4.9 Calculations**

The amount of interest payable per Specified Denomination in respect of any Note for any Interest Accrual Period shall be the product of the Rate of Interest, the Specified Denomination specified in the relevant Final Terms, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Specified Denomination in respect of such Note for such Interest Accrual Period will equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Specified Denomination in respect of such Interest Period will be the sum of the Interest Amounts of interest payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

#### **4.10 Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption**

## **Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts**

The Calculation Agent shall as soon as practicable after the Relevant Time on each Interest Determination Date or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine the Rate of Interest and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes which is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange so require, such exchange as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined before such time, in the case of notification to such exchange of an Rate of Interest, Interest Amount and the Interest Payment Date, or (ii) in all other cases, the fourth Business Day after such determination. The Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 9, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of each Rate of Interest, Interest Amount, Redemption Amount and Instalment Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

### **4.11 Definitions**

Unless the context otherwise requires and subject to the provisions of Condition 4.4, the following terms shall have the meanings set out below :

**"Business Day"** means:

- (i) in the case of a specified currency (other than Euro) and/or one or more specified financial centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets are open for business in the Principal Financial Centre for that currency and/or each of the financial centres so specified; and/or
- (ii) in the case of Euro, a day on which the TARGET2 System is operating (a "**TARGET2 Business Day**"); and/or
- (iii) in the case of a currency and/or one or more business centres specified in the relevant Final Terms (the "**Business Centre(s)**"), a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres as so specified.

**"Day Count Fraction"** means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or Interest Accrual Period, the "**Calculation Period**"):

- (i) if "**Actual/365**" or "**Actual/Actual-ISDA**" is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if "**Actual/365 (Fixed)**" is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365;
- (iii) if "**Actual/360**" is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 360;
- (iv) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month));
- (v) if "**30E/360**" or "**Eurobond Basis**" is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless in the case of a Calculation Period ending on the Maturity Date, the Maturity Date is the last day of the month of February in which case the month of February shall not be considered to be lengthened to a 30-day month); and
- (vi) if "**Actual/Actual-ICMA**" is specified in the relevant Final Terms,
  - (a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
  - (b) if the Calculation Period is longer than one Determination Period, the sum of:
    - (A) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods in any year; and
    - (B) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year.

where:

"**Determination Date**" means the date specified in the relevant Final Terms or, if none is so specified, the Interest Period Date; and

"**Determination Period**" means the period from and including a Determination Date in any year to but excluding the next Determination Date.

**"Effective Date"** means, with respect to any Floating Rate to be determined on an Interest Determination Date, the date specified as such in the relevant Final Terms or, if none is so specified, the first day of the Interest Accrual Period to which such Interest Determination Date relates.

**"Interest Accrual Period"** means the period beginning on the Interest Commencement Date and ending on the first Interest Period Date and each successive period beginning on an Interest Period Date and ending on the next succeeding Interest Period Date.

**"Interest Amount"** means:

(i) in respect of an Interest Accrual Period, the amount of interest payable per Specified Denomination for that Interest Accrual Period and which, and in the case of Fixed Rate Notes, and unless otherwise specified in the relevant Final Terms, shall mean the Fixed Coupon Amount or Broken Amount specified in the relevant Final Terms as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and, as the case may be

(ii) in respect of any other period, the amount of interest payable per Specified Denomination for that period.

**"Interest Commencement Date"** means the date of issue of the Notes (the **"Issue Date"**) or such other date as may be specified in the relevant Final Terms.

**"Interest Determination Date"** means, with respect to an Rate of Interest and Interest Accrual Period, the date specified as such in the relevant Final Terms or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor Euro or (iii) the day falling two TARGET2 Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is Euro.

**"Interest Period"** means the period beginning on the Interest Commencement Date and ending on the first Interest Payment Date and each successive period beginning on an Interest Payment Date and ending on the next succeeding Interest Payment Date.

**"Interest Period Date"** means each Interest Payment Date unless otherwise specified in the relevant Final Terms.

**"Page"** means such part of a particular information service (including, but not limited to, Reuters Markets 3000 (**"Reuters and FININFO"**)) as may be specified for the purpose of providing a Relevant Rate, or such other part as may replace it on that or such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Relevant Rate.

**"Rate of Interest"** means the rate of interest payable from time to time in respect of this Note and which is either specified or calculated in accordance with the provisions in the relevant Final Terms.

**"Reference Banks"** means the institutions specified as such in the relevant Final Terms or, if none, four major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money market) which is most closely connected with the Benchmark (which, if EURIBOR is the relevant benchmark, shall be the Euro-zone).

**"Relevant Date"** in respect of any Note, Receipt or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date on which notice is duly given to the Noteholders that, upon further presentation of the Note, Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

**"Relevant Financial Centre"** means, with respect to any Floating Rate to be determined on an Interest Determination Date, the financial centre as may be specified as such in the relevant Final Terms or, if none is so specified, the financial centre with which the relevant Benchmark is most closely connected (which, in the case of EURIBOR, shall be the Euro-zone) or, if none is so connected, London.

**"Relevant Rate"** means the Benchmark for a Representative Amount of the Specified Currency for a period (if applicable or appropriate to the Benchmark) equal to the Specified Duration commencing on the Effective Date.

**"Relevant Time"** means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified in the relevant Final Terms or, if none is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the relevant currency in the interbank market in the Relevant Financial Centre and for this purpose **"local time"** means, with respect to Europe or the Euro-zone as a Relevant Financial Centre, Central European Time.

**"Representative Amount"** means, with respect to any Floating Rate to be determined on an Interest Determination Date, the amount specified as such in the relevant Final Terms or, if none is specified, an amount that is representative for a single transaction in the relevant market at the time.

**"Specified Currency"** means the currency specified as such in the relevant Final Terms or, if none is specified, the currency in which the Notes are denominated.

**"Specified Duration"** means, with respect to any Floating Rate to be determined on an Interest Determination Date, the duration specified in the relevant Final Terms or, if none is specified, a period of time equal to the relative Interest Accrual Period, ignoring any adjustment pursuant to Condition 4.2.

**"TARGET2 System"** means the Trans-European Automated Real-Time Gross-Settlement Express Transfer (TARGET2) System or any successor thereto.

#### 4.12 Calculation Agent and Reference Banks

The Issuer will procure that there shall at all times be four Reference Banks (or such other number as may be required) with offices in the Relevant Financial Centre and one or more Calculation Agents if provision is made for them in the relevant Final Terms and for so long as any Note is outstanding. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Issuer will appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final



Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirements, the Issuer will appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid. So long as the Notes are listed and admitted to trading on any Regulated Market and the rules of that Regulated Market so require, notice of any change of Calculation Agent shall be given in accordance with Condition 13.

"**outstanding**" means, in relation to the Notes of any Series, all the Notes issued other than (a) those that have been redeemed in accordance with the Conditions, (b) those in respect of which the date for redemption has occurred and the redemption moneys (including all interest accrued on such Notes to the date for such redemption and any interest payable after such date) have been duly paid (i) in the case of Dematerialised Notes in bearer form and in administered registered form, to the relevant Account Holders on behalf of the holder as provided in Condition 6.1, (ii) in the case of Dematerialised Notes in fully registered form, to the account of the holder as provided in Condition 6.1 and (iii) in the case of Materialised Notes, to the Fiscal Agent as provided in the Agency Agreement and remain available for payment against presentation and surrender of Definitive Materialised Notes and/or Coupons, as the case may be, (c) those which have become void or in respect of which claims have become prescribed, (d) those that have been repurchased and cancelled as provided in the Conditions, and (e) in the case of Materialised Notes (i) those mutilated or defaced Definitive Materialised Notes that have been surrendered in exchange for replacement Definitive Materialised Notes, (ii) (for the purpose only of determining how many such Definitive Materialised Notes are outstanding and without prejudice to their status for any other purpose) those Definitive Materialised Notes alleged to have been lost, stolen or destroyed and in respect of which replacement Definitive Materialised Notes have been issued and (iii) any Temporary Global Certificate to the extent that it shall have been exchanged for one or more Definitive Materialised Notes, pursuant to its provisions.

## **5 Redemption, Purchase and Options**

### **5.1 Final Redemption**

Unless previously redeemed, purchased and cancelled as provided below or its maturity is extended pursuant to any option provided by the relevant Final Terms, including any Issuer's or Noteholder's option in accordance with Condition 5.5 or 5.6, each Note will be redeemed at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount) on the Maturity Date specified in the relevant Final Terms.

### **5.2 Redemption for Taxation Reasons**

5.2.1 If by reason of any change in, or amendment to, the laws and regulations of the Republic of France or any political subdivision or any authority therein or thereof having power to tax, or any change in the official application or interpretation thereof, becoming effective after the Issue Date, the Issuer would become obliged to pay additional amounts as provided or referred to in Condition 7, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified in the relevant Final Terms, at any time, on giving not less than 30 nor more than 60 calendar days' notice to the Noteholders (which notice shall be irrevocable), at their Final Redemption Amount together with interest accrued to the date fixed for redemption (unless otherwise specified in the relevant Final Terms), provided that the due date for redemption of which notice may be given hereunder shall be no earlier than the latest

practicable date on which the Issuer could make payment of principal and interest without withholding for French taxes.

- 5.2.2 If the Issuer would on the next payment of principal or interest in respect of the Notes be prevented by French law from making payment to Noteholders or Couponholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 7, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall upon giving not less than 7 calendar days' prior notice to the Noteholders, redeem all, but not some only, of the Notes then outstanding at their Redemption Amount together with, unless otherwise specified in the relevant Final Terms, any interest accrued to the date set for redemption on (A) the latest practicable Interest Payment Date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes, provided that if such notice would expire after such Interest Payment Date the date for redemption pursuant to such notice of Noteholders shall be the later of (i) the latest practicable date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes and (ii) 14 calendar days after giving notice to the Fiscal Agent as aforesaid or (B) if so specified in the relevant Final Terms, at any time, provided that the due date for redemption of which notice hereunder shall be given shall be the latest practicable date on which the Issuer could make payment of the full amount payable in respect of the Notes, Receipts or Coupons or, if that date is passed, as soon as practicable thereafter.

### 5.3 Purchases

The Issuer shall have the right at all times to purchase Notes (provided that, in the case of Materialised Notes, all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached or surrendered therewith) in the open market or otherwise at any price.

Unless otherwise specified in the Final Terms, Notes purchased by the Issuer may be held and resold in such amount as may be permitted by and in accordance with Articles L.213-1 A and D.213-1A of the French *Code monétaire et financier* for the purpose of enhancing the liquidity of the Notes.

### 5.4 Early Redemption of Zero Coupon Notes

- 5.4.1 The Early Redemption Amount payable in respect of any Note which does not bear interest prior to the Maturity Date, the Early Redemption Amount of which is not linked to a formula, upon redemption of such Note pursuant to Condition 5.2 or upon it becoming due and payable as provided in Condition 9 shall be the Amortised Face Amount (calculated as provided below) of such Note.
- 5.4.2 Subject to the provisions of sub-paragraph 5.4.3 below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown in the relevant Final Terms, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually. Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown in the relevant Final Terms.
- 5.4.3 If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 5.2 or upon it becoming due and payable as provided in Condition 9 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph 5.4.2 above, except that

such sub-paragraph shall have effect as though the reference therein to the date on which the Note becomes due and payable were replaced by a reference to the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph will continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 4.5.

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown in the relevant Final Terms.

## 5.5 Redemption at the Option of the Issuer and Exercise of Issuer's Options

- 5.5.1 If Call Option is specified in the relevant Final Terms, the Issuer may, on giving not less than 15 nor more than 30 calendar days' irrevocable notice in accordance with Condition 13 to the Noteholders (or such other notice period as may be specified in the relevant Final Terms) redeem, or exercise any Issuer's option (as may be described in the relevant Final Terms) in relation to, all or, if so provided, some of the Notes in the nominal amount or integral multiples thereof and on any Optional Redemption Date or Option Exercise Date, as the case may be. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption, if any. Any redemption or exercise must relate to Notes of a nominal amount at least equal to the minimal nominal amount to be redeemed specified in the relevant Final Terms and no greater than the maximum nominal amount to be redeemed specified in the relevant Final Terms.
- 5.5.2 All Notes in respect of which any such notice is given shall be redeemed, or the Issuer's option shall be exercised, on the date specified in such notice in accordance with this Condition.
- 5.5.3 In the case of a partial redemption or a partial exercise of an Issuer's option in respect of Materialised Notes, the notice to holders of such Materialised Notes shall also contain the number of the Definitive Materialised Notes to be redeemed or in respect of which such option has been exercised, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and Regulated Market requirements.
- 5.5.4 In the case of a partial redemption of or a partial exercise of an Issuer's option in respect of Dematerialised Notes of any Series, the redemption may be effected, at the option of the Issuer, either (i) by reducing the nominal amount of all such Dematerialised Notes in a Series in proportion to the aggregate nominal amount redeemed or (ii) by redeeming in full some only of such Dematerialised Notes and, in such latter case, the choice between those Dematerialised Notes that will be fully redeemed and those Dematerialised Notes of any Series that will not be redeemed shall be made in accordance with Article R.213-16 of the French *Code monétaire et financier* and the provisions of the relevant Final Terms, subject to compliance with any other applicable laws and Regulated Market requirements.
- 5.5.5 So long as the Notes are listed and admitted to trading on any Regulated Market and the rules of that Regulated Market so require, the Issuer shall, each time there has been a partial redemption of the Notes, cause to be published in a leading newspaper of general circulation in the city where the Regulated Market is located and which, in the case of Euronext Paris, is expected to be *Les Echos*, a notice specifying the aggregate nominal amount of Notes outstanding and, in the case of Materialised Notes, a list of any Definitive Materialised Notes drawn for redemption but not

surrendered.

## **5.6 Redemption at the Option of Noteholders and Exercise of Noteholders' Options**

If Put Option is specified in the relevant Final Terms, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 calendar days' notice to the Issuer (or such other notice period as may be specified in the relevant Final Terms), redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option, or any other Noteholders' option which may be set out in the relevant Final Terms (which must be exercised on an Option Exercise Date), the holder must deposit such Note with any Paying Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from any Paying Agent within the Noteholders' Option Period. No Note so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. Such notice shall, in the case of Materialised Notes, have attached to it such Note (together with all unmatured Coupons and unexchanged Talons). In the case of Dematerialised Notes, the Noteholder shall transfer, or cause to be transferred, the Dematerialised Notes to be redeemed to the account of the Paying Agent specified in the Put Notice. No option so exercised and, where applicable, no Note so deposited or transferred may be withdrawn without the prior consent of the Issuer.

## **5.7 Partly Paid Notes**

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the provisions specified in the relevant Final Terms.

## **5.8 Redemption by Instalments**

Unless previously redeemed, purchased and cancelled as provided in this Condition 5 or the relevant Instalment Date (being one of the dates so specified on the Notes) is extended pursuant to any Issuer's or Noteholder's option in accordance with Condition 5.5 or 5.6, each Note which provides for Instalment Dates and Instalment Amounts will be partially redeemed on each Instalment Date at the Instalment Amount specified on it, whereupon the outstanding nominal amount of such Note shall be reduced by the Instalment Amount for all purposes.

## **5.9 Cancellation**

All Notes redeemed or purchased by or on behalf of the Issuer for cancellation shall forthwith be cancelled, in the case of Dematerialised Notes, together with all rights relating to payment of interest and other amounts relating to such Dematerialised Notes, by transfer to an account in accordance with the rules and procedures of Euroclear France and, in the case of Materialised Notes, together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith, by surrendering to the Fiscal Agent the Temporary Global Certificate and the Definitive Materialised Notes in question together with all unmatured Coupons and all unexchanged Talons. Any Notes so cancelled or, where applicable, transferred or surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

# **6 Payments**

## **6.1 Dematerialised Notes**

Payments of principal and interest in respect of Dematerialised Notes shall be made (i) (in the case of Dematerialised Notes in bearer dematerialised form or administered registered form) by transfer to the account denominated in the relevant currency of the relevant Account Holders for the benefit of the relevant Noteholders and (ii) (in the case of Dematerialised Notes in fully registered form), to an account denominated in the relevant currency with a Bank (as defined below) designated by the relevant Noteholders. Any payment validly made to any such Account Holders, or to any such Bank (as defined below) designated by any Noteholder, will constitute an effective discharge of the Issuer in respect of such payment.

## 6.2 **Materialised Notes**

Payments of principal and interest in respect of Materialised Notes shall, subject as mentioned below, be made against presentation and surrender during usual business hours of the relevant Materialised Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 6.6) or Coupons (in the case of interest, save as specified in Condition 6.6, as the case may be), at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the Noteholder, by transfer to an account denominated in such currency with, a Bank (as defined below).

"**Bank**" means a bank in the Principal Financial Centre of the country for such Specified Currency or, in the case of euro, in a city in which banks have access to the TARGET 2 System.

## 6.3 **Payments in the United States**

Notwithstanding the foregoing, if any Materialised Notes are denominated in U.S. Dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

## 6.4 **Payments Subject to Law etc.**

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment but without prejudice to the provisions of Condition 7. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

## 6.5 **Appointment of Agents**

The Fiscal Agent, the Paying Agents, the Calculation Agent, the Redenomination Agent and the Consolidation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents, the Calculation Agent, the Redenomination Agent and the Consolidation Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any holder. The Issuer may at any time vary or terminate the appointment of the Fiscal Agent or any other Paying Agent and appoint additional or other Paying Agents, provided that the Issuer will at all times maintain (i) a Fiscal Agent, (ii) one or more Calculation Agent(s) where the Conditions so require, (iii) a Redenomination Agent and a Consolidation Agent where the Conditions so require, (iv) a Paying Agent having a specified office in a European city which, so long as the Notes are listed and admitted to trading on Euronext Paris, shall be France, (v) in the case of Materialised Notes a Paying Agent with a specified office in a European Union Member State that will not be obliged to

withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any European Union Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November, 2000 on the taxation of savings income or any law implementing or complying with or introduced in order to conform to such Directive and (vi) in the case of Dematerialised Notes, in fully registered form, a Registration Agent and (vii) such other agents as may be required by any other stock exchange on which the Notes may be listed.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Materialised Notes denominated in U.S. dollars in the circumstances described in paragraph 6.2 above.

On a redenomination of the Notes pursuant to Condition 1.4 with a view to consolidating the Notes with one or more issues of other notes issued by it pursuant to Condition 12, the Issuer shall procure that the same entity shall be appointed as both Redenomination Agent and Consolidation Agent in respect of both the Notes and such other issues of notes in respect of which a Redenomination Agent and/or Consolidation Agent has already been appointed.

Notice of any such change or any change of any specified office will promptly be given to the Noteholders in accordance with Condition 13.

## **6.6 Unmatured Coupons and Receipts and Unexchanged Talons**

- 6.6.1 Unless Materialised Notes provide that the relative Coupons are to become void upon the due date for redemption of those Notes, Materialised Notes should be surrendered for payment together with all unmaturing Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmaturing Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmaturing Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Amortised Face Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8) provided that, if any Materialised Note should be issued with a maturity date and an Interest Rate or Rates such that, on the presentation for payment of any such Note without any unmaturing Coupons attached thereto or surrendered therewith, the amount required to be deducted in respect of such unmaturing Coupons would be greater than the relevant Redemption Amount otherwise due for payment, then, upon the due date for redemption of any such Note, such unmaturing Coupons (whether or not attached) shall become void (and no payment shall be made in respect thereof) as shall be required so that, upon application of the foregoing provisions in respect of such Coupons as have not so become void, the amount required by this paragraph to be deducted would not be greater than the relevant Redemption Amount otherwise due for payment. Where the application of the foregoing provisions requires some but not all of the unmaturing Coupons relating to a Materialised Note to become void the Issuer shall select for such purpose Coupons maturing on later dates in preference to Coupons maturing on earlier dates.
- 6.6.2 If Materialised Notes so provide, upon the due date for redemption of any such Materialised Note, unmaturing Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- 6.6.3 Upon the due date for redemption of any Note which is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.

- 6.6.4 Where any Materialised Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons and any unexchanged Talon relating to it, and where any such Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- 6.6.5 If the due date for redemption of any Materialised Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Definitive Materialised Note. Interest accrued on a Materialised Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Materialised Notes.

## 6.7 Talons

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Materialised Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 8).

## 6.8 Non-Business Days

If any date for payment in respect of any Note, Receipt or Coupon is not a Business Day, the holder shall not be entitled to payment until the next following business day, nor to any interest or other sum in respect of such postponed payment. In this paragraph, "**Business Day**" means a day (other than a Saturday or a Sunday) (A) (i) in the case of Dematerialised Notes, on which Euroclear France is open for business or (ii) in the case of Materialised Notes, on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as a "**Financial Centre**" in the relevant Final Terms and (B) (i) (in the case of a payment in a currency other than Euro), where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the Principal Financial Centre of the country of such currency or (ii) (in the case of a payment in Euro), which is a TARGET Business Day.

# 7 Taxation

## 7.1 Tax Exemption

All payments of principal and interest (if any) by the Issuer will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of France or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law.

## 7.2 Additional Amounts

If French law should require that payments in respect of any Note be subject to deduction or withholding in respect of any present or future taxes, duties, assessments or other governmental charges of whatever nature imposed or levied by or on behalf of the Republic of France or any authority therein or thereof having power to tax, the Issuer shall, to the fullest extent then permitted by law, pay such additional amounts as may be necessary in order that the amounts receivable by the holders of Notes, Receipts or Coupons, after such deduction or withholding, will equal the respective amounts which would have been

received by such holders in the absence of such withholding or deduction; provided, however, that the Issuer shall not be liable to pay any such additional amounts which shall be due in respect of any Note, Receipt or Coupon presented for payment:

- 7.2.1 by or on behalf of a holder who is subject to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with the Republic of France other than the mere holding of such Note, Receipt or Coupon; or
- 7.2.2 in the case of Definitive Materialised Notes, more than 30 calendar days after the Relevant Date, except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days; or
- 7.2.3 where such withholding or deduction is imposed on a payment to an individual or a residual entity within the meaning of the European Council Directive 2003/48/EC and is required to be made pursuant to European Council Directive 2003/48/EC (or any amendments thereof) or any European Union Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November, 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- 7.2.4 in respect of Definitive Materialised Notes, by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union.

References in these Conditions to (i) "**principal**" shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 5 or any amendment or supplement to it, (ii) "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 4 or any amendment or supplement to it and (iii) "**principal**" and/or "**interest**" shall be deemed to include any additional amounts which may be payable under this Condition.

## 8 Prescription

Claims against the Issuer for payment in respect of the Notes, Receipts and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the date for payment thereof.

## 9 Events of Default

Any Noteholder, may, upon written notice to the Issuer, the Representative (as defined in Condition 10.2) and the Fiscal Agent given before all defaults shall have been cured, cause the principal amount of all of the Notes (but not some only) held by such Noteholder to become immediately due and payable at the Final Redemption Amount of such Note, together with any accrued interest (including, where applicable, any accrued interest), as of the date on which such notice for payment is received by the Issuer and the Fiscal Agent without further formality, if one or more of the following events (each an "**Event of Default**") shall have occurred and is continuing:

- 9.1 any amount of principal of, premium, if any, or interest on, any Note is not paid on the due date thereof and such default is not remedied within a period of 15 calendar days from such due date; or
- 9.2 any other obligation relating to the Notes is not complied with or performed within a period of 30 calendar days following a written notification of such default given to the Fiscal Agent by a Noteholder; or
- 9.3 any indebtedness of the Issuer in respect of monies borrowed by the Issuer other than the Notes in excess



of Euro 7,500,000 or its equivalent in any other currency or currencies, is not paid when it becomes due or, as the case may be, at the expiry of any initial or extended grace period, or if any guarantee of such indebtedness of any person given by the Issuer is not honoured when called upon, unless the Issuer has disputed in good faith that such indebtedness is due or that such guarantee is callable, and such dispute has been submitted to a competent court, in which event such default shall not constitute an Event of Default hereunder so long as the dispute shall not have been finally adjudicated; or if any such indebtedness of, or guaranteed by, the Issuer shall have become repayable before the due date thereof as a result of acceleration of maturity caused by the occurrence of any event of default thereunder; or

- 9.4 the Issuer is dissolved or all or substantially all of its assets are transferred to another entity prior to the repayment in full of the Notes, unless (A) all or substantially all of its assets shall be transferred to and all or substantially all of its debts and liabilities assumed by (i) the French State, another *établissement public, exploitant public* or *collectivité territoriale* or (ii) a French legal entity which continues to carry on the activities of the Issuer, which is controlled by the French State or by one or more *établissements publics, exploitants publics* or *collectivités territoriales* and the share capital of which is held, directly or indirectly, as to at least 51 per cent., by the French State and/or one or more *établissements publics, exploitants publics* or *collectivités territoriales* or (iii) a company which, expressly by contract or by virtue of applicable law, assumes the obligations and liabilities of the Issuer or (B) the obligations and liabilities under the Notes are unconditionally guaranteed by the French State or by an *établissement public, an exploitant public* or a *collectivité territoriale*.

## 10 Meetings of Noteholders

### 10.1 Representation of Noteholders

Noteholders will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a masse (in each case, the "**Masse**").

Unless the relevant Final Terms specify that this Condition 10 shall be replaced by the full provisions of the French *Code de commerce* relating to the Masse, the Masse will be governed by the provisions of the French *Code de commerce* with the exception of Articles L.228-48, L.228-59, R.228-63, R.228-67 and R.228-69, subject to the following provisions:

### 10.2 Legal Personality

The Masse will be a separate legal entity and will act in part through a representative (the "**Representative**") and in part through a general meeting of the Noteholders (the "**General Meeting**").

The Masse alone, to the exclusion of all individual Noteholders, shall exercise the common rights, actions and benefits which now or in the future may accrue respectively with respect to the Notes.

### 10.3 Representative

The office of Representative may be conferred on a person of any nationality who agrees to perform such function. However, the following persons may not be chosen as Representatives:

- (i) the Issuer, the members of its Board of Directors (Conseil d'administration), or, as the case may be, the members of its Executive Board (Directoire) and its Supervisory Board (Conseil de surveillance), and its general managers (directeurs généraux), its statutory auditors, or its employees as well as their respective ascendants, descendants and spouse; or
- (ii) companies guaranteeing all or part of the obligations of the Issuer, their respective managers (gérants), general managers (directeurs généraux), members of their Board of Directors, Executive Board (Directoire), or Supervisory Board (Conseil de surveillance),

their statutory auditors, or employees as well as their respective ascendants, descendants and spouse; or

- (iii) companies holding 10 per cent. or more of the share capital of the Issuer or companies having 10 per cent. or more of their share capital held by the Issuer; or
- (iv) persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing an enterprise in whatever capacity.

The names and addresses of the initial Representative of the Masse and its alternate will be set out in the relevant Final Terms. The Representative appointed in respect of the first Tranche of any Series of Notes will be the Representative of the single Masse of all Tranches in such Series.

The Representative will be entitled to such remuneration in connection with its functions or duties as set out in the relevant Final Terms.

In the event of death, retirement or revocation of appointment of the Representative, such Representative will be replaced by another Representative. In the event of the death, retirement or revocation of appointment of the alternate Representative, an alternate Representative will be elected by the General Meeting.

All interested parties will at all times have the right to obtain the names and addresses of the initial Representative and the alternate Representative at the head office of the Issuer and the specified offices of any of the Paying Agents.

#### **10.4 Power of Representative**

The Representative shall (in the absence of any decision to the contrary of the General Meeting) have the power to take all acts of management necessary in order to defend the common interests of the Noteholders.

All legal proceedings against the Noteholders or initiated by them, must be brought by or against the Representative.

The Representative may not interfere in the management of the affairs of the Issuer.

#### **10.5 General Meeting**

A General Meeting may be held at any time, on convocation either by the Issuer or by the Representative. One or more Noteholders, holding together at least one-thirtieth of the principal amount of the Notes outstanding, may address to the Issuer and the Representative a demand for convocation of the General Meeting. If such General Meeting has not been convened within two months after such demand, the Noteholders may commission one of their members to petition a competent court in Paris to appoint an agent (mandataire) who will call the General Meeting.

Notice of the date, time, place and agenda of any General Meeting will be published as provided under Condition 12 (Notices).

Each Noteholder has the right to participate in a General Meeting in person, by proxy correspondence, or, if the statutes of the Issuer so specify, videoconference or any other means of telecommunication allowing the identification of the participating Noteholders. Each Note carries the right to one vote or, in the case of Notes issued with more than one Specified Denomination, one vote in respect of each multiple of the lowest Specified Denomination comprised in the principal amount of the Specified Denomination of such Note.

## 10.6 Powers of the General Meetings

The General Meeting is empowered to deliberate on the dismissal and replacement of the Representative and the alternate Representative and also may act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the Notes, including authorising the Representative to act at law as plaintiff or defendant.

The General Meeting may further deliberate on any proposal relating to the modification of the Conditions including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, it being specified, however, that the General Meeting may not increase the liabilities (*charges*) of Noteholders, nor establish any unequal treatment between the Noteholders, nor decide to convert Notes into shares.

General Meetings may deliberate validly on first convocation only if Noteholders present or represented hold at least a fifth of the principal amount of the Notes then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a two-third majority of votes cast by the Noteholders attending such General Meetings or represented thereat.

In accordance with Article R.228-71 of the French *Code de commerce*, the right of each Noteholder to participate in General Meetings will be evidenced by the entries in the books of the relevant Account Holder of the name of such Noteholder as of 0:00, Paris time, on the second business day in Paris preceding the date set for the meeting of the relevant General Meeting.

Decisions of General Meetings must be published in accordance with the provisions set forth in Condition 13.

## 10.7 Information to Noteholders

Each Noteholder or Representative thereof will have the right, during the 15-day period preceding the holding of the General Meeting on first convocation and, during the 10-day period preceding the holding of the General Meeting on second convocation, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the General Meeting, all of which will be available for inspection by the relevant Noteholders at the registered office of the Issuer, at the specified offices of any of the Paying Agents during normal business hours and at any other place specified in the notice of the General Meeting.

## 10.8 Expenses

The Issuer will pay all expenses relating to the operation of the Masse, including expenses relating to the calling and holding of General Meetings, expenses of the Representative of the Masse in the performance of its duties and, more generally, all administrative expenses resolved upon by the General Meeting, it being expressly stipulated that no expenses may be imputed against interest payable under the Notes.

## 10.9 Single Masse

The holders of Notes of the same Series, and the holders of Notes of any other Series which have been assimilated with the Notes of such first mentioned Series in accordance with Condition 12, shall, for the defence of their respective common interests, be grouped in a single Masse. The Representative appointed in respect of the first Tranche of any Series of Notes will be the Representative of the single Masse of all such Series.

For the avoidance of doubt, in this Condition 10, the term "outstanding" shall not include those Notes that are held by the Issuer and not cancelled.

## 11 Replacement of Notes, Receipts, Coupons and Talons

If a Note, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange regulations, at the specified office of the Paying Agent in France or such other Paying Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

## 12 Further Issues and Consolidation

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes and so that the same shall be consolidated and form a single series with such Notes, and references in these Conditions to "Notes" shall be construed accordingly.

The Issuer may also from time to time upon not less than 30 calendar days' prior notice to Noteholders, without the consent of the holders of the Notes or Coupons of any Series, consolidate the Notes (provided that, unless the Notes were originally denominated in Euro, the Member State of the EU in whose national currency the Notes are denominated has become a participating Member State in EMU) with Notes of one or more other Series issued by it provided that, in respect of all periods subsequent to such consolidation, the Notes of all such other Series are denominated in the same currency as such Notes (provided that the Notes of such other Series have been redenominated into Euro if not originally denominated in Euro) and otherwise have the same terms and conditions as such Notes, all as more fully set out in the relevant Final Terms. Notice of any such consolidation will be given to the Noteholders in accordance with Condition 13.

The Issuer shall in dealing with the holders of such Notes following a consolidation pursuant to this Condition 12 have regard to the interests of the holders and the holders of the notes of such other Series, taken together as a class, and shall treat them alike.

## 13 Notices

- 13.1 Notices to the holders of Dematerialised Notes in registered form (*au nominatif*) shall be valid if either, (i) they are mailed to them at their respective addresses, in which case they will be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the mailing, or (ii) at the option of the Issuer, they are published in a daily newspaper of general circulation in Europe (which is expected to be the *Financial Times*) and so long as such Notes are listed and admitted to trading on any Regulated Market and the rules of such Regulated Market so require in a leading daily newspaper with general circulation in the city where the Regulated Market on which such Notes are listed and admitted to trading is located, which in the case of Euronext Paris, is expected to be *Les Echos*.
- 13.2 Notices to the holders of Materialised Notes and Dematerialised Notes in bearer form (*au porteur*) shall be valid if either, (i) they are mailed to them at their respective addresses, in which case they will be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the mailing, or (ii) at the option of the Issuer, they are published in a daily newspaper of general circulation in Europe (which is expected to be the *Financial Times*) and so long as such Notes are listed and admitted to trading on any Regulated Market and the rules of such Regulated Market so require in a leading daily newspaper with general circulation in the city where the Regulated Market on which such Notes are listed and admitted to trading is located, which in the case of Euronext Paris, is expected to be *Les Echos*.

- 13.3 If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe.
- 13.4 Notices required to be given to the holders of Dematerialised Notes (whether in registered or in bearer form) pursuant to these Conditions may be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream, Luxembourg and any other clearing system through which the Notes are for the time being cleared in substitution for the mailing and publication as required by Conditions 13.1, 13.2 and 13.3 above; except notices will be published so long as such Notes are listed and admitted to trading on any Regulated Market and the rules of such Regulated Market so require, in a leading daily newspaper with general circulation in the city where the Regulated Market on which such Notes are listed and admitted to trading is located, which in the case of Euronext Paris, is expected to be *Les Echos*.
- 13.5 Any notice published pursuant to this Condition 13 shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.
- 13.6 Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Materialised Notes in accordance with this Condition.

## **14 Governing Law and Jurisdiction**

### **14.1 Governing Law**

The Notes (and where applicable, the Coupons and the Talons) are governed by French law.

### **14.2 Jurisdiction**

Any claim against the Issuer in connection with any Notes, Coupons or Talons will be submitted to the exclusive jurisdiction of the competent courts in Paris.

## Temporary Global Certificates issued in respect of Materialised Notes

### Temporary Global Certificates

A Temporary Global Certificate, without interest Coupons, will initially be issued in connection with Materialised Notes. Upon the initial deposit of such Temporary Global Certificate with a common depository for Euroclear and Clearstream, Luxembourg (the "**Common Depository**"), Euroclear or Clearstream, Luxembourg will credit the accounts of each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

The Common Depository may also credit with a nominal amount of Notes the accounts of subscribers with (if indicated in the relevant Final Terms) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, a nominal amount of Notes that is initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

### Exchange

Each Temporary Global Certificate issued in respect of Notes will be exchangeable, free of charge to the holder, on or after its Exchange Date (as defined below):

- (i) if the relevant Final Terms indicates that such Temporary Global Certificate is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see "Subscription and Sale" below), in whole, but not in part, for the Definitive Materialised Notes; and
- (ii) otherwise, in whole but not in part upon certification as to non-U.S. beneficial ownership (a form of which shall be available at the specified offices of any of the Paying Agents) for Definitive Materialised Notes.

A Noteholder must exchange its share of the Temporary Global Certificate for Materialised Notes before interest or any amount payable in respect of the Notes will be paid.

### Delivery of Definitive Materialised Notes

On or after its Exchange Date, the holder of a Temporary Global Certificate may surrender such Temporary Global Certificate to or to the order of the Fiscal Agent. In exchange for any Temporary Global Certificate, the Issuer will deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Materialised Notes. In this Base Prospectus, Definitive Materialised Notes means, in relation to any Temporary Global Certificate, the Definitive Materialised Notes for which such Temporary Global Certificate may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Temporary Global Certificate and a Talon). Definitive Materialised Notes will be security printed in accordance with any applicable legal and Regulated Market requirements. Forms of such Definitive Bearer Materialised Notes shall be available at the specified offices of any of the Paying Agent(s).

### Exchange Date

"**Exchange Date**" means, in relation to a Temporary Global Certificate, the day falling after the expiry of 40 calendar days after its issue date, provided that, in the event any further Materialised Notes are issued prior to such day pursuant to Condition 15(a), the Exchange Date for such Temporary Global Certificate shall be postponed to the day falling after the expiry of 40 calendar days after the issue of such further Materialised Notes.

## **USE OF PROCEEDS**

The net proceeds of issues of Notes will be used for the financing of the Issuer's investment programme. If, in respect of any particular issue of Notes, there is a particular identified use of proceeds, this will be stated in the relevant Final Terms.

## **REGIE AUTONOME DES TRANSPORTS PARISIENS**

### **DESCRIPTION OF THE ISSUER**

#### **GENERAL**

Régie Autonome des Transports Parisiens ("**RATP**" or the "**Company**"), a French public entity of an industrial and commercial nature (*établissement public à caractère industriel et commercial*) with financial autonomy, was established under Law No. 48-506 of 21 March, 1948 (the "**1948 Law**"). It was created with effect from 1 January, 1949 for an unlimited duration. Its current by-laws (*statuts*) result from Ordonnance No. 59-151 of 7 January, 1959 and Decree No.59-1091 of 23 September 1959. RATP is registered with the Commercial and Companies registry of Paris, under number 775 663 438 R.C.S. Its registered office is situated at 54, quai de la Rapée, 75012 Paris, France. The telephone number of RATP is: +33 (0) 1 58 78 25 05.

The purpose of RATP is to operate the public transport networks and lines (bus, underground, high speed underground railway and trams) in the Paris region, to extend existing networks and to develop and construct new lines.

Pursuant to the 1948 Law, RATP was not provided with any capital. In 1986, €283 million of capital was allocated to it by partial consolidation of loans of the Economic and Social Investment Committee ("**CIES**"). In 2010, the government asked RATP to increase its investments and has allocated a capital increase of €150 million. As of 31 December 2013, the share capital amounted to €433 million.

An operating agreement (the *Cahier des Charges*), approved by Decree No.75-470 of 4 June, 1975, sets out the rights and obligations of RATP and the manner in which it is to operate. In addition, the law of 1976, which created the *Région Ile de France* (the "**Region**"), included provisions regarding the organisation of transport in the Paris region. The provisions of this law were supplemented in 1982 by a law on decentralisation and another on the orientation of domestic transport. The assets of RATP, like those of any French public entity, cannot be attached.

European Regulation N° 1370/2007 of 23 October, 2007 on public passenger transport by rail and by road (PSO Regulation) laid the foundations for the introduction of competition in the transport sector. The PSO regulation provides for a staggered opening of the public transport market.

Article 5 of the Act of 8 December, 2009 on the organisation and regulation of railways ("**ORTF**") imposed this EU regulation on the regulation of passenger transport in the Ile de France. This law as clarified the relationship between STIF and RATP, meaning that transport in Paris will be brought under the general framework of the LOTI. The law has designated the RATP as the owner and operator of the rail network, and has determined the dates of opening up to competition.

#### **BUSINESS**

RATP's principal activity is the operation of the public transport networks and lines in the Paris region.

With fourteen metro lines, two RER (regional express trains or "**RER**") lines, three tram lines, more than 300 bus lines, and shuttles to two major airports, the RATP-operated multimodal network in the Paris region is one of the world's largest and densest mass transit systems. Eleven million residents (i.e., one out of six France's inhabitants) are concentrated in a 12,000 square-kilometre area (a mere 2.2% of the country).

Passenger volume increased steadily from 1974 onwards before beginning to stagnate in the 1990s, with a particular decrease in 1995 due to a combination of exceptional circumstances (several terrorist attacks and strikes at the end of the year which led to a near-paralysis of the network). Passenger volume increased across the RATP network from



3,126.4 million journeys in 2013 to 3,227.6 million in 2014. After a slight contraction in 2009 due to the economic recession during that year, the uptrend in traffic recorded throughout the decade resumed in 2010. In order to pursue this progress, RATP is successfully implementing the strategy in its business plan for 2012-2015 (the "**Business Plan**"), the main objectives of which are an improvement in the standards of service (frequency, customer reception, cleanliness, information), an anti-fraud campaign and an improved service to the outer ring of the Paris region, thus reflecting demographic trends.

## **Métro**

The Paris *Métro*, opened in 1900, was the fourth metropolitan railway network to be built after London, New York and Budapest. It currently consists of 16 lines (14 metro lines and 2 express train lines) with 297 stations over 212 km and a funicular railway (to the Sacré-Coeur church in Montmartre).

In 2014, 1,526.0 million journeys were made on the *métro* (including the *funiculaire*) compared to 1,527.03 million in 2013. The metro system reached an unprecedented level in terms of service standards as measured by indicators. At peak hours, the metro network as a whole is moving towards the production target of 96.5% set by STIF. Ten lines achieved or exceeded this production target, three more than in 2012. Outside peak hours, the target is achieved by all lines. Punctuality has also improved considerably, with 12 out of 14 above the upper target, compared with seven in 2012. The quality of care indicator for the metro improved, with a maximum bonus for 2013. All in all, more than 2,000 cars will be renewed or modernised over the next decade, as part of an annual investment programme exceeding €200 million per year.

The new train MF01 (formerly baptized MF2000) began to circulate on line 2 to the greatest satisfaction of the travellers. With a new design, a new internal decoration, wider seats and more space. The acoustic level inside was lowered to 66 decibels when the trains run at the speed of 70 km/h. The ventilation system ensures in summer a maximal renewal of the air and maintains the internal temperature some degrees below the external temperature. The high depiction of colours provides for a brilliant and sweet atmosphere. The driver's cabin has been designed with particular attention. A video protection system allows them to detect the slightest issue in cars and, if necessary, to take the required measures to address those issues. Furthermore, the MF01 consumes less energy. 161 trains will be enough for assuring the service offered by 170 MF67. The global costs (purchases, maintenance and operating costs) have shrunk by 30%. compared to similar costs associated with the MF67, 20 trains a year will be delivered until 2016, the MF01 will also be used for line 5 (from 2010) and line 9 (after 2012) to the entire satisfaction of the travellers.

### *Line 1 automation : a technical, organisational and social challenge*

Line 1 has been fully automated since 22 December 2012. This project was a world first, and was carried out with no break in service. Before the line went fully automatic, driver-operated and automatic trains ran alongside each other for 14 months. This line, which is more than 100 years old, can now adjust its service in real time, and has enhanced safety levels.

In addition, RATP opened in 1998 a fourteenth, entirely automatic, *métro* line, called METEOR (with the number of journeys made so far exceeding expectations). From its first stage (from Saint-Lazare in central Paris to the Tolbiac development zone in eastern Paris), METEOR constitutes a major axis of the Parisian transport network giving access to certain areas in South-East Paris which are in the process of being developed and linking them to the business district around Auber-Saint Lazare. RATP also regards this line as a show-case for its technical engineering capabilities and its know-how in the operational and maintenance fields.

Automation of line 4: RATP's board of directors and STIF approved the plan to automate metro line 4, based on the model line 1. This programme will increase the line's capacity and service standards.

## **Réseau Express Régional (RER)**

The RER came into service at the end of 1977 with the creation of new tunnels in the centre of Paris to connect old suburban lines which were geographically separate. These became RER lines A and B, with a central station linking the two lines at Châtelet-les-Halles.

That part of the RER which is operated by RATP consists of two lines (lines A and B) with 67 stations over a network of 115 km. The network allows passengers to travel rapidly from the suburbs to the centre of Paris and, whilst staying on the same train, to cross Paris and travel to other suburban stations. Line B, via an SNCF branch, provides a direct link to the principal Paris airport, Charles de Gaulle. In 2014, 474.0 million journeys were made using the RER, compared to 468.7 million in 2013.

### **60 new double-decker trains MI09 for the RER A line**

In June 2012, RATP's board of directors exercised its option to buy another 70 MI09 double-decker trains for the RER A line. They will join the 60 MI09s ordered in 2009 and deployed since late 2011 at the rate of two trains, per month. The MI09s replace single-deck trains, and provide 50% more seats. A year after the first MI09s came into service in December 2011, around 70,000 extra seats are available for passengers every day. These trains are very popular among RER A passengers. According to a study carried out in May 2012 by BVA, 90% of passengers believe that RATP and STIF are improving travel conditions on this line, on which traffic has increased by 20% in the last 10 years. On some days, it carries 1.2 million passengers.

### **Improved RER B**

The roll-out of MI09 trains on the RER A line has made it possible to redeploy around 12 trains to the RER B line to support major efforts to upgrade the rolling stock on this line.

### **Single management for RER B**

In 2013, RATP and SNCF set up a single management system for the RER B line in order to improve service standards in this key axis of the Paris region network, the southern part of which is run by RATP and the northern part by SNCF. A single management team comprising RATP and SNCF agents is now in charge of steering and coordinating operation of the line. Since the end of the year, these agents and those from RFF (Réseau Ferré de France, which owns the tracks in the northern section) have been grouped together at a new single command centre near Denfert-Rochereau station. This should allow for greater responsiveness to crisis situations and make it easier to run the line, providing passengers with the same information

### **Bus**

At 31 December 2014, RATP's bus network consisted of 5,910 buses operating over 3,800 km. In 2014, 1,251.1 million bus journeys were made compared to 1,140 million in 2013.

#### *Even more buses*

The opening of new tram lines has not been to the detriment of the bus network. While around 100 bus lines were redesigned in order to standardise the services provided by these two modes of road transportation, many lines were enhanced further in 2013. The additional resources deployed have helped to reduce waiting times at peak hours or improve services at the end of the day. With six contract amendments already signed during the first two years of the 2012-2015 contract, several thousand million euros a year have been committed by STIF to enhance the service offering. 11 bus lines will see their services enhanced further in 2014. Service standards also continued to improve on this network in 2013, with 23 indicators on target or ahead of target, and just seven below target. In addition, regularity improved with the completion of works that disrupted the running of a number of lines around Paris.

### **Tramway**

#### **Success of new tram lines**

At 31 December 2014 RATP's tramway network consisted of 1,378 cars operating over 95.8km.

On the strength of its expertise in both project management and operation/maintenance activities, RATP further demonstrated its ability in 2013 to work with STIF in pursuing an ambitious development strategy for the tram system in the Paris region. The three tram lines extended in late 2012 (T1, T2, T3) saw an immediate increase in passengers, confirming the attractiveness of this mode of urban transport in the Paris region. An additional six carriages were ordered to cope with the success of the T2 tram line. The T5, the first tyre-based tram line in the Paris region, was opened in 2013 and reported higher than expected user numbers ahead of the opening of the T7 line. With the planned opening of the T6 and T8 lines in 2014, and the go-ahead given for a further extension to the T3 line towards the west, it is expected that the Paris region tram network will come close to transporting 1 million passengers a day and become Europe's third-largest network in terms of the number of users.<sup>1</sup>

### **Orlyval, Roissybus, Orlybus**

Mainly aimed at tourists, this means of transportation offers primarily competitive advantages by linking the city of Paris to its airports. The Orlybus and Roissybus constitute the cheapest way to link the airports to central Paris. The main advantage of Orlyval, a high speed computer-operated rail line which the RATP has been operating since 1993, is the speed, which represents a major criterion to attract business travellers. The tracks on the Orlyval link have been renewed over 1.5km to ensure the safety and performance of the automatic shuttles that have been in service for 22 years.

The Charles de Gaulle (CDG) and Orly airport links are very special, high quality service products. Adapting them to air travellers' specific requirements (accessibility, multimedia information screens, luggage racks, comfortable high-backed seats) is a strategic issue for RATP. The Company's "Airport bus" project was altered last year to simplify the CDG itinerary. Roissybus now uses 16 new 18.75-metre articulated buses that are more comfortable and practical. Endowed with a new visual identity publicising their direct airport service, they diffuse real-time information in several languages (French, English, Italian and Japanese).

The total number of tickets sold in 2014 for each bus is the following:

Orlybus: 1,287,591 tickets;

Roissybus: 825,553 tickets; and

Orlyval: 737,153 tickets.

### **Energy**

A network for the conversion and distribution of electricity is operated by RATP for its lines (RATP converts high voltage electricity bought from suppliers into low voltage current and then distributes it). This network was established to ensure a constant supply of electricity to the Metro and the RER. The loads of electricity are stable since 2013, mainly due to the *Accès Régulé à l'Electricité Nucléaire Historique* ("**ARENH**") (regulated price on the free market).

### **Works and Supply**

RATP is subject to the control of the *Commission des Marchés de la RATP* (the "**Commission**") in relation to contracts (whether for construction work or supplies) for amounts in excess of €3,050,000.

The Commission was created in 1973 to review the terms on which RATP enters into agreements. It exercises both administrative and financial control, verifying the formalities of agreements reached with suppliers as well as the financial terms. A *Délégation Générale aux Achats* was set up within RATP in November 1996 to ensure better coordination in respect of supplies and to reduce costs by obtaining the most competitive prices.

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<sup>1</sup> Annual Report 2013, Page 34..

RATP has progressively raised its investments to record levels: €1.58 billion in 2014 against €1.51 billion in 2013 is a light increase or an increase of 50% over five years. Nearly half of these investments are allocated to internal programmes focusing on infrastructure modernisation (€719 million) or rolling stock refurbishment (€577 million).

## **Environment**

The RATP has a firmly global perspective of sustainable development and is mindful of people and resources. The approach of the RATP is to help the city to change the lives of people, stimulate economic dynamics and increase land value.

As a public transportation company, the RATP group provides services helping to save millions of tonnes of CO2 every year (2.1 million tonnes in Ile De France alone). The group's strategies and choices therefore naturally factor in the challenges posed by sustainability. After widespread consultation with local elected officials, non-profit associations and employees, a new sustainability strategy was introduced. In May 2010, RATP's delegation for innovation and sustainability presented its commitments and initiatives in this area at its second stakeholder encounters conference. Four environmental and three social challenges were adopted and will become a starting point for all operational action plans.

Environmental commitments:

1. Developing eco-mobility,
2. Energy savings and the fight against climate change,
3. Healthy environments for passengers and local residents, and
4. Exemplary professional practices.

Societal commitments:

5. Prioritising a friendly reception and accessibility for all,
6. Strengthening equal opportunities, and
7. Encouraging diversity solidarity in the city.

## **Safety**

Safety considerations are an essential element of the Business Plan. Examples of measures taken to improve safety include the MP89 *métro* with articulated trains, the first of which started to operate in 1996, and the creation of a group of permanent security inspectors on-call 24 hours a day. In addition, in November 1994 RATP created the network security protection group, *Groupement Prévention Sécurité des Réseaux* ("**GPSR**") which currently consists of over 1,184 RATP personnel who, working as mobile teams, patrol the network together with some 1,200 police officers. Furthermore, two new operation centres of both RATP and the police, now located in RATP's new headquarters (PC 2000), ensure better coordination and more rapid responses to incidents.

*30,000 cameras on the networks*

RATP has been a forerunner in France with the roll-out of a network of video cameras in public areas, primarily in order to facilitate the running of services but also for security reasons.<sup>2</sup> The 30,000 cameras currently in operation on the company's train networks and on board its buses and trams on the ground enhance the feeling of security and are valuable tools for anticipating and intervening in incidents. They allow GPSR officers to intervene rapidly anywhere on the metro and RER networks.

## **"Solidarité urbaine"**

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<sup>2</sup> Annual report 2013, Page 68.

The social aspects of RATP's sustainability policies translate into two primary goals:

-enhancing services for people with reduced mobility

-helping to overcome certain social problems by using responsible procurement as a springboard.

For years now, the RATP group has worked hard to increase network access for people with reduced mobility. With the support of the organising authorities, RATP has endeavoured to ensure that its passenger environments and bus networks comply with legislation that is becoming increasingly demanding in this respect. The aims of the RATP group extend well beyond mere compliance with its legal obligations. Indeed, it has developed specialist services at its subsidiaries, such as the provision that Flexcité offers in Ile de France.

### **Reaching out to people living in precarious conditions**

Every day, RATP comes to the aid of people living in precarious conditions in its public areas, within the framework of three programmes: ATLAS (helping SAMU social to move people in difficulty to night accommodation); RATP assistance, comprising voluntary metro staff to take people to day centres, and Recueil Social, which provides 24-hours a day monitoring across all RATP networks to take people in difficulty to the appropriate services, if they so wish. In 2012, more than 180,000 people were taken care of under these three schemes.

### **Mobility for all**

Analysis of this service provision showed that one-quarter of its customers on the Ile de France *métro* network are affected by either a permanent disability (motor, sensorial or cognitive handicaps) or a temporary hindrance (pregnancy, parents pushing children in prams, convalescing individuals). In addition, with people working and living longer it is clear that an ageing population will become one of the main social challenges of the 21st century. Already, 1.4 million Ile de France residents are over 65 years old. The RATP group must devise solutions geared to senior citizen's capabilities, since continued mobility is a factor that has been scientifically recognised as contributing directly to life expectancy and ongoing sociability. This means addressing people's visual, auditory, motor and/or cognitive difficulties and deficiencies-problems that tend to appear with age and cause a loss of autonomy. With this in mind, in May 2010 the group signed an agreement with ICM (French Spinal Cord Institute) to improve understanding of age-related mobility problems.

### **Fraud**

Control of fraud forms part of RATP's strategy as set out in the Business Plan, with a view to increasing traffic and ticket income. In 2014, the level of fraud decreased to 2.9 per cent. compared to 5.2 per cent. in 2013 on the *métro*, and increased to 13.8 per cent. compared to 13.1 per cent. on buses in 2013 and remained stable at 3.0 per cent. in 2014 on the RER.

RATP's aim is to reduce the level of fraud by one per cent. each year. Although this has not yet been achieved, the results are proving to be encouraging. The number of staff checking that passengers have valid tickets has risen sharply. Local plans to combat fraud have been set up on each *métro*, RER and bus line, in cooperation with RATP's security teams. RATP has furthermore increased the level of surveillance through the use of additional mobile control teams and install anti-fraud doors throughout the *métro* network. Magnetic control systems have been ordered to replace the current ticket stamping system on the entire bus network. These control systems will emit a signal if an attempt is made to pass through without a valid ticket.

### **Competition**

RATP's principal competition derives from the use of private cars. Public transport is the principal form of transport at peak travel times within Paris (83 per cent.) and from Paris to the suburbs (66 per cent.). However, public transport is less frequently used for travel between the suburbs (21 per cent.). To meet increased demand for service between the suburbs and Paris and between the suburbs themselves, for RATP, the Greater Paris Project is a source of great

satisfaction for several reasons. Firstly, there was the decision that the operational tool driving the company's new mobility policy should be an automated metro mode. RATP intends to be actor in the implementation of Greater Paris project transportation projects. As a public sector company, RATP makes its know-how available to state authorities in the many areas of activity where it has a dominant presence (design and general contracting, which could be constructed as an underground system or a tramway) to improve the inner suburban network. In this, it is following the aims set out in the 2000-2006 *Contrat de Plan* between the French State and the Region. RATP's relationship with the other transport operators in the Paris region (suburban SNCF and small private carriers) is regulated by a local supervisory authority, the *Syndicat des Transports d'Île de France* (the "STIF") headed by the *Président* of the Region, and which also has certain functions in relation to RATP's funding (see "Financial Control" below). Projects such as METEOR for RATP and Eole for SNCF, have been developed concurrently to relieve congestion on RER line A. Certain services allocated to RATP are either contracted out or conferred upon private carriers operating in the relevant area. The contractual links established provide RATP with the opportunity to compare its costs and performance to those of its competitors.

The *carte orange*, which was created in 1975, was a travelcard which was purchased on a weekly, monthly or annual basis. It allowed unlimited travel for the duration of the card on all the transport operators in the Paris region. It has since been replaced by the Navigo pass. RATP has pioneered the technology for contactless access passes to the public transport system and is a founding member of the European Calypso standard that has already been adopted by 21 countries. At the request of the Île-de-France organising authority, we have won over nearly 6.9 million passenger-customers in the Paris region to the Navigo pass *decouverte*, which provides convenient, fast and easy access to our network. All the (weekly, monthly or yearly) subscribers now use it. As of 31 January 2010, when the old magnetic Carte Orange finally disappeared there were 5,147,000 Navigo cardholders.

The passes optimise the distribution of the revenue from a multimodal network operated by several companies. They can be recharged at dedicated terminals and also at ATMs, and soon on the Internet. At the outset, they were designed as multi-application cards. In Paris, Navigo is partnered with the self-service bicycle rental system Vélib'. RATP is also testing 'mobile ticketing', i.e., buying a ticket by swiping a cell phone (or a credit card) over the card reader.

### **Quality of Service and Cost Control**

Today's passengers are increasingly demanding in a service environment that is more and more competitive. Making RATP a leader in service quality and innovation means getting the Company and its staff members focused first and foremost on customers. This priority objective in the Company Business Plan infers the development of service and innovation capabilities, thus a more proactive attitude and a better anticipation of passenger expectations. It entails a modernisation of working methods and a pooling of the resources and competencies currently situated within RATP's sales, operations and maintenance departments. Eliminating borders between networks will help to bring about this integrated Company while fostering the emergence of the kinds of new services-like multimodal information-that passengers have been asking for.

### **OTHER ACTIVITIES**

Authorised by law by SRU (*Solidarité et Renouveau Urbain*) to operate beyond its original scope through subsidiaries, from 2001 the RATP opted for plural development combining all lines of its business, all modes of transport in France and abroad.

*Development: strengthening RATP's position as a global top five player*

The Group can develop outside its historical home territory, through its two key specialised subsidiaries, Systra in engineering and RATP Développement ("**RATP Dev**") in operation and maintenance.

RATP Dev's contribution to group revenues (including RATPI and Ixxi) increased by a further 14.03% in 2014 to €888 million. The group's operating subsidiary is continuing to expand its international activities, which now account for two-thirds of revenues thanks to its commercial results. In France, it is continuing to strengthen its

position in urban and interurban transport, with the winning of new contracts and the renewal of all contracts taken on in 2012 within the framework of its separation from Transdev and several targeted acquisitions. RATP Dev has opted for profitable growth, withdrawing from unprofitable contracts in Macao and Genoa in Italy. For 2014, it is aiming for further revenue growth of more than 4% and EBIT margin of over 6%.

The threefold increase in size of RATP Dev led it to strengthen its organisation structures and adopt a new form of governance with a broader Management Board headed by François Xavier Perrin, and a supervisory Board chaired by Pierre Mongin. RATP Dev intends to become a major world player in public transport, with revenue growth of €200 million a year to reach €1.5 billion in 2016. This target is based on a new medium-term expansion plan with three pillars: continued growth in mature countries (France, United Kingdom, Italy, etc), long term penetration of the emerging markets, and leveraging opportunities offered by new railway infrastructure projects across the world.

## INVESTMENTS

Investments, which must be approved by the Ministry of Economy and Finance and the Ministry of Planning, Equipment and Transport, are distinguished according to the method by which they are financed:

- extensions of *métro* and RER lines are financed mainly by equipment subsidies from the French State and other governmental agencies (the Region, the City of Paris (METEOR) and local authorities) and also by special loans made by the Region; and
- other investments are principally financed through RATP's own funds and through borrowing (see "The Funding of Investments" below)

In January 2011, the French State and the Ile de France Regional Council announced an historic agreement as part of the public debate concerning the Grand Paris and Arc Express public transportation networks. The plan is to create an orbital automated metro network around Paris while developing a plan for modernising and strengthening the Ile de France region's transportation network. The total investment by 2030 will be €31,575 billion. For years now, RATP has been calling for this decision and investment to leverage the high-capacity automated metro technology that the Group has pioneered.

In 2015, investment expenses should amount to €1,653 million (compared to a budget of €1,606 million in 2014) in the budget, principally in respect of the following: the investment programme is approved by the Board and the APE (*Agence pour les Participations d'Etat*).

## INCREASE OF THE TRANSPORT CAPACITY

Increase: The transport capacity of Ile de France	€301 million
rolling stock	€155 million
Program of modernisation OT	
Heading 2 and Heading 3: improvement and modernisation	€213 million
Heading 4: rolling stock	€576 million
Program of modernisation GI rolling stock	€1 million
Improvement and modernisation	€407 million

In 1998, a number of longer term projects were investigated, including the extension of *métro* lines, the tramway lines, and of METEOR. In addition, experimentation and research on new products, such as magnetic ticket passes (*Passe sans contact*) continued.

RATP has set itself the following priorities for the next few years:—

- significant investments in, rolling stock and existing network;
- improving the quality of passenger reception areas to provide clean, welcoming spaces, that add-value to the passenger experience;
- significantly improving RATP's relationship with passengers and improving the provision of information to passengers, and
- improved maintenance of assets to lengthen the life of equipment, sites and rolling stock and thus improve quality and efficiency.

## FINANCIAL CONTROL

### Principles of Financial Control

The STIF has decided to develop the transport system according to general guidelines outlined by the French State and Territorial Authority of the Region in the "*Plan de Déplacements Urbains*" and the "*Plan Etat-Région 2009-2012*". The relationship between the STIF and RATP has developed and been documented in the form of a contract which describes public transport services in the Region and outlines the cost of services and compensatory payments.

RATP undertakes, in this contract, to provide a certain volume of services (approved by the STIF) in the *métro*, the RER and the bus. The services provided also include elements which relate to service quality and network integration and include a bonus system.

Since the enactment of the Law N° 82-1153 of 30 December, 1982 (*loi d'orientation sur les transports intérieurs* (LOTI)), urban transportation have been managed in France (except in *Ile de France*) under the delegation of public service regime. The local authority (*collectivité locale*) or several local authorities may create an organisation authority ("**OA**") for the purposes of managing public services. The implementation may be made through the relevant OA or through an external structure via a delegation agreement in respect of public services.

As for the *Ile de France*, progress has been made by way of the Law of 13 August 2004 which was a step towards decentralization as the State withdrew from the OA since its enactment in favour of *Région* which is in the majority within the STIF's board of directors.

The STIF is therefore responsible of managing transportation (bus, tramway, subway and RER) in *Ile de France*. According to the applicable legislation, it allocates the new lines and enters into services agreements with the relevant operators. A new 2012-2015 agreement with STIF signed on 16 March 2012 is crucial for the RATP. It is a well-balanced agreement, giving the RATP excellent visibility for the next four years. STIF will contribute almost €8 billion over the three years and RATP will substantially increase in its investments to more than €6.5 billion. RATP will share its productivity gains with STIF, passing 0.5 points of productivity each year. This represents a total €170 million over the contractual term, which is exactly the same as the previous agreement. STIF has raised its production, service level and service regularity requirements. So this will be a crucial challenge for RATP over the next four years, as it cannot afford to disappoint its bus, tram, metro and RER customers. The agreement also enables RATP to finance its investments under standard conditions, which will allow RATP to keep its debt under tight control.

In addition to the direct receipt of monies from ticket sales, RATP has a right to public subsidies in the form of:

- compensation payments calculated by reference to the number of tickets sold with regard to a scale of reference; and
- specific payments based upon the strength of sales of RATP.

In the financial sphere, RATP is permitted to retain some profits arising from transport.



However, ticket prices are not controlled by RATP and STIF as any price fixed by STIF has to be approved by the public authorities. The public authorities bear the consequences of the decisions they take since compensatory payments are then made to RATP to compensate it for the difference between the fares fixed by the public authorities and the prices which RATP would need to charge in order to break even.

A part of RATP's income is obtained from passenger ticket sales (approximately 49 per cent. of income derives from transport). The remainder comes from the compensation payments referred to above (paid monthly) and reimbursement of losses resulting from imposed fares.

### **The Funding of Investments**

Financial year 2012 was the first year of the agreement between the Ile de France transport authority and RATP under the new legal framework (ORTF law). This agreement was signed on 16 March 2012.

The agreement provides for three major changes introduced by the ORTF law:

- Operating rights are henceforth limited in duration to permit competition;
- RATP is now entrusted with infrastructure management, which is not open to competition, and is required to separate its accounts for this activity from those of its transport operations business;
- Change in the regime governing the ownership of the assets allocated to or created by RATP as of 1 January 2010.

RATP group's capital expenditure amounted to €1,655 million for 2014.

As required by statute and regulation, RATP draws up an annual investment programme which is approved by APE, as the representative of the *Direction Générale de la Marine et des Transports, Mission de contrôle des activités économiques et Financières des Transports* and *Direction du Budget*.

To finance its investments, RATP relies on a number of different financing methods: self-financing, equipment subsidies from local authorities and borrowings.

#### *Self-financing*

RATP's own funds are used to finance operations other than extensions of the network.

#### *Equipment subsidies*

RATP receives equipment subsidies from the French State and the Region to finance extensions of its rail network and appointments of service quality (for example information to passengers). Under the new contract of projects, investments are either financed wholly by regional subsidy or partly, up to a maximum of 100 per cent.

#### *Borrowings*

The lack of specific additional sources of financing, the limits on RATP's own funds and the partial nature of equipment subsidies mean that borrowings are necessary to cover RATP's financing requirements.

RATP borrows on the financial markets and from the Region to satisfy its investment needs. In the 1980s, the evolution of the nature of the investments and the manner in which the public authorities decided to finance them led RATP to increase its borrowings substantially. In 1986, the endowment of capital following partial consolidation of CIES became APE loans (see "General" above) allowing RATP to stabilise its debt level. This situation was maintained until 1990 due to a slowdown in RATP's investment programme and to a policy of more active debt management. Thereafter, the growth of the investment programme as a result of a number of major projects, such as METEOR and Tramway, led RATP to increase its recourse to borrowings. These borrowings have been principally on the French domestic bond market (through public offers). RATP also obtains funding through euro-bond issues on

the international financial markets and set up its Euro Medium Term Note Programme in 1995 after launching its first Euro-Franc bond issue in September 1993.

## **ACCOUNTING**

RATP is subject to the laws relating to commercial companies and to certain regulations specific to its public service nature. The accounts of RATP are audited by statutory auditors and periodically and retrospectively verified by the *Cour des Comptes* (national audit service). The last verification by the *Cour des Comptes* took place in 2008. RATP's financial year starts on 1 January and ends on 31 December each year.

The accounts of RATP are approved by its Board of Directors within three months of the end of its financial year. RATP produces consolidated accounts audited by statutory auditors.

## **PROPERTY**

Subsequent to the European regulation of 23 October 2007 on public passenger transport services (effective 3 December 2009), the French law on public passenger services by rail (hereinafter the "ORTF law") amended the ownership regime governing assets originally allocated to RATP by the State or created by RATP, by defining four asset categories:

- infrastructure assets;
- rolling stock and related maintenance equipment (returnable assets) belonging to the Ile de France Transport Authority, as of 1 January 2010;
- other assets allocated to operations (reversionary assets), other than those mentioned in the previous bullet points;
- real property and other assets that are not allocated to operations but are used by RATP for administrative, social or training purposes.

The amendments became effective as of 1 January 2010.

The ORTF law also stipulated that the regulatory authorities were to set by decree, among other things, (i) the financial terms and conditions under which RATP transfers assets back to the Ile de France Transport Authority once the operating rights have expired, in such a way that RATP suffers no loss, and (ii) compensation to be paid to RATP for costs and investments with respect to such assets.

Decree n° 2011-320 (the "Decree") was published in the French Official Journal on 25 March 2011, pursuant to which the following changes were made to the regulatory and contractual framework:

- The lists of assets by category subject to transfer of ownership were approved by ministerial orders issued on 7 November 2011, 13 December 2011 and 5 January 2012.
- The multi-annual agreement for 2012-2015 setting forth the contractual relations between the Ile de France transport authority and RATP was signed on 16 March 2012. It sets out the compensation arrangements for infrastructure management and transport operations.
- The compensation agreement entered into by RATP and the Ile de France Transport Authority on 21 September 2012 set out the amounts and arrangements governing the payment of compensation for the reversionary assets transferred on 1 January 2010 once the respective operating rights have expired.

The ORTF law also provided for the transfer of legal ownership to RATP of the infrastructure assets managed by RATP, which were owned by the Ile de France Transport Authority or the State.

With respect to the assets required to operate the passenger transport service, such as rolling stock and the related maintenance equipment, the Ile de France Transport Authority will take possession of these assets upon expiration of the operating rights. The Decree directed RATP and the Ile de France Transport Authority to enter into an agreement providing that, upon expiration of the respective operating rights of the assets, either: 1) the assets are returned free of charge to the Ile de France Transport Authority and as a result, compensation paid to RATP will include a component ensuring the full amortization of such assets net of subsidiaries, or, in the absence of such agreement, 2) the Ile de France Transport Authority will purchase the assets from RATP at their carrying amount net of subsidies. Neither the 7 June 2012 agreement on the governance of the rolling stock nor the multi-annual agreement for 2012-2015 signed between RATP and the Ile de France Transport Authority provided for a compensation component ensuring the full amortization of the assets. Therefore, given the provisions of the ORTF law and the Decree, RATP expects that, in the absence of further agreements on the compensation related to these assets, at the expiration of the respective operating rights of the assets, Ile de France Transport Authority will purchase the assets from RATP at their carrying amount net of subsidies, as reported in the financial statements of Epic RATP. In the consolidated financial statements, the assets are recognized as financial assets in accordance with IFRIC 12 – Service Concession Arrangements (see Notes 2.8 and 13 of the Consolidated Financial Statements for the year ended 31 December 2014, incorporated by reference herein).

Ownership of the other assets allocated to operations, other than those mentioned in the previous paragraphs, is transferred to RATP as of 1 January 2010. Upon expiry of RATP's operating rights, the Ile de France Transport Authority has the right to recover these assets. A State Council decree will determine the financial terms of the asset transfer as of 1 January 2010, the period of time during which the Ile de France Transport Authority may exercise its right to recover the assets and the financial terms of any such transfer to the Ile de France Transport Authority

Ownership of the real property and other assets owned by the Ile de France Transport Authority or the State, which are not allocated to operations but are used by RATP for administrative, social or training purposes was transferred to RATP as of 1 January 2010. The Ile de France Transport Authority has received consideration for the assets transferred to RATP.

Consequently, property, plant and equipment allocated to or fully owned by RATP have been recorded in the consolidated balance sheet at acquisition or production cost, or at the asset's fair value at the consolidation date.

In accordance with component-based accounting, RATP's fixed assets are broken down into components and the useful life of each component is determined based on their replacement or renovation frequency.

For additional information, see Note 1.1 to the Non-Consolidated Financial Statements for the year ended 31 December 2014 and Note 1.4 to the Consolidated Financial Statements for the year ended 31 December 2014, incorporated by reference herein.

Given the current contractual remuneration arrangement between RATP and the Ile de France Transport Authority, RATP does not capitalize interest.

Certain assets are funded by investment grants.

For assets subject to decommissioning obligations, the estimated cost of the obligation is included in the acquisition cost of the asset then depreciated.

Straight-line depreciation is the most appropriate method in economic terms. The depreciation periods used by the Group are as follows.

Categories	Duration
Main railway infrastructure assets	70 to 140 years
Railway infrastructure asset components	15 to 60 years
Building shell and brickwork	70 to 100 years
Building fixtures and fitting	6.66 to 30 years
Tracks	12.5 to 50 years
Automated train operating system (SAET) and track signalling	5 to 35 years
Rolling stock (rail)	15 to 40 years
Rolling stock (buses)	4 to 10 years
Plant equipment, fixtures and fittings	5 to 50 years
Other property, plant and equipment	3 to 15 years

## INSURANCE

No insurer provides RATP with property and casualty cover except for third party liability in excess of €5 million. RATP therefore bears such risks itself and provisions them in its accounts.

As public-sector companies are legally exempt from the requirement to take out certain kinds of insurance policies, and in line with the practices adopted by other large national public-sector bodies, RATP has decided to self-insure a large part of its activities.

Given the quantity and value of assets requiring cover, the diversity of the risks associated with these assets and the difficulty of measuring these risks, it has to date been judged financially preferable for RATP to bear such risks itself.

Nevertheless, insurance policies have been taken out, such as:

- A property insurance policy, and
- A policy covering RATP's vehicle fleet.

## MANAGEMENT

The Board of Directors (*Conseil d'Administration*) of RATP includes representatives of the French State, the Region, local authorities, staff and passengers, in addition to persons appointed as a result of their particular competence (Article 1 of Decree No. 84-276 of 13 April, 1984). The Chairman and Chief Executive (*Président Directeur Général*) are appointed by a Decree of the Council of Ministers pursuant to a proposal by the Board of Directors. A government commissioner is a member of the Board to ensure that the general strategy and orientation of RATP conform to the *Cahier des Charges* and to state the Government's position on issues discussed. The French State's financial and economic control over RATP is carried out by the *Mission de Contrôle Economique et Financier des Transports* (a department of the Ministry of Planning, Equipment and Transport) created by the Decree of 26 May, 1955.

The composition of the *Conseil d'Administration* of RATP as at 31 December 2014 is as follows:—

### **French State Representatives**

Marie Anne BACOT	Member of the Environment and Sustainable Development General Council
Augustin de ROMANET	President and Chief executive officer of Aéroports de Paris
Denis CHARISSOUX	Deputy Director of the budget Department
Gilles LEBLANC	Regional and Interdepartmental director for Ile de France Infrastructure and planning
Roland PEYLET	Member of the <i>conseil d'Etat</i>
Jean DAUBIGNY	<i>Préfet</i> of the region Ile de France and <i>Préfet</i> of Paris
Solenne LEPAGE	Director of transport and Audiovisual Equity Investments and Director of SNCF
Catherine SUEUR	Deputy Managing Director of Radio France
Appointment in Progress	Ministry of the Interior

### **Representatives, members of the regional and local councils of the authorities served by RATP**

Annick LEPETIT	Member of parliament for Paris, Paris Councilor
Patrice RAULIN	Former chairman of Society Lyon-Turin Ferroviaire (rail tunnel)
Gilles CARREZ	Mayor of Perreux-sur-Marne, Member of Parliament, Chairman of the National Assembly Finance Committee
Chiara CORRAZA	Deputy Managing Director of Paris Ile de France <i>capital économique</i>
	French Atomic Energy
Danielle DERUY	Director General AFE
	Director ALTEDIA journalist and communications
Michèle BELLON	Former ERDF President
Xavier GIRRE	Chief Financial Officer and Deputy Chief Executive Office of La Poste

### **Passenger Representatives**

Stéphane BERNARDELLI	Transport-users Associations (UNAF)
Michel BABUT	National Union of Family Associations (FNAUT)

### **Representative chosen for transport expertise**

Pierre MONGIN	Chairman and Chief Executive of RATP
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## Representatives elected by the Employees

Alain TERNOIS	CGC-CFE
Fabrizio PIRAS	CGT
Gilles ROUE	CGT
Michel RIZZI	CGT
Philippe RICHAUD	CGT
Karen PAGNINI	SUD
Abdel LALOUANI	FO
Laurence DE WILDE-GHIKH	UNSA
Didier LE PAHUN	UNSA

The contact address of the members of the Management is the same as that of the Issuer.

## CONFLICT OF INTEREST

To the knowledge of RATP, there are no potential conflicts between any duties of the issuing entity of the persons above and their private interests and/or other duties.

## EMPLOYEES

The number of RATP employees was 43,234 in 2014 (42,906 in 2013). RATP is subject to a specific regime for social security which obliges it to insure its personnel to cover family, illness unemployment, work accidents and old age. The expenses item for "personnel costs" in RATP's 2014 financial statements amounted to €2,554.2 million (€2,488.1 million in 2013), of which 67.5% was made up of salaries and wages, 28.8% for social security contributions (illness, family allowances, old-age pensions, death allowances, social benefits, etc.). Employees have security of tenure and can only be dismissed for *faute grave* (gross negligence).

In December 2005, a series of state decrees definitively relieved STIF and RATP from the financial obligations stemming from the unfunded pensions liabilities, up to 45,000 beneficiaries. As a consequence, an ad hoc pension fund<sup>3</sup> was created in January 2006 that will be directly funded by the state-through top-up compensation resulting from the alignment of RATP's pension scheme with the standard regime (€180 million), and assuming the financial gap resulting from the demographic imbalance (€180 million) and interest costs resulting from unfunded liabilities.

The French state has committed to guaranteeing the financial balance of the pension fund, up to 45,000 beneficiaries. Henceforth, RATP's financial statements will therefore only reflect the social contributions to be paid - as an employer - to the pension fund. It is worth noting however, that RATP will assume the costs related to:

- The management of the pension funds (about €5 million per year); and
- New recruits resulting from additional services (i.e. beyond 45,000 beneficiaries).

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<sup>3</sup> *Caisse de retraite du personnel de la RATP*

In addition, it may be marginally impacted by the increase in the pension contribution rate to be paid as an employer.<sup>4</sup>

In 1996, RATP signed a key agreement with almost all the unions representing RATP employees. This agreement obliges all parties to have recourse to dialogue in the event of disagreements, with strikes being used only as a last resort. In 2014, the number of day's strikes was 18,039 or 0.42 days per agent.

The following table sets out the number of employees of RATP and the areas in which they worked between 2012 and 2014:

	2012	2013	2014
METRO	10,758	11,031	11,578
BUS	14,928	15,073	15,536
RER	1,237	1,239	1,234
SECURITY	1,184	1,200	1,231
MRB-MRF-M2E	7,241	7,115	7,038
OTHER	7,569	7,248	6,617
<b>TOTAL</b>	<b>42,917</b>	<b>42,906</b>	<b>43,234</b>

The shortfall in RATP's retirement account represents the balance between, on the one hand, the cost of pensions and on the other the total contribution made by all employees. The balance appears in the accounts as a specific line item relating to personnel cost and is financed in the same way as other RATP expenses. RATP's specific pension regime falls within the framework of the retirement provisions of the French State. The consequent financial commitments are assumed to be those of the French Government; no provision is therefore made for them by RATP in its accounts.

#### **STATUTORY AUDITORS**

On 26 March 2015, KPMG SA was appointed as joint auditor for the 2015 to 2020 financial years. MAZARS was appointed as joint auditor replacing Ernst & Young.

#### **FINANCIAL YEAR 2013 – RATP EPIC**

The financial year 2014 was the third year of the implementation of the contractual agreement between RATP and STIF, and its remuneration arrangements (2012-2015).

In 2014 RATP's results were in line with those forecasted in the agreement. In 2014, RATP's traffic figures were stable at 3,227 million journeys. RATP's 2014 results reflect the change in the value index applied for the Ile de France transport authority agreement from 3.0% in 2013 to -0.2% in 2014 (because of the passage of the VAT from 7% to 10 %).

#### **Consolidated results as at 31 December 2014**

The consolidated results are reflected in the following indicators:

<sup>4</sup> In order to compensate RATP for the increase in the pension contribution rate to be paid as an employer (about €90 million annually), the standard fare- which acts as a basis for the general public compensations-will be increased by 3.16%. This increase has been estimated by an independent expert and agreed by all parties but it may not entirely match RATP's real costs. Should that be the case howsoever unlikely in the opinion of RATP, the company would have to cover the shortfall.

- Revenue, which was up 3.4% from year end 2013;
- Operating income, which increased 1.6% compared with 2013.
- Net income which amounted to €298 million in 2014, up from €293 million in 2013.

## **RECENT DEVELOPMENTS**

### **Non-consolidated net debt of RATP**

As at 31 December 2014, the non-consolidated net debt of RATP as described in note 4.13 c to the financial statements (page 137) amounted to €4,997 million compared with €5,239 million as at 31 December 2013.<sup>5</sup>

### **Change in net debt**

Net debt increased by €330 million as of 31 May 2015, compared to €4,997 million of as of 2014, (on 31 May 2015, RATP cleared a need for working capital of €501 million excluding investments and cleared a resource financing related to investments of €171 million (assets being lower than resources).

### **Daily Traffic**

In 2014 the RATP group stepped up its growth outside its home territory in Ile de France. Non-Ile de France business contributed 17% of consolidated revenues compared with 16% in 2013. RATP's target is 30%, which means strengthening its positions in France and abroad not only in engineering but also in operation and maintenance. RATP's experience in multimodal networks and complex systems, its threefold expertise in engineering, operation and maintenance and RATP's technical expertise make it a world leader and are strengths that can be leveraged to ensure its future growth. Revenues from subsidiaries rose by 14.03% to €888 million in 2014.

### **Acquisition of Recent Markets in France**

#### *Consolidating its position in France*

In France, outside the Ile de France region, RATP Dev operates in medium-sized towns such as Bourges, Vierzon, Moulins and Boulogne sur Mer. It won a major contract in 2014 for the Aix les Bains network (18 towns, 57,000 inhabitants).

#### *A bespoke network for Aix les Bains*

RATP Dev has won a six-year contract to operate the Aix les Bains bus network. It will reorganise the 21 routes (including 19 local bus routes) and adapt them better to local requirements. The network will comprise a main route, with buses every 20 minutes, serving the major parts of the area. Several novel features will be introduced:

- A dedicated route serving the thermal baths in 2015;
- A transport service for people with reduced mobility;
- An operation and information assistance system for passengers.

### **Acquisition of Recent Markets Abroad**

The ramp-up of the Group's subsidiaries in France and abroad demonstrates its ability to take on competitive markets with success. RATP Dev is pursuing its strategy of dynamic and profitable growth by strengthening its position in mature markets (France, the United Kingdom, The United States, Italy) and establishing itself as one of the world market leaders in tram system projects outside Europe.<sup>6</sup>

<sup>5</sup> Net debt has been presented in French GAAP because it consists of the debt of the EPIC Group.

<sup>6</sup> Annual I report 2013, Page38.



RATP Dev's contribution to group revenues increased a further 14.03% in 2014 to €888 million. The Group's operating subsidiary is continuing to expand its international activities, which now account for two-thirds of revenues thanks to its commercial results. In France, it is continuing to strengthen its position in urban and interurban transport, with the winning of new contracts and the renewal of all contracts taken on in 2012 within the framework of its separation from Transdev and several targeted acquisitions. The activity of RATP Dev represented €885 million in the accounts 2014 of the group, accounting for 2.5% of EBIT.

#### *London (United Kingdom)*

1,000 buses in London

The acquisition of London Sovereign (140 buses; 12 routes) in April 2014 and the success of London United and Epsom Coaches have strengthened RATP Dev's presence in London. The British subsidiary now operates 81 bus routes in Greater London with more than 1,000 buses operating out of 10 depots on behalf of transport of London (TFL), the city's transport authority, representing 12% of London's entire bus fleet. In January, TFL awarded London United the contract for the E3 bus route, a major route that serves several sightseeing landmark's in London.

Specialist in City sightseeing

With an open tour in Paris, an open tour in New York and the original London sightseeing tour in London, RATP Dev alone is carving out a position as a world leader in city sightseeing tours.

Tourists can use its double decker buses to discover the three big cities at their own pace. Already the market leader in Paris with Open Tour, RATP Dev has now become the leader in London following its acquisition of the original London sightseeing tour, pioneer in this business in the United Kingdom with 63 years experience. A few months earlier, RATP Dev set out to conquer the New York market, where it is now the challenger. Each city has its own specific features but RATP Dev intends to capitalise on the boom in city tourism by leveraging the expertise developed by its various subsidiaries.

#### *Brazil: Rio de Janeiro after Sao Paulo*

The recognition of the Group's expertise in tram systems is also evident in Brazil. RATP Dev, in association with CCR (Companhia de Concessões Rodoviárias), has won the contract for the construction and operation of Rio's first tram system ahead of the 2016 Olympic Games. RATP Dev has already joined forces with CCR for the operation of line 4 of the Sao Paulo metro, the first automated metro line in Latin America, in operation since May 2010.

#### *ALGIERS (Algeria)*

The new Algiers metro was inaugurated on 30 October 2011. The Algiers metro is Africa's second heavy metro system after Cairo and should help alleviate the capital's urban congestion problems. The network is 9.5 kilometres long, has 14 trains with 6 air-conditioned carriages, serves 10 stations and 6 districts from 5 a.m. to 11p.m. with intervals of 3 minutes 20 seconds during peak hours. RATP's technical expertise and experience in staff training made a significant contribution to the success of this project in a complex environment.

New extension in North Africa

The Algiers tramway continues to expand with a new section opened on 15 April 2014, just before its second anniversary. The extra 4.6 km and six new stations have changed the lives of residents in the eastern districts of the capital, now served by this new section. A further extension is also planned, as are extensions for Oran and Constantine.

#### *Riyad (Saudi Arabia)*

The Riyadh bus network must become a model for the future transport infrastructure projects planned in several other cities in Saudi Arabia. The Issuer's partnership with Sapco, which goes back almost five years, is built on shared

principles and values, first and foremost openness and respect for people. Saptco has been the leading public transport operator in Saudi Arabia and the surrounding region for 40 years. It has in-depth knowledge of the Kingdom's road network and the expectations of its citizens.

This is the very first time that a large city has asked an operator to design a bus network from scratch. This broad mobility project will radically change the quality of life of the Saudi capital's 5.7 million inhabitants. The network is expected to carry more than 100 million passengers each year. The contract will be worth some €1.68 billion over 12 years. Riyadh's transport authority, the ADA, was seeking an operator that combined genuine local operating experience with recognised know-how in setting up world class transport networks in large cities. RATP and Saptco met these needs: the two partners have been working closely since 2010, combining their expertise and submitting joint bids for urban transport system in Saudi Arabia.

The RATP group brings expertise acquired in capital cities such as Paris and London and in setting up new mobility services (Algiers, Oran, Constantine, Casablanca), in very diverse cultural environments.

#### *United States*

The strategy developed in the United States in urban and interurban transport and tram lines and light rail is now paying off. Subsidiary McDonald Transit Associates, which is already present in 15 states in the south and west of the country, won the call for tenders for the operation and maintenance of the bus urban transport network in Augusta, Georgia, for a period of three to nine years. This bus network, with around 40 urban and interurban lines, serves Augusta, the State of Georgia's second-largest city after Atlanta. RATP Dev has also prepared for the launch in 2014 of the first tram lines in Washington DC and Tucson, Arizona, for which it will be responsible for operation and maintenance.

#### **Creation of a Common Company**

On 25 March 2009, Veolia Transport and RATP Développement announced the creation of a common company (50/50) which is intended to increase their development potential in Asia first in China, South Korea and India. The subsidies paid in 2011 by the Chinese authorities in Nanjing Zhongbei rose by 50%, rewarding the efforts made by the VTRA (Veolia Transport RATP Asia) joint venture to improve service levels on the 183 bus lines operated in Anhui and Jiangsu provinces. The objective of both parties is for this company to become one of the leaders of public transportation in Asia with targeted revenues of €500 million in 2013.

The RATP group and ALSTOM have joined forces to create Metrolab, a 50/50 joint venture, to develop tomorrow's automatic metro. This R&D laboratory will devise turnkey solutions for large towns and cities, providing optimum integration between rolling stock, infrastructure and operation. Some fifteen employees from each group, with expertise in complex systems integration, have been posted to the new subsidiary with the aim of unveiling and initial prototype in 2013.

#### **LITIGATION**

##### *Asbestos*

The plan to eliminate friable asbestos required by the Decree no. 96-97 of 7 February 1996, has almost been completed. In financial terms, only minor immaterial operations remain outstanding. All non-friable asbestos (covered asbestos or material containing asbestos) is gradually being removed as maintenance work is carried out on plant and equipment. As precise information on the plant and equipment containing asbestos is not available, it is not yet possible to determine the asbestos elimination schedule beyond a six-month timeframe. In 2014, related expenses amounted to €14.2 million.

RATP also complies with the new obligations set forth by the Decree of 13 July 2001 and regularly takes measures to control dust accumulation.

RATP believes that the provision of €0.6 million recorded in the balance sheet as at December 31, 2014 is adequate and reflects the best estimate of the financial risk born by the company.

**PRO FORMA FINAL TERMS FOR USE IN CONNECTION WITH ISSUES OF  
SECURITIES WITH DENOMINATION OF AT LEAST €100,000 TO BE ADMITTED TO  
TRADING ON AN EU REGULATED MARKET**

**Final Terms dated [•]**

**REGIE AUTONOME DES TRANSPORTS PARISIENS**

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]  
under the Euro 5,000,000,000  
Euro Medium Term Note Programme

**PART A - CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the base prospectus dated 17 July 2015 [and the supplement to the base prospectus dated [•]] which [together] constitute[s] a base prospectus for the purposes of Directive 2003/71/EC, as amended (the "**Prospectus Directive**") (the "**Base Prospectus**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. [The Base Prospectus [and the Final Terms] [is] [are] available for viewing at the office of the Fiscal Agent or each of the Paying Agents during normal business hours and on the websites of the *Autorité des marchés financiers* ([www.amf-france.org](http://www.amf-france.org)) and the Issuer ([http://www.ratp.fr/en/ratp/r\\_56856/legal-publications/](http://www.ratp.fr/en/ratp/r_56856/legal-publications/)) and hard copies may be obtained from the Issuer.

*The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the base prospectus dated [original date] [and the supplement to the base prospectus dated [•]]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of Directive 2003/71/EC, as amended (the "**Prospectus Directive**") and must be read in conjunction with the base prospectus dated 17 July 2015 [and the supplement to the base prospectus dated [•]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the "**Base Prospectus**"), save in respect of the Conditions which are extracted from the base prospectus dated [original date] [and the supplement to the base prospectus dated [•]] and are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms, the Base Prospectus and the base prospectus dated [original date] [and the supplement to the base prospectus dated [•] and [•]]. [The Base Prospectus, the base prospectus dated [original date] [and the supplement to the base prospectus] are available for viewing at the office of the Fiscal Agent or each of the Paying Agents during normal business hours and on the websites of the *Autorité des marchés financiers* ([www.amf-france.org](http://www.amf-france.org)) and the Issuer ([http://www.ratp.fr/en/ratp/r\\_56856/legal-publications/](http://www.ratp.fr/en/ratp/r_56856/legal-publications/)) and hard copies may be obtained from the Issuer.]

*[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]*

*[When completing final terms or adding any other final terms or information consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]*

- |     |  |  |
|-----|--|--|
| 1.  | [(i)] Issuer:                                    | Régie Autonome des Transports Parisiens  |
| 2.  | [(i)] Series Number:                             | [ ]  |
|     | [(ii)] Tranche Number:                           | [ ]  |
|     | [(iii)] Date on which the Notes become fungible: | [Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [insert description of the earlier tranche] on [insert date/as from the date of assimilation which is expected to be on or about 40 calendar days after the Issue Date (the "Consolidation Date") of this Tranche/as from the Issue Date of this Tranche] |
| 3.  | Specified Currency or Currencies:                | [ ]  |
| 4.  | Aggregate Nominal Amount of Notes:               | [ ]  |
|     | [(i)] Series:                                    | [ ]  |
|     | [(ii)] Tranche:                                  | [ ]  |
| 5.  | Issue Price:                                     | [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (in the case of fungible notes only, if applicable)]   |
| 6.  | Specified Denominations: <sup>7</sup>            | [ ]  |
| 7.  | [(i)] Issue Date:                                | [ ]  |
|     | [(ii)] Interest Commencement Date:               | [specify/Issue Date/Not Applicable]  |
| 8.  | Maturity Date:                                   | [specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]   |
| 9.  | Interest Basis:                                  | [[●] per cent. Fixed Rate]<br>[[specify reference rate] +/- [●] per cent. Floating Rate]<br>[Zero Coupon]<br>(further particulars specified below)   |
| 10. | Redemption/Payment Basis:                        | [Redemption at par]<br>[Dual Currency]<br>[Partly Paid]  |

<sup>7</sup> If an issue of Notes is (i) not admitted to trading on a EEA regulated market and (ii) only offered within the EEA in circumstances where a prospectus is not required to be published under the Prospectus Directive the €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency) minimum denomination is not required.

- [Instalment]  
[Other (*specify*)]
11. Change of Interest or Redemption/Payment Basis: [Specify details of any provision for convertibility of Notes into another interest or redemption/ payment basis]
12. Put/Call Options: [Not Applicable]  
[Put]  
[Call]  
[(further particulars specified below)]
13. [(i)] Status of the Notes: Senior 6  
[(ii)] [Date [Board] approval for issuance of [ ] [and [ ] , respectively]]  
Notes obtained: [(N.B Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes or related Guarantee)]
14. Method of distribution [Syndicated/Non syndicated]

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

15. Fixed Rate Note Provisions [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate[(s)] of Interest: [ ] per cent. per annum [payable [annually/semi-annually/quarterly/monthly/other (*specify*)] in arrear]
- (ii) Interest Payment Date(s): [ ] in each year
- (iii) First Interest Payment Date: [ ]
- (iv) Fixed Coupon Amount[(s)]: [ ] per [ ] Specified Denomination
- (v) Broken Amount(s): [ ] per Specified Denomination, payable on the Interest Payment Date falling [in/on] [ ]
- (vi) Day Count Fraction: [30/360 / 360/360 / Bond Basis / Actual/365 / Actual/Actual-(ICMA)/ISDA) / Actual/360 / 30E/360 / Eurobond Basis]
- (vii) Determination Dates: [ ] in each year (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA)*)
16. Floating Rate Note Provisions [Applicable/Not Applicable]  
(If not applicable, delete the remaining

*sub-paragraphs of this paragraph)*

- (i) Interest Period(s): [ ]
- (ii) Interest Payment Dates: [ ]
- (iii) Business Day Convention: [Floating Rate Business Day Convention / Following Business Day Convention / Modified Following Business Day Convention / Preceding Business Day Convention/Not Applicable]
- (iv) Business Centre(s): [ ]
- (v) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination (*give details*)]
- (vi) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Calculation Agent]): [ ]
- (vii) Interest Period Date(s): [Not Applicable/specify dates]
- (viii) Screen Rate Determination:
- Relevant Time: [ ]
  - Interest Determination Date: [[ ] [TARGET2] Business Days in [*specify city*] for [*specify currency*] prior to [the first day in each Interest Accrual Period/each Interest Payment Date]]
  - Primary Source for Floating Rate: [*Specify relevant screen page or "Reference Banks"*]
  - Reference Banks (if Primary Source is "Reference Banks"): [*Specify four*]
  - Relevant Financial Centre: [The financial centre most closely connected to the Benchmark - specify if not London]
  - Benchmark: [LIBOR, LIBID, LIMEAN, EURIBOR or other benchmark]
  - Representative Amount: [Specify if screen or Reference Bank quotations are to be given in respect of a transaction of a specified notional amount]
  - Effective Date: [Specify if quotations are not to be obtained with effect from commencement of Interest Accrual Period]
  - Specified Duration: [Specify period for quotation if not duration of Interest Accrual Period]
- (ix) Margin(s): [+/-][ ] per cent. per annum

- (x) Minimum Rate of Interest [ ] per cent. per annum
- (xi) Maximum Rate of Interest: [ ] per cent. per annum
- (xii) Day Count Fraction: [30/360 / 360/360 / Bond Basis / Actual/365 / Actual/Actual-([ICMA]/ISDA) / Actual/360 / 30E/360 / Eurobond Basis]
- (xiii) Rate Multiplier [ ]
17. Zero Coupon Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Amortisation Yield: [ ] per cent. per annum
- (ii) Day Count Fraction: [30/360 / 360/360 / Bond Basis / Actual/365 / Actual/Actual-([ICMA]/ISDA) / Actual/360 / 30E/360 / Eurobond Basis]
18. Dual Currency Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate of Exchange/method of calculating Rate of Exchange: [give details]
- (ii) Calculation Agent, if any, responsible for calculating the principal and/or interest due: [ ]
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [ ]
- (iv) Person at whose option Specified Currency(ies) is/are payable: [ ]
- (v) Day Count Fraction: [30/360 / 360/360 / Bond Basis / Actual/365 / Actual/Actual-([ICMA]/ISDA) / Actual/360 / 30E/360 / Eurobond Basis]

#### PROVISIONS RELATING TO REDEMPTION

19. Call Option [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [ ]
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [ ] per Note of [ ] Specified Denomination
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [ ]
- (b) Maximum Redemption Amount: [ ]



- (iv) Option Exercise Dates: [ ]
- (v) Description of any other Issuer's option: [ ]
- (vi) Notice period: [ ]
20. Put Option [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): [ ]
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [ ] per Note of [ ] Specified Denomination
- (iii) Option Exercise Dates: [ ]
- (iv) Description of any other Noteholder's option: [ ]
- (v) Notice period: [ ]
21. Final Redemption Amount of each Note [[ ] per Note of [ ] Specified Denomination/other]
22. Early Redemption Amount
- (i) Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required): [ ]
- (ii) Redemption for taxation reasons permitted on days other than Interest Payment Dates: [Yes/No]
- (iii) Unmatured Coupons to become void upon early redemption (Bearer Notes only): [Yes/No/Not Applicable]

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

23. Form of Notes: [Dematerialised Notes/Materialised Notes]  
(Materialised Notes are only in bearer form) (Delete as appropriate)
- (i) Form of Dematerialised Notes: [Not Applicable/Bearer dematerialised form (*au porteur*)/ Registered dematerialised form (*au nominative*)]
- (ii) Registration Agent: [Not Applicable/ [Applicable] (*if Applicable give name and details. Note that a Registration Agent must be appointed in relation to Registered Notes only.*)]
- (iii) Temporary Global Certificate: Temporary Global Certificate exchangeable for Definitive Materialised Notes on [•] (the "**Exchange Date**"), being 40 calendar days after the Issue Date

subject to postponement as provided in the Temporary Global Certificate

24. Financial Centre(s) or other special provisions relating to payment dates: [Not Applicable/give details. Note that this item relates to the date and place of payment, and not interest period end dates, to which items 15(ii) and 16(ii) relate]
25. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]
26. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/give details]
27. Details relating to Instalment Notes: [Not Applicable/give details]
- (i) Instalment Amount(s): [ ]
- (ii) Instalment Date(s): [ ]
- (iii) Minimum Instalment Amount: [ ]
- (iv) Maximum Instalment Amount: [ ]
28. Redenomination, renominatisation and reconventioning provisions: [Not Applicable/The provisions [in Condition 1.4] apply]
29. Consolidation provisions: [Not Applicable/The provisions [in Condition 12] apply]
30. Representation of holders of Notes<sup>8</sup>/Masse: [Condition 12 applies]/[Condition 12 replaced by the full provisions of French Code of Commerce relating to the Masse] (Note that in respect of any Tranche of Notes issued inside France, Condition 12 must be disapplied in its entirety and replaced by the provisions of French Code of Commerce relating to the Masse.)
- [The Initial Representative shall be: [•]]
- [The Alternative Representative shall be: [•]]
- [The Representative will be entitled to a remuneration of [•] per year/The Representative will not be entitled to a remuneration]

<sup>8</sup> [The provisions of the French *Code de Commerce* relating to the Masse of holders of Notes are applicable in full to French domestic issues of Notes. Pursuant to Article L.228-90 of the French *Code de Commerce*, the Masse provisions contained in the French *Code de Commerce* are NOT mandatory for international issues (*emprunts émis à l'étranger*); accordingly for international issues the Masse provisions contained in the French *Code de Commerce* may be varied along the lines of the provisions of Condition 12]

**DISTRIBUTION**

[Not Applicable/*give names*]

31. (i) If syndicated, names of Dealers:

(ii) Stabilising Manager(s) (if any):

[Not Applicable/*give name*]

32. If non-syndicated, name of Dealer:

[Not Applicable/*give name*]

33. Dealer's Commission:

[ ]

34. U.S. Selling Restrictions

[Reg. S Category 2; TEFRA C/TEFRA D/TEFRA not applicable]

**RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in these Final Terms. [●] has been extracted from [●]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By:

.....

Duly authorised

## PART B – OTHER INFORMATION

### 1 LISTING AND ADMISSION TO TRADING

- (i) Listing: [Paris/other (*specify*)/None]
- (ii) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [●] with effect from [●].]  
[Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [*specify relevant regulated market*] with effect from [●].] [Not Applicable.]
- (iii) Estimate of total expenses related to admission to trading: [●]
- (iv) Regulated markets or equivalent markets on which to the knowledge of the Issuer, securities of the same class of the securities to be offered or admitted to trading are already admitted to trading: [●]
- (Where documenting a fungible issue need to indicate that original Notes are already admitted to trading)*

### 2 RATINGS

Ratings:

The Notes to be issued [have been rated/are expected to be rated]:

[Fitch: [●]]

[S&P: [●]]

[Moody's: [●]]

[[Other]: [●]]

Insert one (or more) of the following options, as applicable:

[[Insert credit rating agency/ies] [is/are] established in the European Union and [has/have each] applied for registration under Regulation (EC) No 1060/2009, as amended by Regulation (EU) No. 513/2011, although notification of the corresponding registration decision has not yet been provided by the

relevant competent authority.]<sup>9</sup>

[[Insert credit rating agency/ies] [is/are] established in the European Union and registered under Regulation (EC) No 1060/2009, as amended by Regulation (EU) No. 513/2011.]

[[Insert credit rating agency/ies] [is/are] not established in the European Union and [has/have] not applied for registration under Regulation (EC) No 1060/2009, as amended by Regulation (EU) No. 513/2011.]

[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]

*(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

### **3 [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]**

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

"Save as discussed in ["Subscription and Sale"], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."

### **4 [REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

[(i) Reasons for the offer

[•]

*(See ["Use of Proceeds"] wording in Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)]*

[(ii)] Estimated net proceeds:

[•]

*(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)*

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<sup>9</sup> It is important to liaise with the Issuer and/or the relevant credit rating agencies to determine (i) the specific legal entity which will issue the credit ratings, and (ii) the status of any application which has been made to the relevant competent authority by that entity. It is recommended that these enquiries are made at an early stage to allow sufficient time for the information to be obtained.

[(iii)] Estimated total expenses:

[•] [Include breakdown of expenses.]

*(If the Notes are derivative securities for which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)\**

## 5 [Fixed Rate Notes only – YIELD

Indication of yield:

[•] per cent. per annum

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield. ]

## 6 [Dual Currency Notes only – PERFORMANCE OF RATE[S] OF EXCHANGE

*Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained.]*

*[(When completing this paragraph, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive)]*

## 7 OPERATIONAL INFORMATION

ISIN Code:

[•]

Common Code:

[•]

Depositories:

(a) Euroclear France to act as Common Depository: [Yes/No]

(a) Euroclear Bank and Clearstream Banking  
Soci t  Anonyme to act as Common  
Depository:

[Yes/No]

Any clearing system(s) other than Euroclear France, Euroclear Bank S.A./N.V. and Clearstream Banking Soci t  Anonyme and the relevant identification number(s):

[Not Applicable/[•] (give name(s) and number(s) and address(es))

Delivery:

Delivery [against/free of] payment

Names and addresses of additional Paying Agent(s) (if any):

[•]

## 8 GENERAL

The aggregate principal amount of Notes has been translated into Euro at the rate of [•], producing a sum of (for Notes note denominated in Euro):

[Not Applicable/Euro [•]]

## TAXATION

*The following is an overview limited to certain tax considerations in France, in Luxembourg and in the European Union relating to the Notes that may be issued under the Programme and specifically contains information on taxes on the income from the securities withheld at source. This overview is based on the laws in force in France and in Luxembourg as of the date of this Base Prospectus and is subject to any changes in law. It does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Notes. Each prospective holder or beneficial owner of Notes should consult its tax advisor as to the tax consequences of any investment in or ownership and disposition of the Notes and should not apply information set out below to other areas including (but not limited to) the legality of transactions involving the Notes.*

### **French Tax Considerations**

#### ***EU Savings Directive***

The Savings Directive was implemented into French law under Article 242 ter of the French general tax code, which imposes on paying agents based in France an obligation to report to the French tax authorities, certain information with respect to interest payments made to beneficial owners domiciled in another Member State including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest or similar income paid to that beneficial owner.

#### *Withholding tax*

1. Pursuant to the introduction of the French *loi de finances rectificative pour 2009 no. 3* (n° 2009-1674 dated 30 December 2009) (the "**Law**"), payments of interest and other revenues made with respect to the Notes (other than Notes (described below) which are consolidated (*assimilables* for the purpose of French law) and form a single series with Notes issued prior to 1 March 2010 having the benefit of Article 131 *quater* of the French General Tax Code) will not be subject to the withholding tax set out under Article 125 A III of the French General Tax Code unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French General Tax Code (a "**Non-Cooperative State**"). If such payments under Notes issued by the Issuer are made in a Non-Cooperative State, a 75 per cent. withholding tax will be applicable (subject to certain exceptions and to the more favourable provisions of any applicable double tax treaty) by virtue of Article 125 A III of the French General Tax Code.

Furthermore, according to Article 238 A of the French general tax code interest and other revenues on such Notes will not be deductible from the Issuer's taxable income, if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid to a bank account opened in a financial institution located in such a Non-Cooperative State. Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Article 109 *et seq* of the French general tax code, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* of the French General Tax Code, at a rate of 30 per cent. or 75 per cent. subject to the more favourable provisions of any applicable double tax treaty.

Notwithstanding the foregoing, the Law provides that neither the 75 per cent. withholding tax set out under Article 125 A III of the French general tax code, nor the non-deductibility for tax purposes as set out under Article 238 A of the French general tax code to the extent the relevant interest and other revenues relate to a genuine transaction and are not abnormal or exaggerated in their amount, will apply in respect of a particular issue of Notes if the Issuer can prove that the principal purpose and effect of such issue of Notes was not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the "**Exception**"). Pursuant to the *Bulletin Officiel de Finances Publiques-Impôts* BOI-INT-DG-20-50-20140211, n°550 and n°990, BOI-RPPM-RCM-30-10-20-40-20140211, n°70, BOI-IR-DOMIC-10-20-20-60-20150320, n°10 and

BOI-ANNX-000364-20120912,, an issue of Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of such issue of Notes if such Notes are:

- (i) offered by means of a public offer within the meaning of Article L.411-1 of the French Monetary and Financial Code or pursuant to an equivalent offer in a state other than a Non-Cooperative State. For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or
  - (ii) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
  - (iii) admitted, at the time of their issue, to the clearing operations of a central depository or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French Monetary and Financial Code, or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.
2. Payments of interest and other revenues with respect to Notes which are to be consolidated (*assimilables* for the purpose of French law) and form a single series with Notes issued (or deemed issued) outside France as provided under Article 131 *quater* of the French General Tax Code, before 1 March 2010, will continue to be exempt from the withholding tax set out under Article 125 A III of the French General Tax Code.
3. In addition, interest and other revenues paid by the Issuer on Notes which are to be consolidated (*assimilables* for the purpose of French law) and form a single series with Notes issued (or deemed issued) outside France as provided under Article 131 *quater* of the French General Tax Code, before 1 March 2010 will not be subject to the withholding tax set out in Article 119 *bis* of the French General Tax Code solely on account of their being paid in a Non-Cooperative State or accrued or paid to persons established or domiciled in a Non-Cooperative State.

Pursuant to Articles 125A and 125 D of the French tax code and subject to certain exceptions, interest and other similar revenues received as from 1 January 2013 by individuals who are fiscally domiciled in France are subject to a 24 per cent. withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding tax at an aggregate rate of 15.5 per cent. on interest and other similar revenues paid to individuals who are fiscally domiciled in France.

### **Luxembourg Taxation**

All payments of interest (including accrued but unpaid) and principal by the Issuer in the context of the holding, disposal, redemption or repurchase of the Notes, which are not profit sharing, can be made free and clear of any withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld, or assessed by Luxembourg or any political subdivision or taxing authority thereof or therein, in accordance with the applicable Luxembourg law, subject however to the application as regards Luxembourg resident individuals of the amended Luxembourg law of 23 December 2005 which has introduced a 10 per cent. withholding tax (which is final when Luxembourg resident individuals are acting in the context of the management of their private wealth) on savings income (i.e. with certain exemptions, savings income within the meaning of the Luxembourg laws of 21 June 2005 implementing EC Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the "**EU Savings Directive**") paid by a paying agent within the meaning of the EU Savings Directive established in Luxembourg;

In addition, pursuant to the law of 23 December 2005 as amended, Luxembourg resident individuals who are the



beneficial owners of savings income paid by a paying agent within the meaning of the EU Savings Directive established outside Luxembourg, in a Member State of either the European Union or the European Economic Area, or in a jurisdiction having concluded an agreement with Luxembourg in connection with the EU Savings Directive, can opt to self declare and pay a 10 per cent. tax on this savings income. This 10 per cent. tax is final when Luxembourg resident individuals are acting in the context of the management of their private wealth.

Responsibility for the withholding of the 10 per cent. withholding tax in application of the above-mentioned Luxembourg law of 23 December 2005, as amended, is assumed by the Luxembourg paying agent within the meaning of these laws and not by the Issuer.

### **Savings Directive**

Under EC Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the "**Savings Directive**"), each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in that other Member State; however, for a transitional period, Austria may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35%. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

According to the Luxembourg law dated 25 November 2014, the Luxembourg government has abolished the withholding tax system with effect from 1 January 2015 in favour of automatic exchange of information under the Savings Directive.

A number of non-EU countries, and certain dependent or associated territories of certain Member States, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

The Council of the European Union formally adopted a Council Directive amending the Directive on 24 March 2014 (the "**Amending Directive**"). The Amending Directive broadens the scope of the requirements described above. Member States have until 1 January 2016 to adopt the national legislation necessary to comply with the Amending Directive. The changes made under the Amending Directive include extending the scope of the Directive to payments made to, or collected for, certain other entities and legal arrangements. They also broaden the definition of "interest payment" to cover income that is equivalent to interest.

However, the European Commission has proposed the repeal of the Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU). The proposal also provides that, if it proceeds, Member States will not be required to apply the new requirements of the Amending Directive.

## SUBSCRIPTION AND SALE

Subject to the terms of the amended and restated dealer agreement dated 17 July 2015 between the Issuer and the Permanent Dealers (together, as further supplemented or amended from time to time, (the "**Dealer Agreement**")), the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to issue Notes directly on its own behalf to Dealers which are not Permanent Dealers. Such Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches which are jointly and severally underwritten by two or more Dealers. The Notes may also be sold by the Issuer through the Dealers, acting as solicitation agents of the Issuer.

The Issuer will pay each Dealer a commission as will be agreed between the Issuer and such Dealer in respect of Notes subscribed by it or whose subscription has been procured by it. The Issuer has agreed to reimburse BNP Paribas for certain of its expenses incurred in connection with the establishment of the Programme. In respect of an issue of Notes on a syndicated basis, the commissions will be stated in the Final Terms.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement may be terminated in relation to all the Dealers or any of them by the Issuer or, in relation to itself and the Issuer only, by any Dealer, at any time on giving not less than 10 business days' notice.

### **Public Offer Selling Restrictions under the Prospectus Directive**

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Base Prospectus as completed by the final terms in relation thereto to the public in a Member State except that it may make an offer of such Notes to the public in that Member State:

- (a) at any time to any legal entities which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression "**an offer of Notes to the public**" in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto) and includes any relevant implementing measure in each Member State.

### **United States**

The Notes have not been and will not be registered under the U.S. Securities Act of 1933 (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act ("**Regulation S**").

Notes with a maturity of more than 12 months are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by

U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver the Notes of any identifiable Tranche, (i) as part of their distribution at any time or (ii) otherwise until 40 calendar days after completion of the distribution of such Tranche as determined, and certified to the Issuer and each relevant Dealer, by the Fiscal Agent, or in the case of Notes issued on a syndicated basis, the Lead Manager, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding sentence have the meaning given to them by Regulation S.

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 calendar days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

This Base Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Base Prospectus does not constitute an offer to any person in the United States. Distribution of this Base Prospectus by any non-U.S. person outside the United States to any U.S. person or to any other person within the United States is unauthorised and any disclosure without the prior written consent of the Issuer of any of the its contents to any such U.S. person or other person within the United States, is prohibited.

#### **Selling Restrictions addressing Additional United Kingdom Securities Laws**

In relation to each Tranche of Notes, each Dealer subscribing for or purchasing such Notes has agreed, and each further Dealer appointed under the Programme will be required to represent agree that:

- (a) **No deposit taking:** in relation to any Notes which have a maturity of less than one year:
  - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
  - (ii) it has not offered or sold and will not offer or sell any Notes other than to persons:
    - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
    - (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,where the issue of the Notes would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the "FSMA") by the Issuer;
- (b) **Financial promotion:** it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (c) **General compliance:** it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

## Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the "**Financial Instruments and Exchange Act**"). Accordingly, each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, a resident of Japan, or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, or otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan. As used in this paragraph, "**resident of Japan**" means any person resident in Japan, as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1948, as amended).

## France

Each Dealer and the Issuer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, in connection with the initial distribution of the Notes, it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in the Republic of France and that offers of Notes will be made in the Republic of France only to (a) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and/or (b) qualified investors (*investisseurs qualifiés*), and/or (c) a restricted circle of investors (*cercle restreint d'investisseurs*) as defined in Articles L.411-1, L.411-2, D.411-1 and D.411-4 of the *Code monétaire et financier*.

Each Dealer and the Issuer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that, in connection with the initial distribution of the Notes, it has not distributed or caused to be distributed and will not distribute or cause to be distributed in the Republic of France, the Base Prospectus or any other offering material relating to the Notes other than to those investors (if any) to whom offers and sales of the Notes in the Republic of France may be made as described above.

## General

These selling restrictions may be amended or supplemented in a Supplement to this Base Prospectus.

No representation is made that any action has been taken in any jurisdiction that would permit an offer to the public of any of the Notes, or possession or distribution of the Base Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Base Prospectus, any other offering material or any Final Terms and neither the Issuer nor any other Dealer shall have responsibility therefor except as may result from a breach of its own obligations under the Dealer Agreement.

## GENERAL INFORMATION

### 1 Application for approval

Application has been made to the *Autorité des marchés financiers* ("**AMF**") to approve this document as a base prospectus. Application will be made in certain circumstances to Euronext Paris for Notes issued under the Programme to be admitted to trading on Euronext Paris and/or any other regulated market in a Member State of the EEA.

This Base Prospectus received the visa No. 15-375 on 17 July 2015 from the AMF. Euronext Paris is a regulated market for the purposes of the Directive 2004/39/EC. The Final Terms applicable to each Series of Notes admitted to trading on Euronext Paris will be filed with the AMF. If the Final Terms in relation to a Series of Notes do not specify the aggregate nominal amount of Notes admitted to trading on Euronext Paris, the relevant Final Terms will indicate the manner in and date on which such amount will be made public in accordance with Article 212-27 of the *Règlement Général* of the AMF.

### 2 Corporate authorisations

The Issuer has obtained all necessary consents, approvals and authorisations in the Republic of France in connection with the establishment and update of the Programme. The establishment of the Programme was authorised by a resolution of the *Conseil d'Administration* passed on 24 May 1995, the increase in the Programme amount was authorised by a resolution of the *Conseil d'Administration* passed on 26 June 2009. On 28 November 2014, the *Conseil d'Administration* authorised the issuance of Notes under the Programme in the year 2015.

### 3 Authorised institution

The Issuer is not a European authorised institution i.e. not authorised to accept deposits in the United Kingdom.

### 4 United States income tax laws

Each Note with a maturity of more than 12 months and each Receipt, Coupon and Talon relating thereto will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".

### 5 Clearing Systems

Notes have been accepted for clearance through the Euroclear, Clearstream, Luxembourg and Euroclear France systems and/or any other clearing system, as the case may be. The Common Code, the International Securities Identification Number (ISIN) and (where applicable) the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms. The address of Euroclear France is 66 rue de la Victoire 75009 Paris, France, the address of Euroclear is 1 boulevard du Roi Albert II, 1210 Bruxelles, Belgium and the address of Clearstream, Luxembourg is 42 avenue John Fitzgerald Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg.

### 6 Documents on display

For so long as Notes may be issued pursuant to this Base Prospectus, the following documents will be available, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), for inspection at the office of the Fiscal Agent or each of the Paying Agents:

- (i) the *statuts* of the Issuer

- (ii) the published annual report of the Issuer and the consolidated accounts (in French and, where available in English) of the Issuer for the two financial years ended 31 December 2013 and 2014
- (iii) the Final Terms for Notes that are admitted to trading on Euronext Paris or any other Regulated Market in the EEA
- (iv) a copy of this Base Prospectus together with any supplement to this Base Prospectus or further Base Prospectus
- (v) all reports, letters and other documents, historical financial information, valuations and statements prepared by any expert at the Issuer's request any part of which is included or referred to in this Base Prospectus.

For so long as Notes may be issued pursuant to this Base Prospectus, the following documents will be available on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)):

- (i) this Base Prospectus
- (ii) the Final Terms for Notes that are listed and admitted to trading on Euronext Paris.

## **7 Legal and arbitration proceedings**

The Issuer is not and has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the Issuer's and/or the Group's financial position or profitability.

## **8 No significant change in the prospects of the Issuer**

Save as disclosed in this Base Prospectus, there has been no significant change in the financial or trading position of the Issuer or the Group since the end of the last financial period for which audited financial information has been published.

## **9 Material adverse change in the prospectus of the Issuer**

Save as disclosed in this Base Prospectus, there has been no material adverse change in the prospects of the Issuer since the date of its last published audited financial statements.

## **10 Statutory auditors**

PricewaterhouseCoopers Audit and Ernst & Young et Autres (both entities duly authorised as *Commissaires aux comptes*, members of the *Compagnie Régionale des Commissaires aux comptes de Versailles*, and regulated by the *Haut Conseil du Commissariat aux Comptes*) have audited and rendered a clean audit opinion on the consolidated financial statements of the Issuer for the year ended 31 December 2013 and for the year ended 31 December 2014. They have also audited and rendered a clean audit opinion on the annual non-consolidated financial statements of the Issuer for the year ended 31 December 2014.

## **11 Post-issuance information**

In respect of derivatives securities as defined in Article 15.2 of Commission Regulation no.809/2004, the Final Terms will indicate whether or not the Issuer intends to provide post-issuance information concerning the underlying. If the Issuer intends to report such information, the Final Terms will specify what information will be reported and where such information can be obtained.

## **12 Conflicts**

- (i) Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment

banking and/or commercial banking transactions with, and may perform services for, the Issuer and their affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates.

- (ii) If any of the Dealers or their affiliates has a lending relationship with the Issuer, certain of those Dealers or their affiliates routinely hedge, and certain other of those Dealers or their affiliates may hedge, their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such credit default swaps or short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

## PERSONS RESPONSIBLE FOR THE BASE PROSPECTUS

### 1.1. Persons responsible for the Base Prospectus

Régie Autonome des Transports Parisiens, LAC C22, 54, quai de la Rapée, 75599 Paris Cedex 12

### 1.2. Declaration by persons responsible for the Base Prospectus

We declare, having taken all reasonable measures for this purpose and to the best of our knowledge, that the information contained in this Base Prospectus is in accordance with the facts and that it contains no omission which could affect its import.

#### Régie Autonome des Transports Parisiens

LAC C22  
54, quai de la Rapée  
75599 Paris

duly represented by Alain Le Duc, Directeur Financier on 17 July 2015



In accordance with Articles L. 412-1 and L. 621-8 of the French *Code monétaire et financier* and with the General Regulations (*Règlement Général*) of the *Autorité des marchés financiers* ("AMF"), in particular Articles 212-31 to 212-33, the AMF has granted to this Base Prospectus the visa no. 15-375 on 17 July 2015. This Base Prospectus may only be used for the purposes of a financial transaction if completed by Final Terms. It was prepared by the Issuer and its signatories assume responsibility for it. In accordance with Article L. 621-8-1-1 of the *French Code monétaire et financier*, the visa was granted following an examination by the AMF of "whether the document is complete and comprehensible, and whether the information it contains is coherent". It does not imply that the AMF has verified the accounting and financial data set out in it. This visa has been granted subject to the publication of Final Terms in accordance with Article 212-32 of the AMF's General Regulations, setting out the terms of the securities being issued.



**NAME AND REGISTERED OFFICE OF THE ISSUER**

**Régie Autonome des Transports Parisiens**

LAC C22  
54, quai de la Rapée  
75599 Paris Cedex 12

**DEALERS**

**Barclays Bank PLC**  
5 The North Colonnade  
Canary Wharf  
London E14 4BB  
United Kingdom

**BNP Paribas**  
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London NW1 6AA  
United Kingdom

**Commerzbank Aktiengesellschaft**  
Kaiserstraße 16 (Kaiserplatz)  
60311 Frankfurt am Main  
Germany

**Credit Suisse Securities (Europe) Limited**  
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London E14 4QJ  
United Kingdom

**Deutsche Bank AG, London Branch**  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
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**Goldman Sachs International**  
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133 Fleet Street  
London EC4A 2BB  
United Kingdom

**HSBC France**  
103, avenue des Champs-Élysées  
75008 Paris  
France

**J.P. Morgan Securities plc**  
25 Bank Street  
Canary Wharf  
London E14 5JP  
United Kingdom

**Merrill Lynch International**  
2 King Edward Street  
London EC1A 1HQ  
United Kingdom

**UBS Limited**  
1 Finsbury Avenue  
London EC2M 2PP  
United Kingdom

**ARRANGER FOR THE PROGRAMME**

**BNP Paribas**  
10 Harewood Avenue  
London NW1 6AA

**INITIAL FISCAL AGENT, PRINCIPAL PAYING AGENT,  
CALCULATION AGENT,  
REDENOMINATION AGENT, CONSOLIDATION AGENT**

**BNP Paribas Securities Services**

Grands Moulins de Pantin  
9, rue du Débarcadère  
93761 Pantin Cedex  
France

**PAYING AGENT**

**BNP Paribas Securities Services**

(Euroclear France number 29106)

Grands Moulins de Pantin  
9, rue du Débarcadère  
93761 Pantin Cedex  
France

**AUDITORS**

**KPMG Audit**

KPMG SA

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France

**Mazars**

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France

**LEGAL ADVISERS**

**To the Issuer**

*in respect of French law*

**Orrick Herrington & Sutcliffe (Europe) LLP**

31, avenue Pierre 1<sup>er</sup> de Serbie  
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**To the Dealers**

*in respect of French law*

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