Base Prospectus dated 6 December 2018

THIS DOCUMENT IS A FREE TRANSLATION OF THE FRENCH LANGUAGE “PROSPECTUS DE BASE” DATED 6 DECEMBER 2018 PREPARED BY THE SYNDICAT DES TRANSPORTS D’ILE-DE-FRANCE. IN THE EVENT OF ANY AMBIGUITY OR CONFLICT BETWEEN CORRESPONDING STATEMENTS OR OTHER ITEMS CONTAINED IN THESE DOCUMENTS, THE RELEVANT STATEMENTS OR ITEMS OF THE FRENCH LANGUAGE “PROSPECTUS DE BASE” SHALL PREVAIL.

Syndicat des Transports d’Ile-de-France
Euro Medium Term Note Programme
for a maximum amount of
€5,000,000,000

The Syndicat des Transports d’Ile-de-France (Ile-de-France Mobilités or the Issuer) may, under the Euro Medium Term Note Programme (the Programme) presented in this base prospectus (the Base Prospectus), at any time, in compliance with all applicable laws, regulations and directives, issue notes (the Notes). The aggregate nominal amount of Notes outstanding at any time may not exceed €5,000,000,000 (or the equivalent of said amount in any other currencies) at any issue date.

Under certain circumstances, application may be made for Notes issued under the Programme to be listed for trading on Euronext Paris (Euronext Paris). Euronext Paris is a regulated market as defined in Directive 2014/65/EU dated 15 May 2014 as amended (a Regulated Market). Notes may also be listed for trading on another Regulated Market of a member state of the European Economic Area (EEA) or on a non-regulated market or not be admitted for trading on any market. The final terms prepared for an issue of Notes (the Final Terms), based on the form set out in the Base Prospectus, shall specify whether or not such Notes shall be listed for trading on a regulated market and shall list, if applicable, the relevant Regulated Market(s). Notes admitted to trading on a Regulated Market shall have a nominal value, specified in the Final Terms, equal to or greater than €100,000 (or the equivalent value of this amount in other currencies) or any other larger amount that may be authorised or required by any relevant competent authority or any applicable law or regulation. This Base Prospectus has been submitted for the approval of the Autorité des marchés financiers (AMF) which has granted it visa No. 18-549 on 6 December 2018.

The Notes may be issued in dematerialised form (Dematerialised Notes) or materialised form (Materialised Notes), as more fully described in the Base Prospectus. Dematerialised Notes will be entered in an account in accordance with articles L. 211-3 et seq. of the French Code monétaire et financier. No physical document of title shall be issued in respect of Dematerialised Notes. Dematerialised Notes may be issued, at the Issuer’s discretion either (a) in bearer form, recorded on the date of issue in the books of Euroclear France (acting as central depositary), which shall credit the accounts of the Account Holders (as defined in “Terms and Conditions of the Notes - Form, denomination, title, redenomination and consolidation”) including Euroclear Bank SA/NV (Euroclear) and the depositary bank for Clearstream Banking S.A. (Clearstream) or (b) in registered form and, in such case, at the option of the relevant Noteholder (as defined in “Terms and Conditions of the Notes - Form, denomination, title, redenomination and consolidation”), or in pure registered form (nominatif pur), in which case they shall be recorded in an account in the books of the Issuer or an agent (as specified in the applicable Final Terms) on behalf of the Issuer, or in administered registered form (nominatif administré), in which case they shall be entered into the accounts of the Account Holder designated by the Noteholder in question.

Materialised Notes shall be issued in bearer form only and may only be issued outside France. A temporary global certificate in bearer form without interest coupons attached (Temporary Global Certificate) shall be issued initially in respect of the Materialised Notes. Such Temporary Global Certificate shall subsequently be exchanged for Materialised Notes represented by physical notes (Physical Notes) together with, if applicable, interest coupons, no earlier than a date approximately 40 calendar days after the issue date of the Notes (unless postponed, as described in the section “Temporary Global Certificates in respect of Materialised Notes”) upon certification that the Notes are not being held by U.S. Persons in accordance with U.S. Treasury regulations, as more fully described in the Base Prospectus. The Temporary Global Certificates shall be deposited (a) in the case of a Tranche (as defined in the section “Summary of the Programme”) intended to be cleared through Euroclear and/or Clearstream, deposited on the issue date with a depositary common to Euroclear and Clearstream, or (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 or delivered outside any clearing system, deposited under the conditions agreed between the Issuer and the relevant Dealer (as defined below).

The Issuer received a long-term rating of Aa2, outlook positive, from Moody’s Investors Service EMEA Limited France Branch on 29 June 2018. Notes issued under the Programme may be rated or not. The rating of the Notes, if any, shall be specified in the applicable Final Terms. A rating is not a recommendation to buy, sell or hold Notes and may be suspended, amended or withdrawn at any time by the relevant rating agency without notice. On the date of the Base Prospectus, Moody’s Investors Service EMEA Limited France Branch is a rating agency established in the European Union and registered in accordance with Regulation (EC) No. 1060/2009 of the European Parliament and Council of 16 September 2009 on rating agencies, as amended (the ANC Regulation) and is listed on the list of rating agencies published on the website of the European Securities and Markets Authority (https://www.esma.europa.eu/supervision/credit-rating-agencies/risk) in accordance with the ANC Regulation.

Potential investors should be aware of the risks described in the section “Risk factors” before making any decision to invest in Notes issued under this Programme.

The Base Prospectus, any supplement thereto, documents incorporated by reference in this Base Prospectus and, as long as any Notes are listed for trading on a Regulated Market or in accordance with directive 2003/71/EC as amended (the Prospectus Directive), the applicable Final Terms shall be published on the websites of (a) the AMF (www.amf-france.org) and (b) the Issuer (https://www.iledefrance-mobilites.fr/le-financement-des-transports-publics/) and (c) shall be available for consultation and to obtain copies, free of charge, during normal office hours, on any day (except Saturdays, Sundays and public holidays) at the offices of the Fiscal Agent or the Paying Agent(s).

Arranger
HSBC
Dealers
<table>
<thead>
<tr>
<th>Crédit Agricole CIB</th>
<th>HSBC</th>
<th>Natixis</th>
<th>Société Générale Corporate &amp; Investment</th>
</tr>
</thead>
</table>


This Base Prospectus (together with any supplement thereto) constitutes a base prospectus for the purposes of Article 5.4 of the Prospectus Directive containing all relevant information on the Issuer to enable investors to make an informed assessment of the assets, business, financial position, results and outlook of the Issuer as well as of the rights attached to the Notes. Each Tranche (as defined in “Summary of the Programme”) of Notes shall be issued in accordance with the provisions set forth in “Terms and Conditions of the Notes” of this Base Prospectus, as completed by the provisions of the applicable Final Terms agreed by the Issuer and the Dealers (as defined in “Summary of the Programme”) concerned at the time of issue of said Tranche. The Base Prospectus (together with any supplement thereto) combined with the Final Terms shall constitute a prospectus for the purposes of Article 5.1 of the Prospectus Directive.

In connection with the issue or sale of any Notes, no person has been authorised to provide information or make any representations other than those set forth or incorporated by reference in this Base Prospectus. No such information or representations may be treated as having been authorised by the Issuer, the Arranger or any of the Dealers. Neither the delivery of this Base Prospectus nor any sale made on the basis of this document shall imply, under any circumstances, that there has been no adverse change in the position, in particular the financial position, of the Issuer since the date of this document or since the date of the most recent supplement to this document, or that any other information provided in connection with this Programme is accurate on any date subsequent to the date on which it was provided or, if different, the date indicated on the document containing such information.

The distribution of this Base Prospectus and the offering or sale of any Notes may be restricted by law in certain countries.

For a description of certain restrictions applicable to the offering, sale and transfer of the Notes and the distribution of this Base Prospectus, potential investors are invited to refer to the section “Subscription and Sale”.

GOVERNANCE OF THE MIIFID II PRODUCTS / TARGET MARKET - The Final Terms of each series of Notes will contain a section titled “Governance of the MiFID II Products”, which will describe the evaluation of the target market for the Notes as well as the appropriate distribution channels for the Notes. Any person who subsequently offers, sells or recommends the Notes (a distributor) must take into consideration this evaluation of the target market; however, a distributor subject to Directive 2014/65/EU (as amended, MiFID II) must conduct his own evaluation of the target market for the Notes (using or expanding the depth of the evaluation made of the target market) and determine the appropriate distribution channels.

For each issue, it will be determined whether, for the needs of the rules of governance for products under the Delegated Directive (EU) 2017/593 (the Governance Rules for MiFID Products), any Dealer subscribing to the Notes must be considered the producer of such Notes; if not, neither the Arranger nor the Dealers, nor any of their respective affiliates shall be producers as defined by the Rules of Governance for MiFID Products.

BAN ON SALE TO RETAIL CUSTOMER INVESTORS IN THE EEA - The Notes shall not be intended to be offered, sold or otherwise made available and must not be offered, sold or otherwise made available to any retail investors in the European Economic Area (the “EEA”). For the needs of this notice, “retail investor” means a person who meets one (or more) of the following criteria: (i) is a “retail customer” within the meaning of Article 4, section 1, point 11, of MiFID II; or (ii) is a “customer” as defined by Directive 2002/92/EC (as amended, the “Insurance Intermediation Directive”), when such a person does not meet the definition of a professional customer given in Article 4, section 1, point 10 of MiFID II; or (iii) is not a qualified investor as defined by the Prospectus Directive. Therefore, no key information document required by Regulation (EU) No. 1286/2014 (as amended, the “PRIIPS Regulation”), to offer or sell the Notes or otherwise make them available to retail customer investors in the EEA has been prepared and, therefore, the offer or sale of the Notes or their availability to a retail investor in the EEA may be considered illegal under the PRIIPS Regulation.

This Base Prospectus constitutes neither an invitation nor an offer by or on behalf of the Issuer, the Dealers or the Arranger to subscribe for or purchase the Notes.
Neither the Issuer nor the Dealers makes any representation to any prospective investor in the Notes as to the lawfulness of their investment under applicable laws. Any prospective investor in the Notes must be capable of assuming the economic risk that its investment in the Notes implies for an unlimited period of time.

Neither the Arranger nor any of the Dealers has verified the information contained or incorporated by reference in this Base Prospectus. Neither the Arranger nor any of the Dealers makes any express or implied representation, or accepts any liability, as to the accuracy or completeness of any information contained or incorporated by reference in this Base Prospectus. The Base Prospectus is not intended to provide the basis of any credit or other evaluation and must not be considered as a recommendation to buy Notes by the Issuer, the Arranger or any of the Dealers to any recipients of this Base Prospectus. Each prospective investor in Notes must make his own assessment of the relevance of the information contained in this Base Prospectus and his decision to purchase Notes must be based on such research as he considers necessary. Neither the Arranger nor any of the Dealers undertakes to review the financial position or the business of the Issuer during the life of this Base Prospectus, nor undertakes to inform any investor or prospective investor of any information of which it becomes aware.
## CONTENTS

<table>
<thead>
<tr>
<th>Clause</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk Factors</td>
<td>6</td>
</tr>
<tr>
<td>General Description of the Programme</td>
<td>20</td>
</tr>
<tr>
<td>Documents Incorporated by Reference</td>
<td>27</td>
</tr>
<tr>
<td>Supplement to the Base Prospectus</td>
<td>29</td>
</tr>
<tr>
<td>Terms and Conditions of the Notes</td>
<td>30</td>
</tr>
<tr>
<td>Temporary Global Certificates in respect of Materialised Notes</td>
<td>60</td>
</tr>
<tr>
<td>Description of the Issuer</td>
<td>62</td>
</tr>
<tr>
<td>Use of Proceeds</td>
<td>118</td>
</tr>
<tr>
<td>Taxation</td>
<td>119</td>
</tr>
<tr>
<td>Subscription and Sale</td>
<td>121</td>
</tr>
<tr>
<td>Form of Final Terms</td>
<td>125</td>
</tr>
<tr>
<td>General Information</td>
<td>138</td>
</tr>
<tr>
<td>Responsibility for the Base Prospectus</td>
<td>141</td>
</tr>
</tbody>
</table>
RISK FACTORS

The Syndicat des Transports d'Île-de-France (Île-de-France Mobilités or the Issuer) believes that the following risk factors are material to any decision to invest in the Notes and/or may affect its ability to meet its obligations for the Notes to investors. Those risks are unpredictable and the Issuer cannot comment on their potential occurrence.

The Issuer believes that the factors described below represent the principal risks inherent in the Notes issued under the Euro Medium Term Note Programme (the Programme), but they are not, however, exhaustive. The order in which the risk factors are presented below is not an indication of how likely they are to occur. The risks described below are not the only risks to which an investor in the Notes is exposed. Other risks and uncertainties, which are unknown to the Issuer as at this date, or which it does not consider material on the date of this base prospectus (the Base Prospectus), may have a material impact on an investment in the Notes. Prospective investors should also read the detailed information appearing elsewhere in this Base Prospectus and form their own opinion before taking any investment decision. In particular, investors must make their own assessment of the risks associated with the Notes before investing in the Notes and must seek advice from their own tax, financial and legal advisers on the risks associated with an investment in a given Series of Notes and the suitability of an investment in the Notes in light of their own specific circumstances.

The Issuer believes that the Notes should be purchased only by investors who are (or are acting on the advice of) financial institutions or other professional investors who are able to assess the specific risks associated with an investment in the Notes.

All terms beginning with a capital letter and not defined in this section shall have the meaning given to them in the section “Terms and Conditions of the Notes”.

Any reference below to an Article refers to the corresponding numbered article in the “Terms and Conditions of the Notes”.

1. RISKS RELATING TO THE ISSUER

Île-de-France Mobilités is a sui generis administrative public establishment that brings together the Région Île-de-France, the City of Paris and the departments of Hauts-de-Seine, Seine-Saint-Denis, Val-de-Marne, Essonne, Yvelines, Val-d’Oise and Seine-et-Marne. Under the terms of Article L. 1241-1 of the French Code des transports, the Issuer is the organising authority for transport for the Île-de-France region, just like other authorities responsible for organising mobility services as described in Article L. 1231-1 of the French Code des transports, which, when these are not local authorities, are generally groupings of local authorities, established in the form of joint associations, and classified as local authority groupings pursuant to Article L. 5111-1 of the French Code général des collectivités territoriales. The Issuer is therefore a local authority as defined in Commission Regulation 809/2004 of 29 April 2004.

The Issuer’s articles of association are established by decree no. 2005-664 of 10 June 2005, as amended by decree no. 2015-748 of 27 June 2015 and have been codified under Articles L.1241-1 to L.1241-20, L.3111-14 to L.3111-16, for the legislative part, and R.1241-1 to R.1241-66 and R.3111-30 to D.3111-36, for the regulatory part, of the French Code des transports.

Article R. 1241-59 of the French Code des transports stipulates that (i) the provisions relating to the budgetary control of the Issuer’s acts are those established in articles L. 1612-1 to L. 1612-20 of the French Code général des collectivités territoriales relating to the rules for
implementing budgets, and ii) the other provisions relating to the accounting officer are those established in Articles L. 1617-1 to L.1619-2 relating to local authority auditors.

**Risks related to the Issuer’s financial statements**

The Issuer, as an administrative public establishment, is not subject to the same accounting standards as a private law issuer. Its financial statements (budgets, administrative accounts) are not subject to the specific accounting rules established in particular by decree no. 2012-1246 of 7 November 2012 relating to budgetary management and public accounting, by the bylaws of 27 December 2005 and 13 December 2007, and the French *Code général des collectivités territoriales*. Investors’ financial assessment of the Issuer requires taking this specific accounting into consideration.

Moreover, the Issuer’s accounts are not audited based on the same procedures as those applied to a private issuer, rather they are subjected to State control, which consists of three types: (i) control of legality exercised by the *Préfet*, (ii) financial controls exercised by the *Préfet* and the public accountant and (iii) periodic management review conducted by the Regional Accounts Office (*Chambre Régionale des Comptes*).

**Asset related risks**

The risks to the Issuer’s assets include all damages, claims, destruction and physical losses that could occur to its real and personal property, particularly as the result of a natural disaster, a fire, an act of terrorism, etc.

Moreover, the operations and activities of the Issuer could present risks related primarily to property damage.

For the various risks to its assets, the Issuer has subscribed to adequate insurance policies, including in particular civil liability.

Rolling stock is insured by the operators to operate it, pursuant to the agreements they have signed with the Issuer. The Issuer requires operators to ensure that all damages suffered or caused by rolling stock operated by them are covered by adequate insurance or that they are self-insured in the case of the RATP and SNCF Mobilités. As such, operators are contractually liable for all damage, accidents or damage of any kind whatsoever, direct or indirect, relating to the execution of the public service for which they are responsible under the contract, regardless of the person or property involved. They are responsible in particular for the damage suffered or caused by the rolling stock (including rolling stock belonging to Ile-de-France Mobilités), damage caused to people, the environment and property, and the safety of the network as a whole.

Ile-de-France Mobilités allows operators to conclude insurance contracts or to self-insure in order to cover all of their liabilities.

The infrastructures do not belong to the Issuer, and therefore it is the transport operators, or SNCF Réseau in the case of infrastructures on which SNCF Mobilités operates, who are responsible for these infrastructures and are liable for any loss or damage. Infrastructure that is in the process of being constructed, for which Ile-de-France Mobilités is the contracting authority, are covered by civil liability, contractor all-risk and structural damage insurance policies contracted by the Issuer.
**Contractual risk**

Most of the contracts concluded by the Issuer are currently awarded without competitive bidding to operators that benefit from exclusive rights or monopolies (notably RATP and SNCF Mobilités). With respect to these contracts, Ile-de-France Mobilités assumes (in the form of contributions paid to the operators) the operating costs that are not covered by traffic revenues. With regard to RATP and SNCF Mobilités in particular, given their status as EPIC (Établissement Public Industriel et Commercial—a public service company with a commercial and industrial mission), the Issuer does not support the risk linked to their failure or the non-execution of their obligations. For services which do not have exclusive rights or are not under a monopoly (new services excluding rail services), the Issuer concludes concession contracts (public service delegations) through which it transfers the operating risks. Ile-de-France Mobilités requires that the delegatee creates a legal entity dedicated to the mission awarded to it by Ile-de-France Mobilités, with separate accounting. As a result, this delegatee entity cannot fail, since the public service delegation, under which Ile-de-France Mobilités pays contributions to the delegatee, aims to cover the costs of the operation awarded to the delegatee under its public service mission.

**Financial risks**

Investors are exposed to credit and counterparty risk. The credit and counterparty risk is the risk of impairment of the economic value of a claim, both existing or potential, related to the downgrading of the credit of a counterparty which can become its inability to meet its commitments. If the Issuer’s position were to deteriorate, an investor could run the risk of losing all or a portion of its initial investment.

In addition, the Issuer’s indebtedness (interest and fees) weighs heavily on its operating expenses and a high level of indebtedness may reduce its savings rate and, as a result, its ability to borrow on satisfactory financial terms. At 31 December 2017, Ile-de-France Mobilités had debt of €1,713 million, with a residual average term of 12 years and 3 months.

However, the status of a legal entity governed by public law and the legal framework for borrowing by local authorities, their groups and their public establishments strongly reduces the insolvency risks of the Issuer.

Moreover, Law No. 2013-672 of 26 July 2013 on the separation and regulation of banking activities inserted a new Article L.1611-3-1 in the French Code général des collectivités territoriales. Under the terms of this article, as amended by Law No. 2015-991 of 7 August 2015 defining the new territorial organisation of the Republic, when a local authority or a group of local authorities contracts a loan denominated in a foreign currency, the local authority or group of local authorities shall have an obligation to enter into a euro currency swap contract when it contracts the loan for the same amount and term as the loan. In any event, it is not the strategy of Ile-de-France Mobilités to contract loans denominated in a currency other than the euro, as certified by the deliberations of the Board of Directors which have successively framed the use of loans since 2012. These deliberations accompany each vote on the primary budget.

Finally, Decree No. 2014-984 of 28 August 2014, adopted pursuant to the aforementioned law of 26 July 2013, sets out the conditions for local authorities and their groups when subscribing for loans from credit institutions and for financial contracts, in order to limit high risk borrowing.
This decree defines four categories of simple indexes on which rates may vary. In accordance with Article R.1611-33 II 2° of the French Code général des collectivités territoriales, the interest rate may not, during the life of the loan, be greater than double the lowest rate recorded in the first three years of the loan. Furthermore, subscribing to a financial contract backed by a loan does not represent an exception to these rules, except where allowing such an exception would reduce the risk related to a loan from credit institutions or a financial contract that does not comply with the new provisions. Therefore, the new Article R.1611-34 I of the aforementioned code allows local authorities to subscribe to financial contracts only under the condition that they are backed by loans and the variable interest rate resulting from the combination of the loan and financial contract does not violate the condition stipulated in Article R.1611-33 II 2°.

**Risks associated with non-repayment of the Issuer’s debt**

The interest on the debt and the repayment of the debt principal are mandatory expenditures for the Issuer. These expenditures must, therefore, be charged to the Issuer’s budget.

If this obligation is violated, French law has stipulated a procedure (Article L.1612-15 of the French Code général des collectivités territoriales) that allows the Préfet, after an opinion from the Regional Accounts Office (Chambre Régionale des Comptes), to record this expense in the budget. Furthermore, failing payment of a mandatory expense, French law has introduced another procedure (Article L.1612-16 of the French Code général des collectivités territoriales) enabling the Préfet to do so automatically. These Articles L.1612-15 and L.1612-16 of the French Code général des collectivités territoriales are made applicable by Article L.1612-20 of the same code “to public establishments common to local authorities or groupings of these authorities and to public establishments”, such as Ile-de-France Mobilités, an administrative public establishment constituted between the local authorities of Ile-de-France (Articles L.1241-8 and R.1241-1 of the French Code des transports).

In this respect, the failure of the Préfet to implement this procedure could generate liability for the French State, if applicable, for all unpaid expenses (see Conseil d’État, 18 November 2005, Société Fermière de Campoloro, No. 271898; Conseil d’État, 29 October 2010, Min. Alimentation, Agriculture et Pêche, No. 338001).

This “implied” guarantee mechanism is justified by the principle of immunity from seizure of the assets of French public authorities. Under this principle, the Issuer, as a public establishment, is immune from ordinary law enforcement measures such as seizure of assets. Indeed, Article L. 2311-1 of the French Code général de la propriété des personnes publiques (CG3P) provides that “the assets of the public entities referred to in Article L.1 are immune from seizure”.

The mandatory nature of debt repayment therefore constitutes a strong legal protection for lenders.

**Risks associated with the use of financial contracts**

The use of financial contracts (derivatives such as swaps, caps, tunnels, etc.) is framed by the inter-ministry circular No. NOR IOCB1015077C of 25 June 2010 relating to financial products offered to local authorities and their public establishments. This text specifies the risks inherent in the debt management by local authorities and summarises the current law regarding the use of financial products and instruments to hedge the financial risk. It notes the ban on any speculative transactions on the grounds that such transactions fall neither within the jurisdiction of local authorities nor within the general interest that is local in nature.
Within this framework, the use of financial instruments is authorised only within a logic of hedging the rate or currency risk.

The Issuer is authorised to subscribe to rate derivatives, but not to current derivative products. The annual deliberation prior to the vote on the primary budget authorises only “vanilla” rates on derivative products as on loans: traditional fixed or floating rates (Euribor, Eonia, Livret A, inflation).

The Issuer therefore opts, in order to be certain of its commitments, for fixed-rate debt (83.3%), and the share of floating rate debt is limited to 16.7%.

**Risks of a change in the Issuer’s resources**

The Issuer, as a public administrative establishment, is exposed to any change in its legal and regulatory environment that might modify its structure and return, particularly for the endowments paid by the State and the taxation of the transport payment. The public transport contribution, which represents 70% of the Issuer’s actual operating revenue, is a tax, collected by the social security bodies (the URSSAF and MSA principally), it is levied on the total payroll subject to social security contributions and is paid by employers (private and public) employing more than 11 employees based in Ile-de-France. This tax is paid specifically to authorities responsible for organising public transport, local authorities and their groupings (such as the Issuer) responsible, under the terms of Article L. 1231-1 of the French *Code des transports*, for organising regular public transport services.

In this context, a decrease in the level of the transport payment and, to a lesser extent, in the endowments paid by the State, could negatively affect the Issuer’s operating receipts. As budget balance must be respected, it may have to either adjust the change in its expenses or increase the public transport rates.

If the Issuer should decide to make changes to tariffs, such as a change to the pricing of an existing ticket or the creation or abolition of a ticket, the Issuer retains all proceeds and bears all losses resulting from its pricing decisions.

With respect to risks linked to variations in the volume of revenue received on the sale of tickets, a target is set contractually between the Issuer and the SNCF Mobilités and RATP transport operators and the Optile operators. The Issuer shares 50% of the risks linked to variations in revenue with the operators, within a variation limit of +/- 3% with respect to the contractually established revenues target. Above or below this variation limit, the risk is covered up to 90% by the Issuer and 10% by the transport operators.

**Lack of private law enforcement against the Issuer**

As the Issuer is a public establishment, it is immune from ordinary law enforcement measures such as seizure of assets. Indeed, Article L.2311-1 of the French *Code général de la propriété des personnes publiques* (CG3P) provides that “the assets of the public entities referred to in Article L.1 [including public establishments] are immune from seizure”.

As a result, as like any public legal entity, the Issuer is not subject to the collection proceedings stipulated by the French *Code de commerce* (Cour d’Appel de Paris, 3rd chamber, section B, 15 February 1991, Centre national des bureaux régionaux de fret, No. 90-21744 and 91-00859) and remedies for investors are more limited than for a private issuer.

**Risk related to the change of status of the Issuer**
The Issuer is an administrative public establishment which status is established by legislative and regulatory provisions contained in the French Code des transports.

The status of the Issuer may be totally or partially modified in the event of subsequent legislative or regulatory developments. A change of status of the Issuer is not envisaged.

**The Issuer’s long-term debt and short-term debt rating**

The Issuer’s rating for long-term debt and short-term debt by Moody’s Investors Service EMEA Limited France Branch is only an opinion with respect to the level of credit risks associated with the Issuer and does not necessarily reflect all the risks associated with the Issuer. This rating is not a recommendation to buy, sell or hold the Notes and may be suspended, changed or withdrawn by the ratings agency at any time.

2. **RISKS ASSOCIATED WITH THE NOTES**

2.1 **General market risks**

**Market value of the Notes**

The debt securities market is affected by economic and market conditions and, to varying degrees, by interest rates, exchange rates and inflation in other European and industrialised countries. No assurance can be given that events in France, Europe or elsewhere will not cause market volatility or that such market volatility will not adversely affect the price of the Notes, or that economic and market conditions will not have other adverse effects.

The market value of the Notes may also be affected by the Issuer’s credit quality.

**An active market in the Notes may not develop or be sustained**

No assurance can be given that an active market in the Notes will develop or that, if such market does develop, that it will be sustained or offer sufficient liquidity. If an active market in the Notes does not develop or is not sustained, the market value or price and the liquidity of the Notes may be adversely affected. Therefore, investors may not be in a position to easily sell their Notes or to sell them at a price offering a return comparable to similar products for which an active market has developed.

The Issuer has the right to purchase Notes, under the conditions defined in Article 5.7 of the Terms and Conditions of the Notes “Purchases”, and the Issuer may issue new Notes, under the conditions defined in Article 12 of the Terms and Conditions of the Notes “Fungible issues”. Such transactions may favourably or adversely affect the price of the Notes. If additional or competing products are introduced on the markets, this may adversely affect the value of the Notes.

**Currency and exchange control risks**

The Issuer will pay the principal and interest on the Notes in the currency specified in the applicable Final Terms (the **Specified Currency**). This presents certain currency conversion risks if the investor’s financial activities are primarily conducted in a currency or monetary unit (the **Investor’s Currency**) other than the Specified Currency. Such risks include the risk that exchange rates may fluctuate significantly (including fluctuations due to devaluation of the Specified Currency or revaluation of the Investor’s Currency) and the risk that the authorities with jurisdiction over the Investor’s Currency may impose or modify exchange controls. An increase in the value of the Investor’s Currency compared to the Specified
Currency would reduce (i) the equivalent yield of the Notes in the Investor’s Currency, (ii) the equivalent value in the Investor’s Currency of the principal payable on the Notes and (iii) the equivalent market value in the Investor’s Currency of the Notes.

The Government and the monetary authorities may impose (as has occurred in the past) exchange control measures that may adversely affect exchange rates. As a result, investors may receive a payment of principal or interest lower than expected, or even receive neither interest nor principal.

**Risks relating to ratings**

The Issuer received a long-term rating of Aa2, outlook positive, from Moody’s Investors Service EMEA Limited France Branch on 29 June 2018. Independent credit rating agencies may assign a rating to Notes issued under this Programme. Such a rating does not reflect the potential impact of the risk factors described in this section and all other risk factors that may affect the value of the Notes issued under this Programme. A rating does not constitute a recommendation to buy, sell or hold Notes and may be revised or withdrawn at any time by the rating agency.

### 2.2 General risks relating to the Notes

**The Notes may not be a suitable investment for all investors**

An investment in the Notes may not be appropriate for all investors. These instruments may be acquired as a way to reduce risk or improve yield with a known, measured additional risk appropriate to the total investment portfolio. A prospective investor should not invest in Notes which are complex financial instruments unless he has the expertise (either alone or with the assistance of 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 prospective investor’s entire investment portfolio.

Each prospective investor must determine, on the basis of his own assessment and with the assistance of any adviser he may consider appropriate in the circumstances, the suitability of an investment in the Notes in light of his personal circumstances. In particular, each prospective investor should:

(a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes in question and the information contained in this Base Prospectus or in any supplement to this Base Prospectus and under the final conditions prepared in the context of an issue of Notes (the “**Final Terms**”);

(b) have access to, and knowledge of, appropriate analytical tools to measure, in the context of his personal financial situation and sensitivity to risk, an investment in the Notes in question and the impact that said Notes might have on his total investment portfolio;

(c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes;

(d) understand thoroughly the Terms and Conditions of the Notes and be familiar with the behaviour of all relevant reference rates and financial markets;
(e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for the economy, interest rates and any other factor that could affect his investment and ability to bear the relevant risks; and

(f) make sure that an investment in the Notes complies with the applicable laws and regulations, particularly prudential laws and regulations.

The Notes may be redeemed before maturity for fiscal reasons or in the event of an illegality

If, at the time of repayment of principal or payment of interest, the Issuer is forced to pay additional amounts pursuant to Article 7.2 of the Terms and Conditions of the Notes “Additional amounts”, it may then, pursuant to Article 5.6 of the Terms and Conditions of the Notes “Redemption for tax reasons” redeem all Notes at the Early Redemption Amount plus all interest accrued until the redemption date set.

Similarly, if it becomes unlawful for the Issuer to apply or comply with its obligations under the Notes, the Issuer may, in accordance with Article 5.9 of the Terms and Conditions “Illegality”, redeem the Notes, in full but not in part only, at the Early Redemption Amount plus all interest accrued until the redemption date set.

Early redemption by the Issuer may result, for the Noteholders, in a return which is significantly lower than their expectations or which may affect the market value or liquidity of the Notes

The Final Terms of a given issue of Notes may provide an early redemption option for the Issuer pursuant to Article 5.3 of the Terms and Conditions of the Notes “Redemption at the option of the Issuer”. As a result, the yield at the time of redemption may be lower than expected, and the value of the redeemed amount of the Notes may be less than the purchase prices of the Notes paid by the Noteholder (as this term is defined in Article 1.3 of the Terms and Conditions of the Notes “Ownership”). Therefore, a portion of the capital invested by Noteholders in the Notes may be lost, so that the Noteholder receives less than the total capital invested. Furthermore, in the event of early redemption, investors who decide to reinvest the funds they receive may be able to reinvest only in securities that offer lower returns than the redeemed Notes.

The market value of the Notes may be affected by the optional redemption option of the Notes by the Issuer. During the periods when the Issuer may initiate such redemptions, this market value usually does not rise significantly above the price at which the Notes can be redeemed. It may also be the case before any redemption period.

One can expect that the Issuer redeems the Notes when its borrowing cost is lower than the interest rate on the Notes. In such a situation, an investor will generally not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the redeemed Notes and would only be able to reinvest in securities that offer a significantly lower yield. Prospective investors must therefore take into account the risk related to the reinvestment in light of the other investments available at the time of the investment.

Moreover, the exercise of a partial redemption option only by the Issuer may affect the liquidity of the Notes of this same Series for which such an option has not been exercised. Depending on the number of Notes of the same Series for which the redemption option provided for in the relevant Final Terms has been exercised, the market for Notes for which such a redemption right has not been exercised could become illiquid.
The exercise of early redemption by a Noteholder may affect the liquidity of the Notes

The exercise of a redemption option at the Noteholders’ discretion, pursuant to Article 5.4 of the Terms and Conditions of the Notes “Redemption at the option of the Noteholders”, for some Notes may affect the liquidity of the Notes of the same Series for which such an option has not been exercised. Depending on the number of Notes of the same Series for which the redemption option provided for in the relevant Final Terms has been exercised, the market for Notes for which such a redemption right has not been exercised could become illiquid. In addition, investors requesting redemption of their Notes may not be able to reinvest the funds received for said early redemption with a yield equivalent to that of the redeemed Notes.

Loss of investment in the Notes

The Issuer reserves the right to buy back Notes, at any price, on or off the stock exchange, in accordance with applicable regulations. Although this does not impact on the normal schedule for redemption of the Notes still outstanding, it would however reduce the liquidity of the Notes which may be purchased.

Furthermore, in the event of a change in the tax rules applicable to the Notes, the Issuer may be obliged to redeem all Notes at the Early Redemption Amount as defined in the applicable Final Terms. Any early redemption of the Notes may result in a return significantly below the Noteholders’ expectations.

Noteholders are exposed to the Issuer’s credit risk. Credit risk means the risk that the Issuer will be unable to meet its financial obligations for the Notes although the mandatory nature of the Issuer’s debt repayment obligation constitutes a strong legal protection for investors (as described in the risk factor “Risks associated with non-payment of the Issuer’s debt” above). If the Issuer’s solvency deteriorates, the value of the Notes may decline and Noteholders may lose all or a portion of their investment in the Notes.

Finally, any sale of a Note at a price below the purchase price may cause a loss of capital. Under this operation, the Investor does not benefit from any protection or guarantee of the invested capital. The capital initially invested is exposed to market risks and may therefore not be returned in the event of adverse market changes. Thus, investors may lose all or a portion, as applicable, of the value of their investment.

Modification of the Terms and Conditions of the Notes

Noteholders will be grouped automatically for the defence of their common interests in a Masse (as defined in Article 10 of the Terms and Conditions of the Notes “Representation of Noteholders”) and may hold general meetings or issue written decisions. The Terms and Conditions of the Notes provide that, in certain cases, Noteholders not present or represented at a general meeting or those who have not participated in a written decision, may be bound by the vote of Noteholders present or represented, even if they disagree with the vote or reject the written decision.

Subject to the provisions of Article 10 of the Terms and Conditions of the Notes “Representation of Noteholders”, Noteholders may, by means of Collective Decisions, as defined in the Terms and Conditions of the Notes, deliberate on any proposal to amend the Terms and Conditions of the Notes, notably on any proposal for arbitration or settlement relating to disputes rights or the subject of judicial decisions.
**Risk of conflicts of interest**

Potential conflicts of interest may exist between the Calculation Agent (as this term is defined in the Terms and Conditions of the Notes) and the Noteholders (including the case in which a Dealer acts as calculation agent), and particularly in the context of the determinations, calculations and judgements that such a Calculation Agent may perform pursuant to the Terms and Conditions of the Notes, as they may have an influence on the amounts to be received during the period the Notes are held until they are redeemed.

All or some of the Dealers and their subsidiaries have engaged and/or may engage in the future, in investment banking, commercial banking and other financial and commercial operations with the Issuer. They have or may (i) engage in investment banking activities, trading or hedge activities, including activities that may include brokerage activities, financing operations or the execution of derivative instruments, (ii) act as firm underwriters in the context of the offering of securities issued by the Issuer or (iii) act as financial advisors to the Issuer. In the context of such operations, some of these Dealers have held or may hold securities issued by the Issuer. In such cases, they have received or will receive the usual fees and commissions for such transactions.

Potential conflicts of interest may arise between the Calculation Agent, as applicable, for a Tranche (as this term is defined in the Terms and Conditions of the Notes) of Notes and the Noteholders, including with respect to certain discretionary decisions and judgements which the Calculation Agent may have to make pursuant to the Terms and Conditions of the Notes and which may influence the amount to be received when the Notes are redeemed. In addition, the Issuer may designate one of the Dealers as Calculation Agent for one or more Series of Notes. Such a Calculation Agent will probably be a member of an international financial group which implies that, in the normal course of its business, conflicts of interest may exist, particularly given the scope of the banking activities conducted in such a group. Although information barriers or internal procedures, as applicable, are in place to prevent the occurrence of any conflict of interest, a Calculation Agent may be involved in other activities, which could affect the market price, liquidity or value of the Notes, and could have an adverse effect on the interests of the Noteholders.

**Change of law**

The Terms and Conditions of the Notes are governed by French law as of the date of this Base Prospectus. No assurance can be given as to the consequences of any judicial decision or any change in French laws or regulations subsequent to the date of this Base Prospectus.

**Taxation**

Prospective purchasers and sellers of the Notes should be aware that they may be required to pay taxes or documentary taxes or fees in accordance with the laws and practices of the country in which the Notes are transferred or in other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions on the tax treatment of securities such as the Notes are available.

Prospective investors are advised not to rely upon the tax summary contained in this Base Prospectus, but to consult with their own tax advisor based on their individual situation with respect to the acquisition, holding, remuneration, sale and redemption of the Notes. Only such advisors are in a position to correctly consider the specific situation of a prospective investor.
These considerations relating to investment in the Notes should be read together with the information contained in the “Taxation” section of this Base Prospectus.

**Proposals for a European financial transactions tax (FTT)**

On 14 February 2013, the European Commission published a proposal (the **Commission Proposal**) for a directive on the FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**). In March 2016, Estonia indicated its withdrawal from strengthened cooperation.

The Commission Proposal is very broad in its scope and could, if adopted, apply to certain transactions in the Notes (including secondary market transactions) in certain cases. The issuance and subscription of the Notes should, however, be exempt (as the FTT should not apply to transactions executed on the primary market as described in Article 5, point c) of Regulation (EC) 1287/2006 of the Commission of 10 August 2006, including the activities of subscription and subsequent allotment of financial instruments in the context of their issuance).

Under the Commission Proposal, the FTT could apply in certain circumstances to persons both within and outside the participating Member States. In principle, it would apply to certain transactions on the Notes when at least one of the parties is a financial institution, and 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 executing a transaction with a person established in a participating Member State or (b) when the financial instrument that is the subject of the transactions is issued in a participating Member State.

However, the Commission Proposal remains subject to negotiations between the participating Member States. As a result, it may be amended prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate and/or participating member States may decide to withdraw.

Prospective investors in the Notes are strongly advised to seek professional advice on issues related to the FTT.

**Verification of legality**

The **Préfet** of the **Région Ile-de-France** has a period of two (2) months as from the date of receipt at the Préfecture of any resolution or decision of Ile-de-France Mobilités and of any contracts it has signed to verify their legality and, if the **Préfet** considers them to be illegal, to refer those that constitute administrative acts to the relevant administrative tribunal and, if appropriate, seek suspension. The relevant administrative tribunal may then, if it considers them to be illegal, order their suspension or cancel them in whole or in part. Moreover, depending on the nature of the error and the circumstances of the case, the overturning of said deliberations and/or the decision to sign said contracts could lead to the cancellation of the contracts. A suspension or partial or complete cancellation of the deliberations and/or the decision to sign the contracts under which the Notes were issued could call into question the rights of the Noteholders.

**Third party action**

Any third party with legal standing may initiate action for abuse of power before the administrative courts against any decision of Ile-de-France Mobilités or a decision to enter into contracts it has signed (other than a deliberation or decision that constitutes the act
detachable from an administrative contract) within a period of two (2) months as from the date of its publication and, as applicable, seek suspension of enforcement. The two-month period cited above may be extended if the action for abuse of power against a decision is preceded by an administrative action, if such action is filed by a petitioner residing abroad or under some other circumstances. Moreover, if said approval or decision to sign is not published correctly, such an action may be taken by any interested third party without time limit.

In the event of an action for abuse of power brought against an approval or a decision to sign (other than a deliberation or decision that constitutes the act detachable from an administrative contract), the competent administrative judge may then, if he deems the administrative acts in question to be illegal, overturn it partially or in its entirety, which could make the contract or contracts signed on the basis of said act illegal.

If a contract signed by Ile-de-France Mobilités is classified as an administrative contract, a third party with legal standing could initiate an action for nullification in the administrative courts against said contract or some of its non-regulatory clauses that are separable within a period of two months from the performance of the appropriate publication measures and seek suspension if applicable. Furthermore, if the administrative contract has not been published correctly, actions may be brought by any third party who proves legal standing without time limit.

If the competent judge raises the existence of defects affecting the validity of the contract, he may, after assessing the magnitude and consequences of the defects and after consideration of the nature of such defects, terminate or cancel the contract.

2.3 Risks associated with specific issues of Notes

**Floating Rate Notes**

A key difference between Floating Rate Notes (as this term is defined in Article 1.1 “Form” of the Terms and Conditions of the Notes) and Fixed Rate Notes (as this term is defined in Article 1.1 “Form” of the Terms and Conditions of the Notes) is that interest income on the Floating Rate Notes cannot be predicted. Due to fluctuations in interest income, investors cannot determine the actual yield on the Floating Rate Notes at the time of purchase, and therefore their return on investment cannot be compared with the return on investments with longer fixed interest periods. If the Terms and Conditions of the Notes specify frequent interest payment dates, investors are exposed to reinvestment risk if market interest rates fall. In such a case, investors will be able to reinvest their interest income only at the potentially lower prevailing interest rate.

Accordingly, the market value of Floating Rate Notes may be volatile if changes, particularly short-term changes, on the interest rate market applicable to the relevant reference rate cannot be applied to the interest rate of such Notes until the next periodic adjustment of the relevant reference rate.

**Fixed Rate Notes**

The possibility cannot be excluded that the value of the Fixed Rate Notes may be adversely affected by future fluctuations on the interest rate markets. The price at which a Noteholder may want to sell his Notes before maturity may be substantially lower than the issue price or the purchase price paid by said Noteholder.
**Fixed/Floating Rate Notes**

Notes at a fixed and then floating rate have an interest rate that may, automatically or following a decision by the Issuer at a date specified in the Final Terms, change from a fixed rate to a floating rate or from a floating rate to a fixed rate. The conversion (whether automatic or optional) may affect the secondary market and the market value of these Notes insofar as it could lead to a decrease in the total borrowing cost. If a fixed rate is converted into a floating rate, the rate spread between the fixed rate and the floating rates may be less favourable than the spreads in effect on comparable Floating Rate Notes that have the same reference rate. In addition, the new floating rate may at any time be lower than the rate of other Notes. If a floating rate is converted into a fixed rate, the fixed rate may be lower than the rate applicable at that time to such Notes.

**Zero Coupon Notes and other Notes issued below par or with an issue premium**

The market value of Zero Coupon Notes (as this term is defined in Article 1.1 “Form” of the Terms and Conditions of the Notes) and other securities issued below par or with an issue premium tends to be more sensitive to fluctuations due to changes in interest rates than typical interest-bearing securities. Generally, the longer the maturity of the Notes, the more the price volatility of such Notes is comparable to that of typical interest-bearing securities with similar maturity.

**The settlement and reform of the “benchmarks” could have a material adverse effect on the Notes indexed to or referring to a “reference index”**

The interest rates and indices that are considered to be “benchmarks” have recently been the subject of regulatory changes and proposals for reform at the national and international level. Some of these reforms have already entered into force and others must still be implemented. These reforms could result in future performances that differ from past performance for these “benchmarks”, result in their disappearance, or have other effects that cannot be anticipated. Any consequence of this kind could have a material adverse impact on all Notes indexed to or referring to a “reference index”. Regulation (EU) 2016/1011 (the Regulation on Benchmarks) was published in the Official Bulletin of the European Union of 29 June 2016 and entered into effect on 1 January 2018. The purpose of the Regulation on Benchmarks is to regulate the supply of benchmarks, the supply of underlying data for a benchmark index, and the use of benchmarks within the European Union and will, among other requirements, (i) require that the administrators of benchmarks be approved or registered (or, if they are not located in the EU, will be subject to an equivalent system or otherwise recognised or endorsed), and (ii) will prohibit the use by entities supervised by the EU (such as the Issuer) of “benchmarks” not authorised or not registered (or, if they are not located in the EU, which are not subject to an equivalent system or otherwise recognised or endorsed).

The Regulation on Benchmarks could have a material impact on the Notes indexed to or referring to a “benchmark”, particularly if the methodology or other conditions for determining the “benchmark” are modified in order to comply with the requirements of the Regulation on Benchmarks. Such changes could, in particular, have the effect of reducing, increasing or affecting in some way the volatility of the rate published or the level of a “benchmark”.

More broadly, one of the international or national reforms, or even strong regulatory supervision of the “benchmarks” could increase the costs and risks for the administration of a “benchmark” or participation in the determination of a “benchmark” and respect for these rules or requirements. Such factors may have the following effects on certain “benchmarks”:
(i) discourage market operators from continuing to administer certain “benchmarks” or from contributing to them; (ii) trigger changes in the rules or methodologies used in certain “benchmarks”, or (iii) lead to the disappearance of certain “benchmarks”. Any of these changes or subsequent changes as a result of international or national reforms or other initiatives or research could have a material adverse impact on the value and the yield of the Notes indexed to or referring to a “benchmark”.

Investors must consult their own independent advisors and make their own assessments of the potential risks generated by the reform of the Regulation on Benchmarks before taking an investment decision on the Notes indexed to or referring to a “benchmark”.
GENERAL DESCRIPTION OF THE PROGRAMME

The following general description must be read together with all other information provided in this Base Prospectus. The Notes shall be issued under the terms and conditions agreed on by the Issuer and the Dealer or Dealers in question and shall be subject to the Terms and Conditions set forth on pages 30 to 59 of the Base Prospectus.

The terms and expressions defined in the section “Terms and Conditions of the Notes” hereinafter shall have the same meaning in this general description of the programme.

Issuer: Syndicat des Transports d’Ile-de-France (Ile-de-France Mobilités).

Description of the Programme: Euro Medium Term Note Programme (the Programme).

The Notes constitute bonds (obligations) as defined under French law.

Arranger: HSBC France

Dealers: Crédit Agricole Corporate and Investment Bank

HSBC France

Natixis

Société Générale

The Issuer may, at any time, terminate the appointment of any Dealer under the Programme, or appoint additional Dealers either for one or more Tranches, or for the entire Programme. Any reference made in this Base Prospectus to the Permanent Dealers refers to the persons listed above as Dealers and to any other person who has been appointed as a Dealer in respect of the whole Programme (and whose appointment has not been terminated) and any reference made to Dealers refers to any Permanent Dealer and any other person appointed as Dealer in respect of one or more Tranches.

Fiscal Agent and Principal Paying Agent: Banque Internationale à Luxembourg

Calculation Agent: Unless otherwise stipulated in the relevant Final Terms, Banque Internationale à Luxembourg.

Maximum Amount of the Programme: The aggregate nominal amount of Notes outstanding at any time may not exceed €5,000,000,000 (or the equivalent of this amount in any other currency, determined on the issue date).
Method of Issuance: The Notes shall be issued on a syndicated or non-syndicated basis.

The Notes shall be issued by series (each a Series), on the same or different issue dates, and shall be governed (with the exception of the first interest payment) by identical terms and conditions; the Notes of each Series are fungible with each other. Each Series may be issued in tranches (each a Tranche), on the same issue date or on different issue dates. The specific terms of each Tranche (which will be completed, if necessary, by additional terms and conditions and will be identical to the terms of the other Tranches in the same series (with the exception of the issue date, the issue price, the first interest payment and the nominal amount of the Tranche)) will appear in the relevant final terms (the Final Terms) that complete this Base Prospectus.

Maturities: Subject to compliance with all applicable laws, regulations and directives, the Notes shall have a minimum maturity of one month from the initial issue date as indicated in the relevant Final Terms.

Currencies: Subject to compliance with all applicable laws, regulations and directives, the Notes may be issued in euros, U.S. dollars, Japanese yen, Swiss francs, pounds sterling or in any other currency as may be agreed by the Issuer and the relevant Dealer or Dealers.

Nominal value(s): The Notes shall have the nominal value or values indicated in the applicable Final Terms (the Specified Nominal Value or Values). Dematerialised Notes must be issued in a single Specified Nominal Value. The Notes listed for trading on a regulated market as defined in Directive 2014/65/EU of 15 May 2014 as amended (a Regulated Market) will have a unit nominal value equal to or greater than €100,000 (or the equivalent value in other currencies) or at any higher amount that may be authorised or required by the relevant competent authority or any law or regulation governing the Specified Currency.

Dematerialised Notes (as this term is defined below) shall be issued with a single nominal value.

Status of the Notes and Negative Pledge: The Notes and, as applicable, the Receipts (as this term is defined in the Terms and Conditions of the Notes) and Coupons (as this term is defined in the Terms and Conditions of the Notes) attached thereto constitute direct, unconditional, unsubordinated and (subject to the paragraph below) unsecured commitments of the Issuer all ranked the same and (subject to the mandatory exceptions under French law) ranked equally with any other present or future unsubordinated and unsecured commitment of the Issuer.
For as long as the Notes or, if applicable, Receipts or Coupons attached thereto are outstanding (as defined in the Terms and Conditions), the Issuer shall not grant or allow the continuation of any mortgage, charge, pledge, lien or other form of real security interest on any assets or revenues, present or future, to secure any borrowing, present or future, represented by bonds, securities or other negotiable instruments with a maturity greater than one year, and which are (or may be) listed for trading on any market, unless the obligations of the Issuer arising from the Notes and any Receipts and Coupons, benefit from equivalent and equally ranked security.

**Early Payments:**

The Terms and Conditions of the Notes defines cases of early payment as more fully described in Article 8 “Accelerated Payment Event” of the Terms and Conditions of the Notes.

**Redemption Amount:**

Except in the case of early redemption or buyback followed by cancellation, the Notes shall be redeemed on the maturity date indicated in the relevant Final Terms (the **Maturity Date**) at the Final Redemption Amount (as this term is defined in Article 5.1 “Redemption at Maturity” of the Terms and Conditions of the Notes).

**Redemption by scheduled payments:**

The Final Terms governing Notes redeemable in two or more instalments shall specify the dates on which said Notes may be redeemed and the amounts to be paid.

**Optional Redemption:**

The Final Terms prepared at the time of each issue of Notes shall stipulate if the Notes may be redeemed at the option of the Issuer (in whole or in part), pursuant to Article 5.3 of the Terms and Conditions of the Notes “Redemption at the option of the Issuer”, and/or at the option of Noteholders, pursuant to Article 5.4 of the Terms and Conditions of the Notes “Redemption at the option of the Noteholders”, before the scheduled maturity date and, if this is the case, the conditions governing said redemption.

**Early Redemption:**

Subject to the provisions of the section “Optional Redemption” above, the Notes shall be redeemable early at the option of the Issuer only for fiscal reasons in accordance with Article 5.6 of the Terms and Conditions of the Notes “Redemption for tax reasons” or in a case of illegality in accordance with Article 5.9 of the Terms and Conditions of the Notes “Illegality”.

**Redenomination:**

Notes denominated in a currency of an EU Member State participating in the third phase of the single currency (or any other subsequent phase) of the European Monetary Union, may be redenominated in euros, as described more fully in Article 1.4 of the Terms and Conditions of the Notes.
Consolidation:
The Notes of one (1) Series may be consolidated with the Notes of another Series, as described more fully in Article 1.5 of the Terms and Conditions of the Notes.

Withholding tax:
All payments of principal, interest or other amounts linked to the Notes, Receipts or Coupons made by or on behalf of the Issuer shall be made without any withholding or deduction for any tax or duty imposed, levied or collected by or on behalf of France or any authority therein that has power to levy taxes, unless such withholding or deduction is required by law.

If, pursuant to French law, payments of principal, interest or other income on any Note, Receipt or Coupon become subject to a withholding or deduction for any tax or duty of any kind, present or future, the Issuer undertakes, to the fullest extent permitted by law, to increase the amount of such payment so that Noteholders, Receipt holders and Coupon holders receive the full amount that would have been paid to them in the absence of such withholding or deduction, subject to various exceptions described in detail in Article 7 of the Terms and Conditions of the Notes “Taxation” of this Base Prospectus.

Interest Periods and Rates:
For each Series of Notes, the duration of the interest periods, the applicable interest rate and the method of calculation may be the same or different depending on the Notes. The Notes may carry a maximum interest rate (a **Maximum Interest Rate**), a minimum interest rate (a **Minimum Interest Rate**) or both; it is specified that (i) under no circumstances shall the amount of the interest payable on each Note be less than zero and (ii) except for the higher Minimum Interest Rate stipulated in the relevant Final Terms, the Minimum Interest Rate shall be equal to zero. The Notes may bear interest at different rates during the same interest period because of the use of accrued interest periods (defined in the Terms and Conditions as Accrued Interest Periods). All this information shall be included in the applicable Final Terms.

Fixed Rate Notes:
Fixed interest will be payable when due on the date or dates for each period indicated in the applicable Final Terms.
Floating Rate Notes: Floating Rate Notes bear interest at the rate determined for each Series as follows:

(a) on the same basis as the floating rate specified in the relevant Final Terms applicable to a notional interest rate swap transaction in the relevant Specified Currency, in accordance with the Fédération Bancaire Française (FBF) June 2013 Master Agreement on transactions in financial instruments, as supplemented by the Technical Schedules published by the FBF; or

(b) by reference to the EURIBOR (or TIBEUR in French), EONIA (or TEMPE in French);

in each case, as adjusted on the basis of the margins potentially applicable and paid at the dates indicated in the applicable Final Terms.

Fixed/Floating Rate Notes: Each Fixed Rate/Floating Rate Note bears interest at a rate (i) that the Issuer may decide to convert at the date specified in the applicable Final Terms from a Fixed Rate to a Floating Rate or from a Floating Rate to a Fixed Rate, or (ii) which shall be automatically converted from a Fixed Rate to a Floating Rate or from a Floating Rate to a Fixed Rate at the date specified in the applicable Final Terms.

Zero Coupon Notes: Zero Coupon Notes may be issued at their nominal amount or at a discount and will not bear interest.

Form of the Notes: The Notes may be issued either in dematerialised form (Dematerialised Notes) or in materialised form (Materialised Notes).

Dematerialised Notes may, at the Issuer’s option, be issued in bearer form (au porteur) or in registered form (au nominatif) and, in the second case, at the option of the Noteholder, either in pure registered form (nominatif pur) or in administered registered form (nominatif administré). No document materialising ownership of the Dematerialised Notes will be issued.

Materialised Notes will only be in bearer form. A Temporary Global Certificate (as defined in Article 1 “Temporary Global Certificates” of the section on Temporary Global Certificates for Materialised Notes) relating to each Tranche of Materialised Notes shall initially be issued. Materialised Notes may only be issued outside France.
**Governing Law:**
French law. Any disputes relating to the Notes, Receipts, Coupons or Talons (as defined in the Terms and Conditions of the Notes) shall be brought before the competent courts within the jurisdiction of the Cour d'Appel de Paris (subject to mandatory rules regarding the territorial jurisdiction of French courts). No private law enforcement measures may be taken and no seizure or attachment proceedings may be brought against the assets or property of the Issuer, as public law legal entity.

**Clearing systems:**
Euroclear France, as the central depository for the Dematerialised Notes and, for the Materialised Notes, Clearstream and Euroclear or any other clearing system that may be agreed on by the Issuer, the Fiscal Agent (as this term is defined in the Terms and Conditions of the Notes) and the relevant Dealer.

The Notes listed for trading on Euronext Paris shall be cleared by Euroclear France.

**Creation of the Dematerialised Notes:**
The accounting letter for each Tranche of Dematerialised Notes must be filed with Euroclear France in its capacity as central depositary one business day in Paris before the issue date of said Tranche.

**Creation of the Materialised Notes:**
No later than the issue date of each Tranche of Materialised Notes, the Temporary Global Certificate for said Tranche must be filed with a depositary common to Euroclear and Clearstream, or with any other clearing system, or it may be remitted outside any clearing system provided that such a process has first been the subject of prior agreement by the Issuer, the Fiscal Agent and the relevant Dealer or Dealers.

**Issue price:**
The Notes may be issued at nominal amount, at a discount or with an issue premium.

**Admission to trading:**
On Euronext Paris and/or on any other Regulated Market in the European Economic Area (EEA) and/or on a non-regulated market that may be specified in the applicable Final Terms. The applicable Final Terms may provide that a Series of Notes shall not be listed for trading.

**Rating:**
The Issuer received a long term-rating of Aa2, positive outlook, by Moody’s Investors Service EMEA Limited France Branch. Notes issued under the Programme may be rated or not. The rating of the Notes, if any, shall be specified in the applicable Final Terms. The rating of the Notes may not necessarily be the same as that of the Programme. A rating is not a recommendation to buy, sell or hold Notes and may be suspended, amended or withdrawn by the relevant rating agency at any time.
On the date of the Base Prospectus, Moody’s Investors Service EMEA Limited France Branch is established in the European Union and is registered in accordance with Regulation (EC) No. 1060/2009 of the European Parliament and Council of 16 September 2009 governing credit rating agencies as amended (the **ANC Regulation**) and is included on the list of rating agencies published on the website of the European Securities and Markets Authority (www.esma.europa.eu/supervision/credit-rating-agencies/risk) in accordance with the ANC Regulation.

**Selling Restrictions:**

There are restrictions on the offering and sale of the Notes and the distribution of the offering materials in different countries. Refer to the “Subscription and Sale” section.

The Issuer falls into Category 1 for the purposes of Regulation S under the United States Securities Act of 1933, as amended.

The Materialised Notes shall be issued in compliance with Section (U.S. Treas. Reg.) §1.163-5(c)(2)(i)(D) of the regulations of the United States Treasury (the **D Rules**) unless (a) the relevant Final Terms do not stipulate that these Materialised Notes will be issued in accordance with Section (U.S. Treas. Reg.) §1.163-5(c)(2)(i)(C) of the regulations of the United States Treasury (the **C Rules**), or (b) these Materialised Notes will not be issued in accordance with the C Rules or the D rules, but under conditions where said Materialised Notes will not constitute “obligations for which registration is required” by the 1982 American law on tax equity and fiscal responsibility (United States Tax Equity and Fiscal Responsibility Act of 1982) (**TEFRA**), in which case the relevant Final Terms shall indicate that the operation is outside the scope of application of the TEFRA rules.

The TEFRA rules do not apply to the Dematerialised Notes.
DOCUMENTS INCORPORATED BY REFERENCE

The present Base Prospectus should be read and interpreted together with the following documents:

- the Issuer’s financial statements for the year ending 31 December 2014 (the 2014 Financial Statement),
- the Issuer’s financial statements for the year ending 31 December 2015 (the 2015 Financial Statement),
- the Issuer’s financial statements for the year ending 31 December 2016 (the 2016 Financial Statement),
- the Issuer’s financial statements for the year ending 31 December 2017 (the 2017 Financial Statement).

Any declaration contained in a document deemed to be incorporated herein by reference shall be deemed amended or replaced for the needs of this Base Prospectus insofar as a declaration contained herein amends or completes such a prior declaration. Any declaration so modified or replaced shall not be considered an integral part of this Base Prospectus, unless it has been replaced or amended in accordance with the aforementioned provisions.

Copies of the documents incorporated by reference in this Base Prospectus may be obtained, at no cost, during normal business hours any day of the week (except Saturdays, Sundays and public holidays) on or after the date of this document in the offices designated by the Financial Agent or the Paying Agent or Agents. The documents incorporated by reference are published on the Issuer’s website (https://www.iledefrance-mobilites.fr/le-financement-des-transports-publics/).


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<tbody>
<tr>
<td>4. Public finance and trade</td>
<td>Pages 4-29</td>
<td>Pages 4-25</td>
<td>Pages 4-27</td>
<td>Pages 2-3 (corrective) Pages 4-29</td>
</tr>
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<td>a) Fiscal and budgetary system;</td>
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<td>b) gross public debt, including a summary of the debt history, the maturity structure of outstanding debt (indicating debts with residual maturity of less than one year) and debt payment record, as well as parts of the debt denominated in the domestic currency of the Issuer and in foreign currencies;</td>
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<td>c) Trade balance and balance of payments;</td>
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<td>d) foreign exchange reserves, including any potential encumbrances to such foreign exchange reserves, such as forward contracts or derivatives;</td>
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<td>e) financial position and resources, including liquid deposits available in domestic currency;</td>
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<td>f) revenue and expenditure.</td>
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<th>Auditing or independent external review procedures on the accounts of the Issuer.</th>
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<table>
<thead>
<tr>
<th>Page 26</th>
<th>Pages 22-23</th>
<th>Pages 22-25</th>
<th>Pages 23-27</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not applicable</td>
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<tr>
<td>Pages 5-11 and 25-27</td>
<td>Pages 5-10 and 21-23</td>
<td>Pages 6-12 and 21-25</td>
<td>Pages 6-11 and 22-27</td>
</tr>
<tr>
<td>Pages 4-29</td>
<td>Pages 4-25</td>
<td>Pages 4-27</td>
<td>Pages 2-3 (corrective) Pages 4-29</td>
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SUPPLEMENT TO THE BASE PROSPECTUS

Any new material fact or any error or inaccuracy in the information contained in the Base Prospectus, which could influence any assessment of the Notes and which occurs or becomes apparent between the AMF visa and the start of trading on a regulated market if this event occurs later, must be mentioned in a supplement to this Base Prospectus, in accordance with Article 212-25 of the Règlement Général of the AMF. The Issuer undertakes to submit the abovementioned supplement to the Base Prospectus for approval by the AMF and to transmit to each Dealer and to the AMF at least one copy of this supplement.

The Base Prospectus, any supplement thereto and, as long as Notes are listed for trading on a Regulated Market in accordance with the Prospectus Directive, the applicable Final Terms shall be published on the websites of (a) the AMF (www.amf-france.org), (b) the Issuer (https://www.iledefrance-mobilites.fr/le-financement-des-transports-publics/) and (c) shall be available for inspection and copies, free of charge, during normal office hours, on any day of the week (except Saturdays, Sundays and public holidays) at the offices of the Fiscal Agent or the Paying Agent or Agents.
The following is the text of the terms and conditions which, as completed in accordance with the provisions of the relevant Final Terms, shall apply to the Notes (the Terms and Conditions). In the case of Dematerialised Notes, the text of the Terms and Conditions of the Notes shall not appear on the reverse side of the Physical Notes (as this term is defined in Article 1.1(b) “Form” of the Terms and Conditions of the Notes) evidencing title thereto, but shall be constituted by the following text as completed by applicable 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 applicable Final Terms (and subject to any simplifications resulting from the deletion of “not applicable” provisions) or (ii) the complete text of the terms and conditions shall appear on the reverse side of the Physical Notes. All terms beginning with a capital letter and not defined in these Terms and Conditions shall have the meaning given to the m in the Final Terms in question. References made in the Terms and Conditions to the Notes refer to the Notes of a single Series and not to all Notes that may be issued under the Programme. The Notes constitute bonds (obligations) as defined under French law.

The Notes are issued by the Syndicat des Transports d’Ile-de-France (the Issuer or Île-de-France Mobilités) by series (each is a Series), on the same date of issue or on different dates. The Notes of the same Series shall be subject (with the exception of the Issue Date as this term is defined in Article 4.1 “Definitions” of the Terms and Conditions of the Notes, the issue price, the nominal amount and the first interest payment) to identical terms; the Notes of each Series are fungible with the others in the Series. Each Series may be issued in tranches (each a Tranche), on the same issue date or on different issue dates. The Notes shall be issued in accordance with the Terms and Conditions of this Base Prospectus as completed by the provisions of the relevant final terms (the Final Terms) governing the specific terms of each Tranche (including the Issue Date, the issue price, the first interest payment and the nominal amount of the Tranche). A fiscal agency agreement (as amended and supplemented, the Fiscal Agency Agreement) relating to the Notes was signed on 6 December 2018 by the Issuer, BIL – Banque Internationale à Luxembourg as fiscal agent and principal paying agent and the other agents named therein. The current fiscal agent, paying agents and calculation agent(s) (if any) are named below respectively as the Fiscal Agent, the Paying Agents (a term that includes the Fiscal Agent) and the Calculation Agent(s). Holders of interest coupons (the Coupons) related to interest-bearing Materialised Notes and, if applicable, for such Notes, talons for additional Coupons (the Talons), and holders of payment receipts related to scheduled payments of the principal of the Materialised Notes (the Receipts) which is repayable by instalments, shall be respectively referred to as the Coupon Holders and the Receipt Holders.

The use of the term “day” in these Terms and Conditions refers to a calendar day unless otherwise specified.

Any reference below to Articles refers to the numbered articles below, unless the context requires otherwise.

1. FORM, NOMINAL VALUE, OWNERSHIP, REDENOMINATION AND CONSOLIDATION

1.1 Form

The debt securities issued under the Programme (the Notes) may be issued in either dematerialised form (the Dematerialised Notes) or in materialised form (the Materialised Notes), as indicated in the relevant Final Terms.

(a) Ownership of Dematerialised Notes shall be established by entry in an account, in accordance with Articles L. 211-3 et seq. of the French Code
monétaire et financier. No document (including representative certificates in accordance with Article R. 211-7 of the French Code monétaire et financier) shall be issued in respect of Dematerialised Notes.

Dematerialised Notes (as defined in Articles L. 211-3 et seq. of the French Code monétaire et financier) are issued, at the option of the Issuer, either in bearer form, recorded in the books of Euroclear France (acting as central depositary) which shall credit the accounts of the Account Holders, or in registered form and, in this case, at the option of the relevant Noteholder, in either administered registered form (au nominatif administré), entered in the books of an Account Holder (as this term is defined below) appointed by the holder of the Notes in question, or in pure registered form (au nominatif pur), entered in an account maintained by the Issuer or an agent institution (specified in the applicable Final Terms) acting on behalf of the Issuer (the Registration Agent).

In these Terms and Conditions, Account Holder means any intermediary authorised to hold securities accounts, directly or indirectly, with Euroclear France, and includes Euroclear Bank SA/NV, as operator of the Euroclear system (Euroclear) and Clearstream Banking S.A. (Clearstream).

(b) Materialised Notes are issued in bearer form only. Materialised Notes represented by physical notes (the Physical Notes) are numbered in series and issued with Coupons (and, if applicable, with a Talon) attached, except in the case of Zero Coupon Notes for which references to interest (other than those related to interest due after the maturity date stipulated in the relevant Final Terms) (the Maturity Date), Coupons and Talons in these Terms and Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.

Pursuant to Articles L. 211-3 et seq. of the French Code monétaire et financier, financial securities (such as the Notes which constitute obligations as defined under French law) in materialised form and governed by French law must be issued outside France.

The Notes may be Fixed Rate Notes, Floating Rate Notes, Fixed Rate/Floating Rate Notes, Instalment Notes and Zero Coupon Notes.

1.2 Nominal value

The Notes shall be issued in the nominal value(s) specified in the applicable Final Terms (the Specified Nominal Value(s)). Dematerialised Notes must be issued in a single Specified Nominal Value. Notes listed for trading on a Regulated Market under circumstances that require publication of a prospectus pursuant to Directive 2003/71/EC as amended (la Prospectus Directive) shall have a unit nominal value equal to or greater than €100,000 (or the equivalent value in other currencies) or at any higher amount that may be authorised or required by any relevant competent authority or any law or regulation governing the Specified Currency.

1.3 Ownership

(a) Ownership of Dematerialised Notes in bearer form and in administered registered form (au nominatif administré) is transmitted, and such Notes may be transferred, only by registration of the transfer in the accounts of the
Account Holders. Ownership of Dematerialised Notes in pure registered form (au nominatif pur) is transmitted, and such Notes may be transferred, only by registration of the transfer in the accounts held by the Issuer or the Registration Agent.

(b) Ownership of Physical Notes with any Coupons, Receipts and/or a Talon attached at issue, is transferred by delivery.

(c) Subject to a court decision rendered by a competent court or as required by the applicable legal provisions, the holder of any Note (as defined below in paragraph 1.3(d)), Coupon, Receipt or Talon shall be deemed, in any circumstance, as the sole and single owner, and may be considered as such, whether or not said Note, Coupon, Receipt or Talon is due, independently of any declaration of ownership, any right to said Note, Coupon, Receipt or Talon, any notation thereon, without consideration of its theft or loss, and no person shall be liable for so treating the Holder.

(d) Under these Terms and Conditions:

Noteholder or, as appropriate, holder of a Note means (i) in the case of Dematerialised Notes, the person whose name is recorded in the books of the relevant Account Holder, the Issuer or the Registration Agent (as applicable) as being the owner of such Notes and, (ii) in the case of Physical Notes, any holder of any Physical Note and the Coupons, Receipts or Talons attached thereto.

outstanding means, in respect of Notes of any Series, all Notes issued other than (i) those that have been redeemed in accordance with these Terms and Conditions, (ii) those for which the redemption date has passed and the redemption amount (including interest accrued on such Notes up to the redemption date and all interest payable after said date) has been duly paid in accordance with the provisions of Article 6 of the Terms and Conditions of the Notes “Payments and Talons”, (iii) those that are no longer valid or in respect of which any action is time-barred, (iv) those that have been bought back and cancelled in accordance with Article 5.8 of the Terms and Conditions “Cancellation”, (v) those that have been bought back and retained in accordance with Article 5.7 of the Terms and Conditions “Purchases”, (vi) in the case of Physical Notes, (A) all damaged or defaced Physical Notes that have been exchanged for replacement Physical Notes, (B) (for the sole purpose of determining the number of Physical Notes outstanding and without prejudice to their status for any other purpose) the Physical Notes allegedly lost, stolen or destroyed and for which replacement Physical Notes have been issued, and (C) any Temporary Global Certificate to the extent that it has been exchanged for one or more Physical Notes in accordance with its terms.

1.4 Redenomination

The Issuer may (if this is stipulated in the relevant Final Terms), at any time, without the consent of the holder of any Note, Coupon or Talon, by a notification made in accordance with Article 13 at least thirty (30) calendar days in advance, and from the date on which the Member State of the European Union whose currency is the currency in which the Notes are denominated becomes a Member State of the European Economic and Monetary Union (as defined in the Treaty establishing the European Community (the EC), as amended (the Treaty)), or if events occur that have the same substantial effects, redenominate in euros all
(and not just a portion) of the Notes in each Series, and convert the total nominal amount and the Nominal Value indicated, established in the applicable Final Terms.

1.5 Consolidation

The Issuer shall have, on each Coupon Payment Date occurring after the redenomination date, with the prior consent of the Fiscal Agent (which may not be reasonably withheld) and without the consent of the Noteholders or Coupon holders, by giving notice to the holders of Notes or Receipts at least thirty (30) calendar days in advance in accordance with Article 13, the right to consolidate the Notes of one (1) Series denominated in euros with the Notes of one (1) or more other Series it has issued, whether or not such Notes were initially issued in one (1) of the European national currencies or in euros, provided that such other Notes have been redenominated in euros (if this was not the case initially) and also have, for all periods following such consolidation, the same terms and conditions as the Notes.

2. CONVERSION AND EXCHANGE OF NOTES

2.1 Dematerialised Notes

(a) Dematerialised Notes issued in bearer form may not be converted into Dematerialised Notes in registered form, whether pure registered form or administered registered form.

(b) Dematerialised Notes issued in registered form may not be converted into Dematerialised Notes in bearer form.

(c) Dematerialised Notes issued in pure registered form may, at the option of the Noteholder, be converted into Notes in administered registered form and vice versa. The exercise of such an option by the Noteholder must be performed in accordance with Article R. 211-4 of the French Code monétaire et financier. Any costs relating to any conversion shall be borne by the relevant Noteholder.

2.2 Materialised Notes

Materialised Notes of a Specified Nominal Value may not be exchanged for Materialised Notes with another Specified Nominal Value.

3. STATUS AND NEGATIVE PLEDGE

The Notes and, as applicable, the Receipts and Coupons attached thereto constitute direct, unconditional, unsubordinated and (subject to the paragraph below) unsecured commitments of the Issuer all ranked the same and (subject to the mandatory exceptions under French law) ranked equally with any other present or future unsubordinated and unsecured commitment of the Issuer.

As long as Notes or Receipts or Coupons, if any, attached to the Notes are outstanding (as defined in Article 1.3(d) of the Terms and Conditions of the Notes), the Issuer shall not grant or allow the continuation of any mortgage, charge, pledge, lien or other form of real security interest on any of its assets and revenues, present or future, in order to secure a Debt (as defined below) subscribed or guaranteed by the Issuer, unless the Issuer’s obligations arising from the Notes and Receipts and Coupons, if applicable, do not benefit from an equivalent security interest with the same rank.
For the needs of this Article, **Indebtedness** refers to any present or future borrowing represented by bonds, notes or other securities with a maturity longer than one year which are (or which could be) listed for trading on any market.

4. **CALCULATION OF INTEREST AND OTHER CALCULATIONS**

4.1 **Definitions**

In these Terms and Conditions, unless otherwise required by the context, the terms defined below shall have the following meanings:

**Reference Banks** (Banques de Référence) means the institutions designated as such in the applicable Final Terms or, if no institution is specified, four first-tier banks selected by the Calculation Agent on the interbank market (or if necessary, on the money market or the swaps market) closest to the Benchmark (which, if the relevant Benchmark is the EURIBOR (TIBEUR in French) or EONIA (TEMPE in French) shall be the eurozone).

**Interest Period Start Date** (Date de Début de Période d’Intérêts) means the Issue Date of the Notes or any other date referred to in the applicable Final Terms.

**Coupon Determination Date** means, with respect to an Interest Rate (as this term is defined below) and an Accrued Interest Period (as this term is defined below), the date defined as such in the relevant Final Terms or, if no date is specified, (a) the day between two (2) TARGET Business Days (as this term is defined below) before the first day of said Accrued Interest Period if the Specified Currency is the Euro, or (b) if the Specified Currency is not the Euro, the day between two (2) Business Days in the city indicated in the relevant Final Terms before the first (1st) day of said Accrued Interest Period.

**Issue Date** means, in respect of a Tranche, the settlement date of the Notes.

**Coupon Payment Date** means the date or dates stipulated in the applicable Final Terms.

**Accrued Interest Period Date** means each Coupon Payment Date unless stipulated otherwise in the applicable Final Terms.

**Reference Date** means, for any Note, Receipt or Coupon, the date on which the amount payable for such Notes, Receipts or Coupons becomes due and payable or (if any amount due is not paid, without justification, or there is an unjustified delay in payment) the date on which the outstanding amount is paid in full or (in the case of Materialised Notes if this date is earlier) the day falling seven calendar days after the date on which the Holders of such Materialised Notes have been notified that such a payment will be made after a new presentation of said Materialised Notes, Receipts or Coupons in accordance with the Terms and Conditions, provided that the payment is actually made on such presentation.

**Value Date** means, in respect of a Floating Rate to be determined on any Coupon Determination Date, the date specified in the applicable Final Terms or, if no date is specified, the first day of the Accrued Interest Period to which said Coupon Determination Date relates.

**FBF Definitions** means the definitions referred to in the FBF June 2013 Master Agreement relating to transactions on forward financial instruments, as supplemented by the Technical
Schedules, as published by the *Fédération Bancaire Française* (together the **FBF Master Agreement**) as amended, if applicable, on the Issue Date.

**Specified Currency** means the currency referred to in the applicable Final Terms.

**Specified Duration** means, with respect to any Floating Rate to be determined by the Screen Page Rate on any Coupon Determination Date, the period specified in the applicable Final Terms or, if no period is specified, a period equal to the Accrued Interest Period, ignoring any adjustments stipulated in Article 4.3(b) of the Terms and Conditions of the Securities “Business Day Convention”.

**Reference Time** means, with respect to any Coupon Determination Date, the local time in the Reference Financial Market (as this term is defined below) specified in the applicable Final Terms or, if no time is specified, the local time in the Reference Financial Market at which it is customary to determine bid and offered rates for deposits in the Specified Currency on the interbank market of this Reference Financial Market. For this purpose, **local time** means, with respect to Europe and the eurozone as the Reference Financial Market, 11:00 a.m. (Brussels time).

**Business Day** means:

(a) for the euro, a day on which the Trans-European automated real-time gross settlement express transfer system (TARGET 2) (TARGET), or any system that replaces such system, is operating (a **TARGET Business Day**); and/or

(b) in the case of a Specified Currency other than the euro, one (1) day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial market for said currency; and/or

(c) for a Specific Currency and/or one or more business markets such as those specified in the relevant Final Terms (the **Business Centre(s)**), a day (other than Saturday or Sunday) on which the commercial banks and the foreign exchange markets execute settlements in the currency of the Business Centre(s) or, if no currency is indicated, generally in each of these Business Centres as indicated or, if no currency is indicated, generally in each of these Business Centres indicated.

**Margin** means, for an Accrued Interest Period, the percentage or the number for the relevant Accrued Interest Period, as indicated in the relevant Final Terms; it is specified that it may have a positive or negative value or be equal to zero.

**Day Count Fraction** (Méthode de Décompte des Jours) means, for the calculation of a coupon amount on any Note for any period of time (beginning on the first day of this period (included) and ending on the last day (excluded) (whether or not this period constitutes an Interest Period (as this term is defined below), hereinafter the **Calculation Period**):

(a) if the terms Actual/365 or Actual/365-FBF are specified in the applicable Final Terms, this is the actual number of days in the Calculation Period divided by 365 (or, if any portion of said Calculation Period falls within a leap year, the sum of (i) the actual number of days in that Calculation Period falling in a leap year divided by 366 and (ii) the actual number of days in the Calculation Period that does not fall within a leap year divided by 365);

(b) if Actual/Actual-ICMA is specified in the applicable Final Terms:
(i) if the Calculation Period is less than or equal to the Determination Period (as this term is defined below) during which it falls, the number of days in the Calculation Period divided by the product of (A) the number of days in said Determination Period and (B) the number of Determination Periods that would normally end in one year; and

(ii) if the Calculation Period is longer than the Determination Period, the sum:

(A) of the number of days in such Calculation Period falling in the Determination Period during which it begins, divided by the product (I) of the number of days in such Determination Period and (II) the number of Determination Periods that would normally end in one year; and

(B) the number of days in such Calculation Period falling in the following Determination Period, divided by the product (I) of the number of days in said Determination Period and (II) the number of Determination Periods that would normally end in one year;

in each case, Determination Period means the period beginning on a Coupon Determination Date (included) in any year and ending on the next Coupon Determination Date (excluded) and Coupon Determination Date means the date specified as such in the applicable Final Terms or, if no date is specified, the Coupon Payment Date;

(c) if Actual/Actual-FBF is specified in the applicable Final Terms, this is the fraction in which the numerator is the actual number of days in said period and the denominator is 365 (or 366 if 29 February is included in the Calculation Period). If the Calculation Period is longer than one year, the basis shall be determined as follows:

(i) the number of complete years shall be counted from the last day of the Calculation Period;

(ii) this number is increased by the fraction for the relevant period calculated as stipulated in the first paragraph of this definition;

(d) if Actual/365 (Fixed) is specified in the applicable Final Terms, this is the actual number of days in the Calculation Period divided by 365;

(e) if Actual/360 is specified in the applicable Final Terms, this is the actual number of days in the Calculation Period divided by 360;

(f) if 30/360, 360/360 or Bond Basis are specified in the applicable Final Terms, this is the number of days in the Calculation Period divided by 360 (i.e. the number of days to be calculated based on a 360-day year of 12 months of 30 days each (unless (i) the last day of the Calculation Period is the 31st day of a month and 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 containing the last day shall not be reduced to a thirty-day month or (ii) 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 extended to a thirty-day month));

(g) if 30/360-FBF or Actual 30A/360 (American Bond Basis) is specified in the applicable Final Terms, then, in respect of each Calculation Period, this is the fraction
of which the denominator is 360 and the numerator is the number of days calculated in the same manner as the 30E/360-FBF basis, except in the following case:

when the last day of the Calculation Period is the 31st and the first is neither 30 nor 31, the last month of the Calculation Period shall be considered to be a month of 31 days.

The fraction is:

\[ \text{si } jj^2 = 31 \text{et} jj^1 \neq (30,31) \]

Then:

\[ \frac{1}{360} \times \left( (aa^2 - aa^1) \times 360 + (mm^2 - mm^1) \times 30 + (jj^2 - jj^1) \right) ; \]

Alternatively:

\[ \frac{1}{360} \times \left( (aa^2 - aa^1) \times 360 + (mm^2 - mm^1) \times 30 + \text{Min}(jj^2,30) - \text{Min}(jj^1,30) \right) ; \]

in which:

\( D1(jj^1,mm^1,aa^1) \) is the period start date

\( D2(jj^1,mm^2,aa^2) \) is the period end date;

(h) if 30E/360 or Euro Bond Basis is specified in the applicable Final Terms, this is the number of days in the Calculation Period divided by 360 (the number of days to be calculated using a 360-day year of 12 months of 30 days each, ignoring the date on which the first or last day of the Calculation Period falls 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 extended to a thirty-day month); and

(i) if 30E/360-FBF is specified in the applicable Final Terms, then it is, for each Calculation Period, the fraction in which the denominator is 360 and the numerator is the number of days in said period, calculated on the basis of a year of 12 months of 30 days, except in the following case:

if the last day of the Calculation Period is the last day of the month of February, the number of days in said month is the exact number of days.

Using the same defined terms as used for 30/360-FBF, the fraction is:

\[ \frac{1}{360} \times \left( (aa^2 - aa^1) \times 360 + (mm^2 - mm^1) \times 30 + \text{Min}(jj^2,30) - \text{Min}(jj^1,30) \right) \]

**Coupon Amount** means the amount of interest due and, in the case of Fixed Rate Notes, the Fixed Coupon Amount or the Broken Coupon Amount (as these terms are defined in Article
4.2 of the Terms and Conditions “Fixed Interest Rate of the Notes”, as applicable and as stipulated in the relevant Final Terms.

**Representative Amount** means, with respect to any Floating Rate to be determined in accordance with a Screen Page Rate Determination on a Coupon Determination Date, the amount specified as such on this date in the applicable Final Terms or, if no amount is specified, an amount that is representative on this date for a trading unit on the relevant market.

**Screen Page** means any page, section, heading, column or any other part of a document supplied by any information service (including, but not limited to, Reuters) which may be designated in order to provide a Reference Rate (as this term is defined below), or any other page, section, heading, column or any other part of a document of said information service or any other information service that may replace it, in each case as designated by the entity or organisation providing or responsible for the dissemination of the information appearing on said service to indicate rates or prices comparable to the Reference Rate, as indicated in the relevant Final Terms.

**Interest Period** means the period beginning on (and including) the Interest Period Start Date and ending on (but excluding) the first Coupon Payment Date as well as each subsequent period beginning on (and including) a Coupon Payment Date and ending on the following Coupon Payment Date (excluded).

**Accrued Interest Period** means the period beginning on (and including) the Interest Period Start Date and ending on (but excluding) the first Accrued Interest Period Date of the Coupon as well as each subsequent period beginning on (and including) an Accrued Interest Period Date and ending on the following Accrued Interest Period Date (excluded) of the Coupon.

**Reference Financial Market** means, for a Floating Rate to be determined on the basis of a Screen Page Rate Determination on a Coupon Determination Date, the financial market that may be specified in the applicable Final Terms or, if no market is specified, the financial market to which the Benchmark is most closely connected (in the case of the EURIBOR (TIBEUR in French) or the EONIA (TEMPE in French), shall be the eurozone or, if not, Paris.

**Benchmark** means the reference rate (EURIBOR (or TIBEUR in French), or EONIA (or TEMPE in French), as specified in the applicable Final Terms.

**Interest Rate** means the interest rate payable on the Notes and which is either specified or calculated in accordance with the provisions of these Terms and Conditions as completed by the relevant Final Terms.

**Reference Rate** means the Benchmark for a Representative Amount in the Specified Currency for a period equal to the Specified Duration commencing on the Value Date (if said period is applicable to or compatible with the Benchmark).

**Eurozone** means the region composed of the Member States of the European Union that adopted the single currency in accordance with the Treaty of 25 March 1957 instituting the European Economic Area as amended.

### 4.2 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest calculated on its outstanding nominal amount, as from the Interest Period Start Date, at an annual rate (expressed as a percentage) equal to the
Interest Rate, payable annually, every six months, quarterly or monthly when due on each Coupon Payment Date.

If a fixed coupon amount (Fixed Coupon Amount) or broken coupon amount (Broken Coupon Amount) is specified in the applicable Final Terms, the Coupon Amount payable on each Coupon Payment Date shall be equal to the Fixed Coupon Amount or, if applicable, the Broken Coupon Amount as specified; it shall be payable on the Coupon Payment Date(s) specified in the applicable Final Terms.

4.3 Interest on Floating Rate Notes

(a) Coupon Payment Dates

Each Floating Rate Note shall bear interest calculated on its unredeemed nominal amount, as from the Interest Period Start Date, at an annual rate (expressed as a percentage) equal to the Interest Rate; such interest is payable annually, every six months, quarterly or monthly when due on each Coupon Payment Date. Said Coupon Payment Date(s) shall be specified in the applicable Final Terms or, if no Coupon Payment Date(s) is/are specified in the applicable Final Terms, the Coupon Payment Date shall mean each date falling at the end of the number of months or at the end of another period as specified in the applicable Final Terms as the Interest Period, which falls after the preceding Coupon Payment Date and, in the case of the first Coupon Payment Date, falling after the Interest Period Start Date.

(b) Business Day Convention

When a date referred to in these Terms and Conditions, which is supposed to be adjusted in accordance with a Business Day Convention, does not fall on a Business Day and the applicable Business Day Convention is (i) the Floating Rate Business Day Convention, said date shall be postponed to the following Business Day unless that date would fall in the next calendar month, in which case (x) said date shall be advanced to the immediately preceding Business Day and (y) any subsequent due date shall be set at the last Business Day of the month in which said date would have fallen in the absence of adjustment, (ii) the Following Business Day Convention, this date shall be postponed to the following Business Day, (iii) the Modified Following Business Day Convention, said date shall be postponed to the following Business Day unless it would thereby fall in the next calendar month, in which case, this date shall be advanced to the immediately preceding Business Day or (iv) the Preceding Business Day Convention, said date shall be advanced to the immediately preceding Business Day. Notwithstanding the provisions above, if the relevant Final Terms indicate that the Business Day Convention must be applied on a “non-adjusted” basis, the Coupon Amount payable on any date shall not be affected by the application of the relevant Business Day Convention.

(c) Interest Rate for Floating Rate Notes

The Interest Rate applicable to Floating Rate Notes for each Accrued Interest Period shall be determined in compliance with the provisions below relating to either the FBF Determination or the Screen Page Rate Determination, depending on the option specified in the applicable Final Terms.
a) FBF Determination for Floating Rate Notes

When the FBF Determination is specified in the applicable Final Terms as being the method applicable for the determination of the Interest Rate, the Interest Rate applicable to each Accrued Interest Period must be determined by the Agent as being a rate equal to the relevant FBF Rate (as this term is defined below) plus or minus, if applicable (as specified in the relevant Final Terms), the Margin. For the purposes of this sub-paragraph 4.3(c), the “FBF Rate” for an Accrued Interest Period means a rate equal to the Floating Rate as determined by the Calculation Agent for a swap transaction entered into pursuant to an FBF Master Agreement supplemented by the Interest Rate or Currency Swaps Technical Schedule under the terms of which:

(A) the relevant Floating Rate is as specified in the applicable Final Terms; and

(B) the Floating Rate Determination Date is as specified in the applicable Final Terms.

For the purposes of this sub-paragraph 4.3(c), “Floating Rate”, “Agent”, and “Floating Rate Determination Date” shall have the meanings given to them in the FBF Definitions.

If the section “Floating Rate” in the applicable Final Terms provides that the interest rate shall be determined by linear interpolation for an Interest Period, the Interest Rate applicable to said Interest Period shall be calculated by the Calculation Agent by linear interpolation between two (2) interest rates based on the relevant Floating Rate, in which the first interest rate corresponds to a maturity immediately less than the duration of the relevant Interest Period and the second rate corresponds to a maturity immediately greater than the same relevant Interest Period.

b) Screen Page Rate Determination for Floating Rate Notes

When a Screen Page Rate Determination is specified in the applicable Final Terms as the method for determination of the Interest Rate, the Interest Rate for each Accrued Interest Period shall be determined by the Calculation Agent at (or about) the Reference Time on the Coupon Determination Date for said Accrued Interest Period as specified below:

(A) if the primary source for the Floating Rate is a Screen Page, subject to the information below, the Interest Rate shall be:

   I. the Reference Rate (when the Referent Rate on said Screen Page is a composite quotation or is customarily supplied by one entity), or

   II. the arithmetic mean of the Reference Rates of the entities whose Reference Rates appear on that Screen Page,

in each case as published on said Screen Page, at the Reference Time on the Coupon Determination Date, as indicated in the applicable Final Terms, minus or plus, as applicable (as indicated in the relevant Final Terms) the Margin;
(B) if the primary source for the Floating Rate is Reference Banks or if sub-paragraph 4.3(c)b)(A)I applies and no Reference Rate is published on the Screen Page at the Reference Time on the Coupon Determination Date, or if sub-paragraph 4.3(c)b)(A)II applies and fewer than two Reference Rates are published on the Screen Page at the Reference Time on the Coupon Determination Date, the Interest Rate, subject to the stipulations below, shall be equal to the arithmetic mean of the Reference Rates that each of the Reference Banks is offering to first-tier banks in the Reference Financial Market at the Reference Time on the Coupon Determination Date, as determined by the Calculation Agent, minus or plus, as applicable (as indicated in the relevant Final Terms) the Margin; and

(C) if paragraph 4.3(c)b)(B) above applies and the Calculation Agent determines that fewer than two Reference Banks are offering Reference Rates, the Interest Rate shall, subject to the stipulations below, be the arithmetic mean of the annual rates (expressed as a percentage) that the Calculation Agent determines to be the rates (the closest possible to the Benchmark) applicable to a Representative Amount in the Specified Currency that at least two out of five (5) first tier banks selected by the Calculation Agent in the principal financial market of the country of the Specified Currency or, if the Specified Currency is the euro, in the eurozone as selected by the Calculation Agent, (the Principal Financial Market) are offering at or about the Reference Time on the date on which such banks would customarily quote such rates for a period beginning on the Value Date and equivalent to the Specified Duration (I) to first tier banks conducting business in Europe, or (if the Calculation Agent determines that fewer than two of such banks are quoting such rates to first tier banks in Europe) (II) to first tier banks conducting business in the Principal Financial Market; it is understood that, when fewer than two of these banks are quoting such rates to leading banks in the Principal Financial Market, the Interest Rate shall be the Interest Rate determined on the previous Coupon Determination Date (after readjustment taking into account any difference in Margin, Multiplier Coefficient, or Maximum or Minimum Interest Rate applicable to the preceding Accrued Interest Period and to the relevant Accrued Interest Period).

If the paragraph “Benchmark” in the applicable Final Terms provides that the rate shall be determined by linear interpolation in respect of an Interest Period, the Interest Rate applicable to said Interest Period shall be calculated by the Calculation Agent by linear interpolation between two (2) rates based on the applicable Benchmark, where the first rate corresponds to a maturity immediately lower than the duration of the relevant Interest Period and the second rate corresponds to a maturity immediately greater than said Interest Period.

4.4 Fixed Interest Rate/Floating Interest Rate of the Notes

Each Fixed Rate/Flowing Rate Note bears interest at a rate which (i) the Issuer may decide to convert on the date indicated in the Final Terms in question from a fixed rate to a floating rate
(from among the types of Floating Rate Notes described in Article 4.3(c) of the Terms and Conditions of the Notes “Interest Rate for Floating Rate Notes”) (or vice-versa) or (ii) will be automatically converted from a fixed rate to a floating rate (or vice-versa) on the date indicated in the relevant Final Terms.

4.5 Zero Coupon Notes

If a Zero Coupon Note is redeemable prior to its Maturity Date by the exercise of a Redemption Option at the discretion of the Issuer or, if so specified in the applicable Final Terms, pursuant to Article 5.5 “Early redemption” of the Terms and Conditions of the Notes, or in any other manner, and such Note is not redeemed on the due date, the amount due and payable prior to the Maturity Date shall be equal to the Optional Redemption Amount or the Early Redemption Amount, as applicable. On or after the Maturity Date, the unredeemed principal of said Note shall bear interest at an annual rate (expressed as a percentage) equal to the rate of return (as described in Article 5.5(a)(b) of the Terms and Conditions of the Notes) (the Rate of Return).

4.6 Accrual of interest

Interest shall cease to accrue on each Note on the redemption date unless (a) on said due date, in the case of Dematerialised Notes or (b) on the date they are presented in the case of Materialised Notes, repayment of principal is improperly withheld or refused; in this case interest shall continue to accrue (both before and after any judgement) at the Interest Rate in accordance with the terms of Article 4 of the Terms and Conditions of the Notes “Calculation of interest and other calculations” up to the Reference Date.

4.7 Margin, Rate Multipliers, Interest Rate, Minimum and Maximum and Rounding

(a) If a Margin or Rate Multiplier is specified in the applicable Final Terms (either (x) generally or (y) in relation to one or more Accrued Interest Periods), an adjustment shall be made to all Interest Rates, in case (x), or for the Interest Rates applicable to the relevant Accrued Interest Periods in case (y), calculated in accordance with paragraph 4.7(c) above by adding (if a positive number) or subtracting (if a negative number) the absolute value of said Margin or by multiplying the Interest Rate by said Rate Multiplier, subject in each case to the provisions of the following paragraph.

(b) If a Minimum or Maximum Interest Rate is stipulated in the relevant Final Terms, this Interest Rate may not exceed said maximum or be less than said minimum, as applicable; it is specified that (i) under no circumstances may the amount of the interest payable attached to each Note be less than zero and (ii) except if the Minimum Interest Rate is higher than stipulated in the relevant Final Terms, the Minimum Interest Rate shall be equal to 0.

(c) For the purposes of any calculations required pursuant to these Terms and Conditions (unless otherwise specified), (i) if the FBF Determination is specified in the applicable Final Terms, all percentages resulting from such calculations shall be rounded off, if necessary, to the nearest ten thousandth (with halves being rounded up), (ii) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest fifth decimal place (with halves being rounded up), and (iii) all numbers shall be rounded to the seventh number after the decimal point (with halves being rounded up), and (iv) all currency amounts that fall due and payable shall be rounded to the
nearest unit of such currency (with halves being rounded up), except the Yen, which shall be rounded down to the nearest Yen. For the purposes of this Article, unit means the lowest subdivision of the currency that is legal tender in the country of the currency.

4.8 Calculations

The amount of interest payable in respect of any Note for any period shall be calculated by applying the Interest Rate to the non-repaid principal of each Note and by multiplying the result obtained by the Day Count Fraction, unless a Coupon Amount (or a formula for its calculation) is specified for said periods, in which case the amount of interest payable in respect of said Note for this same period shall be equal to said Coupon Amount (or be calculated in accordance with the formula). If an Interest Period comprises two or more Accrued Interest Periods, the amount of interest payable in respect of said Interest Period shall be the sum of the interest payable in respect of each of those Accrued Interest Periods.

4.9 Determination and publication of Interest Rates, Coupon Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Scheduled Payment Amounts

As soon as possible after the reference time on the date on which the Calculation Agent may be required to calculate any rate or amount, obtain a quotation, determine an amount or calculation, it shall determine this rate and calculate the Coupon Amounts for each Nominal Value Indicated for the Notes during the corresponding Accrued Interest Period. It shall also calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or the Scheduled Payment Amount, obtain the corresponding quotation, or perform the determination or calculation that may be necessary. It shall notify the Interest Rate and the Coupon Amounts for each Interest Period and the relevant Coupon Payment Date and, if required, the Final Redemption Amount, Early Redemption Amount, and the Optional Redemption Amount or any other Scheduled Payment Amount, to the Fiscal Agent, the Issuer, each of the Paying Agents and any other Calculation Agent designated for the Notes to conduct additional calculations upon receipt of said information. If the Notes are listed for trading on a regulated market and the rules of said market require it, it shall also notify said information to this market and/or to the Noteholders as soon as possible after determination, no later than (i) the start of the relevant Interest Period, if the information is determined prior to said date, in the case of a notification of the Interest Rate and Coupon Amount to said market, or (ii) in all other cases, no later than the fourth Business Day after they are determined. When the Coupon Payment Date or the Accrued Interest Period Date is adjusted pursuant to Article 4.3(b) of the Terms and Conditions of the Notes “Business Day Convention”, the Coupon Amounts and the Coupon Payment Date so published may subsequently be changed (or other appropriate measures taken via adjustment) without notice in the event of an extension or reduction of the Interest Period. The determination of each rate or amount, the obtaining of each quotation and each of the determinations or calculations made by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

4.10 Calculation Agent and Reference Banks

The Issuer shall ensure that there are, at any time four Reference Banks (or any other number as may be required) with at least one office in the Reference Financial Market, and one or more Calculation Agents if so specified in the applicable Final Terms for as long as Notes are outstanding (as defined in Article 1.3(d) of the Terms and Conditions of the Notes). If any Reference Bank (acting through its designated office) is unable or unwilling to continue to act
as a Reference Bank, then the Issuer shall name another Reference Bank with an office in said Reference Financial Market to act in this capacity in its place. If more than one Calculation Agent is named in respect of the Notes, any reference in these Terms and Conditions to the Calculation Agent shall be construed as a reference to each Calculation Agent acting under these Terms and Conditions. If the Calculation Agent is unable or unwilling to act in this capacity, or if the Calculation Agent fails to establish an Interest Rate for any Interest Period or Accrued Interest Period, or cannot calculate any Coupon Amount, Instalment Amount, Final Redemption Amount, Optional Redemption Amount or Early Redemption Amount, as applicable, or is unable to meet any other obligation, the Issuer shall appoint a first tier bank or investment bank operating in the interbank market (or, if appropriate, the money market, swaps market or over-the-counter index options market) that is most closely tied to the calculation and determination to be made by the Calculation Agent (acting through its principal Paris office or any other office actively operating in this market) to act in this capacity in its place. The Calculation Agent may not resign from its duties before a successor has been named under the conditions described above.

5. **REDEMPTION, PURCHASE AND OPTIONS**

5.1 **Redemption at maturity**

Unless previously redeemed, purchased and cancelled as specified below, each Note shall be redeemed on the Maturity Date specified in the applicable Final Terms at its Final Redemption Amount (which, unless otherwise provided, equals the nominal amount (except for Zero Coupon Notes)) specified in the relevant Final Terms or, in the case of Notes governed by Article 5.2 “Redemption by scheduled payments” of the Terms and Conditions of the Notes below, at its final Instalment Amount.

5.2 **Redemption by instalments**

Unless it has been previously redeemed, purchased and cancelled pursuant to this Article 5 “Redemption, purchase and options”, each Note for which the terms stipulated instalment dates (i.e. the dates indicated for this purpose in the applicable Final Terms) (each, an Instalment Date) and Instalment Amounts will be partially repaid at each Instalment date in the Instalment amount stipulated in the relevant Final Terms. The outstanding nominal amount of each of these Notes shall be reduced by the corresponding Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of the Note, shall be reduced proportionally) on or after the Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused: (i) in the case of Dematerialised Notes, on the date specified for such payment or (ii) in the case of Materialised Notes, on presentation of the related Receipt, in which case, this amount shall remain due until the Reference Date of said Instalment Amount.

5.3 **Redemption at the option of the Issuer**

If a Redemption Option at the Issuer’s discretion is specified in the applicable Final Terms, the Issuer may, subject to compliance by the Issuer with all applicable laws, regulations and directives, and provided it gives irrevocable notice to Noteholders of at least fifteen (15) calendar days and no more than thirty (30) calendar days in accordance with Article 13 of the Terms and Conditions of the Notes “Notices”, redeem all or some of the Notes, as applicable, on the Optional Redemption Date. Any such redemption of Notes shall be made at the Optional Redemption Amount stipulated in the relevant Final Terms, plus any interest accrued up to the date set for redemption. Each of these redemptions must relate to Notes of a nominal amount at least equal to the minimum nominal amount redeemable as specified in the
applicable Final Terms and may not exceed the maximum nominal amount redeemable as specified in the applicable Final Terms.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in said notice in accordance with this Article.

In the case of a partial redemption by the Issuer for Materialised Notes, the notice to holders of such Materialised Notes must also indicate the number of Physical Notes to be redeemed. The Notes must have been selected fairly and objectively under the circumstances, taking into account market practices and in accordance with all applicable laws and regulations of the Regulated Markets.

In the event of partial redemption by the Issuer of the Dematerialised Notes in the same Series, redemption will be executed by reducing the nominal amount of these Dematerialised Notes in proportion to the nominal amount redeemed pursuant to the laws and regulations in force on the Regulated Markets in question.

5.4 Redemption at the option of the Noteholders

If a Redemption Option at the Noteholder’s discretion is specified in the applicable Final Terms, the Issuer must, at the request of the Noteholder and provided that he so irrevocably notifies the Issuer at least fifteen (15) and not more than thirty (30) calendar days in advance (or any other advance notice stipulated in the relevant Final Terms), redeem said Note on the Optional Redemption Date or Dates at the Optional Redemption Amount stipulated in the relevant Final Terms plus an interest accrued up to the date set for redemption. In order to exercise such an option, the Noteholder must deposit by the specified deadline with a Paying Agent a duly completed option exercise notice (the Notice of Exercise), a model of which may be obtained during normal office hours from the Paying Agent or Registration Agent, as applicable. In the case of Materialised Notes, the relevant Notes (as well as the Receipts and Coupons not due and the Talons not exchanged) must be attached to the Notice of Exercise. 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, as specified in the Notice of Exercise. No option that has been exercised nor a Note if any that has been deposited or transferred may be withdrawn without the prior written consent of the Issuer.

5.5 Early redemption

(a) Zero Coupon Notes

a) The Early Redemption Amount payable for a Zero Coupon Note shall be, at the time of redemption pursuant to Article 5.6 “Redemption for tax reasons” of the Terms and Conditions of the Notes or Article 5.9 “Illegality” or, if it becomes payable pursuant to Article Erreur! Source du renvoi introuvable. “Early Redemption Events” of the Terms and Conditions of the Notes, equal to the amortised nominal amount (calculated under the conditions defined below) (the Amortised Nominal Amount) of this Note.

b) Subject to the provisions of sub-paragraph 5.5(a)c) below, the Amortised Nominal Amount of any such Zero Coupon Note shall be the Final Redemption Amount of said Note on the Maturity Date discounted at an annual rate (expressed as a percentage) equal to the Yield (which, if a rate is not stipulated in the applicable Final Terms, shall be the rate that would result in an Amortised Nominal Amount
equal to the issue price of the Note if discounted back to the issue price on the Issue Date) compounded annually.

e) If the Early Redemption Amount payable in respect of each Note at redemption pursuant to Article 5.6 “Redemption for tax reasons” of the Terms and Conditions of the Notes or Article 5.9 of the Terms and Conditions of the Notes “Illegality”, or at early payment pursuant to Article **Erreur ! Source du renvoi introuvable.** “Early Redemption Events” of the Terms and Conditions, is not paid when due, the Early Redemption Amount payable for said Note shall then be the Amortised Nominal Amount of the Note, as defined in sub-section 5.5(a) above; it is understood that this sub-section shall apply as if the date on which said Note becomes due were the Reference Date. The calculation of the Amortised Nominal Amount in accordance with this sub-paragraph shall continue to be made (both before and after any judgement) until the Reference Date, unless the Reference Date falls on or after the Maturity Date, in which case the amount due and payable shall be equal to the Final Redemption Amount on the Maturity Date, as stipulated for this Note, plus accrued interest, pursuant to Article 4.5 “Zero Coupons Notes” of the Terms and Conditions of the Notes. When this calculation must be made for a period of less than one (1) year, it shall be made using one of the Day Count Fractions described in Article 4.1 “Definitions” of the Terms and Conditions of the Notes and specified in the applicable Final Terms.

(b) Other Securities

The Early Redemption Amount due for any other Note, at the time of redemption of said Note pursuant to Article 5.6 “Redemption for tax reasons” or Article 5.9 “Illegality” of the Terms and Conditions of the Notes, or if said Note becomes due and payable according to Article **Erreur ! Source du renvoi introuvable.** “Early Redemption Events”, shall be equal to the Final Redemption Amount, unless otherwise stipulated in the relevant Final Terms, or in the case of Notes governed by Article 5.2 of the Terms and Conditions of the Notes “Redemption by scheduled payments”, the non-amortised nominal amount, plus all accrued interest (including additional amounts if applicable) until the effective redemption date.

5.6 Redemption for tax reasons

(a) If, at the time of any redemption of principal, payment of interest or other amounts, the Issuer is obliged to pay additional amounts in accordance with Article 7.2 “Additional amounts” of the Terms and Conditions of the Notes because of changes in French laws and regulations, or changes in the official application or interpretation of these texts after the Issue Date, the Issuer may then, at any Coupon Payment Date or, if this is stipulated in the relevant Final Terms, at any time, provided that it notifies the Noteholders pursuant to Article 13 “Notices” of the Terms and Conditions, no earlier than forty-five (45) calendar days and no later than thirty (30) calendar days prior to such a payment (this notice shall be irrevocable), redeem in full, and not in part, the Notes at the Early Redemption Amount plus all interest accrued until the date set for redemption, provided that the specified redemption date is notified no earlier than the furthest date on which the Issuer in practice is able to make the payment of principal, interest or other amounts without taking French withholding or deductions.
(b) If, on the occasion of the next redemption of principal or the next payment of interest or other amounts on the Notes, Receipts or Coupons, the Issuer’s payment of the total amount due to the Noteholders is prohibited by French law, notwithstanding the commitment to pay any additional amount stipulated in Article 7.2 “Additional amounts” of the Terms and Conditions of the Notes, the Issuer shall immediately so notify the Fiscal Agent. Subject to notice of seven (7) calendar days addressed to the Noteholders pursuant to Article 13 “Notices” of the Terms and Conditions of the Notes, the Issuer must then redeem all, and not a portion only, of the Notes then outstanding at their Early Redemption Amount, plus any interest accrued up to the date set for redemption, on (i) the latest practical Coupon Payment Date on which the Issuer could make payment of the full amount due on the Notes, Receipts or Coupons, provided that if the notice referred to above expires after said Coupon Payment Date, the redemption date for Noteholders shall be the later of (A) the latest practical date on which the Issuer could make payment of the full amount due on the Notes, Receipts or Coupons and (B) fourteen (14) calendar days after giving notice to the Fiscal Agent or (ii) if so specified in the applicable Final Terms, at any time, provided that the specified redemption date notified shall be the latest practical date on which the Issuer is able to make payment of the full amounts due for the Notes and any Receipts or Coupons or, if that date is passed, as soon as possible.

5.7 Purchases

The Issuer may at any time purchase Notes on or off the stock market (including through a public offer) at any price (provided however that, in the case of Materialised Notes, all non-due Receipts and Coupons, and all unexchanged Talons relating thereto, are attached to or surrendered with said Materialised Notes), in accordance with applicable laws and regulations.

Notes purchased by or on behalf of the Issuer may, at the Issuer’s option, be retained in accordance with the applicable laws and regulations or cancelled pursuant to Article 5.8 “Cancellation” of the Terms and Conditions of the Notes.

5.8 Cancellation

Notes purchased for cancellation in accordance with Article 5.7 “Purchases” of the Terms and Conditions of the Notes shall be cancelled, in the case of Dematerialised Notes, by transfer to an account pursuant to the rules and procedures of Euroclear France and, in the case of Materialised Notes, by delivery to the Fiscal Agent of the relevant Temporary Global Certificate or the Physical Notes in question, together with all Receipts and Coupons not due, and all unexchanged Talons attached to said Notes, if any, and in each case, if they are so transferred and surrendered, all said Notes shall be, together with all Notes redeemed by the Issuer, immediately cancelled (as well as, in the case of Dematerialised Notes, all rights in respect of payment of interest and other amounts in respect of the Dematerialised Notes and, in the case of Materialised Notes, all Receipts and Coupons not due and all unexchanged Talons attached thereto or surrendered at the same time). Notes so cancelled or, as applicable, transferred or surrendered for cancellation, may not be re-issued or re-sold and the obligations of the Issuer in respect of any such Notes shall be discharged.
5.9 Illegality

If the introduction of a new law or regulation in France, any change in a law or mandatory provision or any change in the interpretation thereof by any court or administrative authority, which takes effect after the Issue Date, makes it illegal for the Issuer to perform or comply with its obligations for the Notes, the Issuer shall have the right, provided it so advises the Noteholders through a notice pursuant to Article 13 “Notices” of the Terms and Conditions of the Notes, no earlier than forty-five (45) calendar days and no later than thirty (30) calendar days prior to said payment (this notice shall be irrevocable), to redeem all, and not a portion only, of the Notes at the Early Redemption Amount plus all interest accrued up to the date set for redemption.

6. PAYMENTS AND TALONS

6.1 Dematerialised Notes

Any Payment of principal or interest in respect of Dematerialised Notes shall be made (a) in the case of Dematerialised Notes in bearer form or in administered registered form (au nominatif administré), by transfer to an account denominated in the Specified Currency held with the Account Holders for the benefit of the Noteholders, and (b) in the case of Dematerialised Notes in pure registered form (au nominatif pur), by transfer to an account denominated in the Specified Currency, held with a Bank (as defined below) specified by the relevant Noteholder. The Issuer’s payment obligations shall be discharged after said payments to said Account Holders or Bank.

6.2 Physical Notes

(a) Method of payment

Subject to the following, any payment in a Specified Currency must be made by credit or transfer to an account denominated in the Specified Currency, or to which the Specified Currency may be credited or transferred (which, in the case of a payment in Yen to a non-resident of Japan, shall be a non-resident account) held by the beneficiary or, at the beneficiary’s option, by cheque denominated in the Specified Currency drawn on a bank located in the principal financial market of the country of the Specified Currency (which, if the Specified Currency is the euro, shall be a country within the eurozone and, if the Specified Currency is the Australian dollar or New Zealand dollar, shall be Sydney or Auckland respectively).

(b) Presentation and surrender of Physical Notes, Receipts and Coupons

Any payment of principal in respect of Physical Notes, shall be made (subject to the following) in the manner described in paragraph 6.2(a) above solely upon presentation and surrender (or, in the case of a partial payment of an outstanding amount, upon endorsement) of the corresponding Notes and any interest payment in respect of Physical Notes shall be made (subject to the following) under the conditions described above solely upon presentation and surrender (or, in the case of a partial payment of an outstanding amount, upon endorsement) of the corresponding Coupons, in each case at the specified office of any Paying Agent located outside the United States of America (said term designates for the purposes of this document the United States of America (including the States and District of Columbia, its territories, possessions and other areas under its jurisdiction)).
Any instalment payment of principal in respect of Physical Notes, other than the last payment, where appropriate, shall be made (subject to the following) in the manner described in paragraph 6.2(a) above upon presentation and surrender (or, in the case of a partial payment of an outstanding amount, upon endorsement) of the corresponding Receipt in accordance with the preceding paragraph. Payment of the last instalment shall be made in the manner described in paragraph 6.2(a) above solely upon presentation and surrender (or, in the case of a partial payment of an outstanding amount, upon endorsement) of the corresponding Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment with the related Physical Note. Any relevant Receipt presented for payment without the related Physical Note shall render the Issuer’s obligations null and void.

Receipts relating to Physical Notes that are not due (whether or not attached) shall, where appropriate, become void and no payment shall be made in respect thereof on the date on which such Physical Notes become due.

Fixed Rate Notes represented by Physical Notes must be presented for payment together with all Coupons not due attached thereto (this expression includes, for the purposes herein, Coupons to be issued in exchange for Talons due); if this is not the case, the amount of any missing Coupon not due (or, in the case of a partial payment, the proportion of the amount of said missing Coupon not due corresponding to the amount paid in relation to the amount due) shall be deducted from the amount due. Any amount of principal so deducted shall be paid as stipulated above on the surrender of the missing Coupon before 1 January of the fourth year following the due date for payment of said amount, and not under any circumstances thereafter.

Where a Fixed Rate Note represented by a Physical Note becomes due prior to its Maturity Date, Talons not due attached thereto become void and no further Coupons shall be delivered.

Where a Floating Rate Note represented by a Physical Note becomes due prior to its Maturity Date, the Coupons and Talons not due (if any) related thereto (whether or not attached) become void and no payment shall be made or, if relevant, no additional Coupons shall be delivered in respect thereof.

If the redemption date of a Physical Note is not a Coupon Payment Date, the interest (if any) accrued on said Note since the previous Coupon Payment Date (included) or, if applicable, the Interest Period Start Date (included) shall be paid only upon presentation and surrender (if applicable) of the Physical Note in question.
6.3 Payments in the United States of America

Notwithstanding the foregoing, if any Materialised Note is denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York under the conditions as set forth above if (i) the Issuer has appointed Paying Agents with offices outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the amounts on the Notes under the conditions set forth above when due, (ii) payment in full of such amounts at all said offices is illegal or effectively precluded by currency exchange controls or other similar restrictions on payment or receipt of such amounts, and (iii) such payment is however permitted by United States law without implying, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

6.4 Payments subject to tax laws

All payments are subject to any applicable tax or other laws, regulations and directives, but without prejudice to the provisions of Article 7 “Taxation” of the Terms and Conditions of the Notes. No commission or fees shall be charged to the Noteholders or Receipt or Coupon holders in respect of such payments.

6.5 Appointment of Agents

The Fiscal Agent, Paying Agents, Calculation Agent and Registration Agent initially appointed by the Issuer and their respective specified offices are listed at the end of this Base Prospectus for the Issuer’s Notes Programme. The Fiscal Agent, Paying Agents and the Registration Agent act solely as agents of the Issuer, and the Calculation Agents solely as independent experts, and under no circumstances do they assume any obligation or relationship of agency with regard to Noteholders or Coupon holders. The Issuer reserves the right at any time to change or terminate the appointment of the Fiscal Agent, any Paying Agent, Calculation Agent or Registration Agent and to appoint any other Fiscal Agent, Paying Agent(s), Calculation Agent(s) or Registration Agent(s) or any additional Paying Agent(s), Calculation Agent(s) or Registration Agent(s), provided that the Issuer shall at all times maintain (a) a Fiscal Agent, (b) one or more Calculation Agents, where the Terms and Conditions so require, (c) a Paying Agent with specified offices in at least two major European cities (providing financial services in respect of the Notes in France as long as any Notes are listed for trading on Euronext Paris, and as long as the regulations applicable to this market so require), (d) in the case of Dematerialised Notes in pure registered form, a Registration Agent and (e) any other agent that may be required under the rules of any regulated market on which the Notes may be admitted to trading.

In addition, the Issuer shall appoint as soon as possible a Paying Agent in New York City in respect of any Materialised Notes denominated in U.S. dollars in the circumstances described in Article 6.3 above.

Notice of such change or of any change in any specified office shall promptly be given to the Noteholders in accordance with Article 13 “Notices” of the Terms and Conditions of the Notes.

6.6 Talons

On or after the Coupon Payment Date for the final Coupon included on a Coupon sheet remitted with any Materialised Note, the Talon forming part of said Coupon sheet may be surrendered at the office specified by the Fiscal Agent in exchange for a new Coupon sheet (and if necessary another Talon for a further Coupon sheet) (with the exception of Coupons
that may have been cancelled pursuant to Article 9 “PRESCRIPTION” of the Terms and Conditions of the Notes).

6.7 Business Days for payment

If any payment date in respect of any Note, Receipt or Coupon is not a business day (as defined below), the Noteholder or Coupon holder shall not be entitled to payment until the following business day, nor to any other sum in respect of this delay. In this paragraph, “business day” means a day (other than a Saturday or Sunday) (a) (i) in the case of Dematerialised Notes, on which Euroclear France is operating, or (ii) in the case of Materialised Notes, on which banks and foreign exchange markets are open in the financial market of the location where the note is presented for payment, (b) on which banks and foreign exchange markets are open in the countries specified as “Financial Centres” in the applicable Final Terms and (c) (i), in the case of payment in a currency other than the euro, when payment must be made by transfer to an account maintained with a bank in the Specified Currency, a day on which foreign exchange transactions may be executed in the relevant currency in the principal financial centre of the country in which said currency is legal tender or (ii), in the case of payment in euros, a day which is a TARGET Business Day.

6.8 Bank

For the purposes of this Article 6 “Payments and Talons”, Bank means a bank established in the principal financial centre of the country in which the Specified Currency is legal tender, or in the case of payments in euros, in a city in which banks have access to the TARGET system.

7. TAXATION

7.1 Withholding tax

All payments of principal, interest or other amounts linked to the Notes, Receipts or Coupons made by or on behalf of the Issuer shall be made without any withholding or deduction for any tax or duty imposed, levied or collected by or on behalf of France or any authority therein that has power to levy taxes, unless such withholding or deduction is required by law.

7.2 Additional Amounts

If French law required that payments of principal, interest or other amounts in respect of any Note, Receipt or Coupon be subject to withholding or deduction for any tax or duty, present or future, the Issuer undertakes, to the fullest extent permitted by law, to increase its payments so that the holders of Notes, Receipts and Coupons receive the full amounts that would have been paid to them in the absence of such withholding or deduction; it is specified that the Issuer shall not be required to increase the payments on any Note, Receipt or Coupon in the following cases:

(a) Other connection: the holder of Notes, Receipts or Coupons, or any third party acting on his behalf, is liable for said tax or duty in France for reasons other than the mere act of holding the Notes, Receipts or Coupons; or

(b) More than thirty (30) calendar days have passed since the Reference Date: in the case of Materialised Notes, more than thirty (30) calendar days have passed since the Reference Date, except in the event that the holder of such Notes, Receipts or Coupons would have had the right to an additional
amount on presentation of the same for payment on the last day of said period of thirty (30) calendar days.

References in these Terms and Conditions to (i) “principal” shall be deemed to include any premium payable in respect of the Notes, all Final Redemption Amounts, Instalment Amounts, Early Redemption Amounts, Optional Redemption Amounts and all other amounts in principal payable pursuant to Article 5 “Redemption, purchase and options” of the Terms and Conditions of the Notes, as completed by the relevant Final Terms, (ii) “interest” shall be deemed to include all Coupon Amounts and other amounts payable pursuant to Article 4 “Calculation of Interest and other calculations” of the Terms and Conditions, as completed by the relevant Final Terms, and (iii) “principal” and/or “interest” shall be deemed to include any additional amounts that may be payable under this Article.

8. EARLY REDEMPTION EVENTS

If one of the following events occurs (each is an Early Redemption Event), (i) the Representative (as defined in Article 10 “Representation of the Noteholders” of the Terms and Conditions of the Notes) on its own initiative or at the request of any Noteholder, may, by means of a simple written notification sent on behalf of the Masse (as defined in Article 10 “Representation of the Noteholders” of the Terms and Conditions) to the Fiscal Agent with a copy to the Issuer, before that failure in question has been corrected, make immediately and automatically due and payable the redemption of all Notes in the Series in question (not simply a portion of said Notes); or (ii) if there is no Representative of the Masse, any Noteholder may, by means of a simple written notification to the Fiscal Agent with a copy to the Issuer, before that failure in question has been corrected, make, immediately and automatically, due and payable the redemption of all Notes held by the author of the notification, at the Early Redemption Amount plus all interest accrued up to the effective date of redemption (including any additional amount), without the need for prior formal notice:

(a) failure to make payment on the due date of any amount in principal or interest due by the Issuer for any Note, Receipt or Coupon (including the payment of the increase stipulated by Article 7.2 “Additional amounts” of the Terms and Conditions of the Notes), unless this payment default is corrected within a period of twenty (20) days from the due date of said payment;

(b) if there is a default by the Issuer in the due performance of any other provision of these Terms and Conditions of the Notes, and such default has not been remedied within thirty (30) calendar days after receipt by the Issuer of written notice of said default by registered mail with acknowledgement of receipt;

(c) payment default or non-repayment of any sum owed for any bank or bond debt of the Issuer in an amount greater than one hundred million (100,000,000) euros (or the equivalent in any other currency), whether existing or future, (other than the Notes, Receipts or Coupons), on the repayment or payment date specified or early or, if applicable, at the expiration of any applicable grace period, or the enforcement of a security interest on one of these debts for an amount greater than one hundred million (100,000,000) euros (or the equivalent in any other currency), or the failure to pay any sum due for one (or more) guarantees granted by the Issuer for one or more bank or bond loans contracted by third parties, which represent, individually or together, an amount greater than one hundred million (100,000,000) euros (or the equivalent in any other currency);
(d) if the Issuer is dissolved, ceases to be a public establishment, or ends all or a substantial portion of its activity, or sells, transfers, or otherwise disposes of, directly or indirectly, all or a substantial portion of its assets before full redemption of the Notes in each case, unless (A) all or a portion of its activity or assets are transferred to, and all or a portion of its commitments and liabilities (including the commitments arising from the Notes) are assumed by: (i) the French State or another public establishment, a public operator or a French local authority, or by (ii) a French legal entity that continues the activity of the Issuer, which is controlled by the French State or by one or more public establishments, public operators, or French local authorities, in which at least fifty-one (51) percent of the share capital is directly or indirectly held by the French State and/or one or more public establishments, public operators, or local authorities, or by (iii) a private company which, pursuant to an explicit contractual measure, or under the applicable law, assumes the commitments and liabilities of the Issuer, or that (B) the commitments arising from the Notes benefit from an unconditional guarantee by the French State or by a public establishment, a public operator or a French local authority, and (C) in each case in which the commitments arising from the Notes are not assumed or guaranteed by the French State, a public establishment, or a French local authority, provided that the public operator or the company assuming or guaranteeing these commitments benefits (taking into account said transfer, if applicable) from a rating at least equivalent to the Issuer’s rating before the event in question, issued by an internationally known rating agency;

it is understood that any event stipulated in (a), (b) or (c) above shall not constitute an Early Redemption Event, and the time periods indicated therein (if any) shall be suspended in the event of notification made by the Issuer to the Fiscal Agent before the expiration of the period in question (if a time period is indicated) of the need, in order to correct said failure or failures, to pass a resolution to allow the payment of unexpected or additional budget expenses for the debt expense up to (and including) the date on which this resolution becomes enforceable, as from which the suspension of the time periods stipulated above, if any, shall end. The Issuer must notify the Fiscal Agent of the date on which said resolution becomes enforceable. The Fiscal Agent must inform the Noteholders of any notice it has received from the Issuer pursuant to this Condition, in accordance with the provisions of Article 13. If the additional budget resolution has not been approved and becomes enforceable at the end of a four (4) month period from the notification to Noteholders, the events described in paragraphs (a), (b) and (d) above and not corrected before the expiry of said four (4) month period shall constitute an Accelerated Payment Event.

9. PRESCRIPTION

All claims against the Issuer in relation to the Notes (in terms of payment of the principal or interest) or where appropriate, relating to Receipts or Coupons (excluding Talons) shall lapse after four (4) years from 1 January of the year following their respective due date (pursuant to Law no. 68-1250 of 31 December 1968).

10. REPRESENTATION OF NOTEHOLDERS

The Noteholders will be grouped automatically for all Tranches of a single Series for the defence of their common interests in a masse (the Masse), which will be governed by the provisions of Articles L.228-46 et seq. of the French Code de commerce with the exception of
Articles L.228-71 and R.228-69 of said French *Code de commerce*, as completed by this Article 10.

a) Legal personality

The Masse will be a separate legal entity, acting in part through a representative (the **Representative**) and in part through collective decisions of the Noteholders (the **Collective Decisions**).

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

b) Representative

Pursuant to Article L.228-51 of the French *Code de commerce*, the names and addresses of the incumbent Representative of the Masse and his alternate (if any) shall be set forth in the applicable Final Terms. The Representative appointed for the first Tranche of a Series of Notes shall be the sole Representative of the Masse for all Tranches of such Series.

The Representative shall receive the compensation corresponding to his duties and responsibilities, as indicated in the Final Terms in question. No additional compensation shall be due for all successive Tranches of a Series of Notes.

In the event of the death, resignation or dismissal of the Representative, he will be replaced by the alternate Representative, as applicable. Another Representative may be designated.

All interested parties may at any time obtain the names and addresses of the initial Representative and his alternate at the principal office of the Issuer or the specified offices of any of the Paying Agents.

c) Powers of the Representative

The Representative shall (in the absence of any decision to the contrary of the Collective Decisions), have the power to take all management action necessary for the defence of the common interests of the Noteholders.

All legal proceedings brought against or by the Noteholders must be brought by or against the Representative, as the case may be.

d) Collective Decisions

Collective Decisions shall be adopted in a general meeting (the **General Meeting**) or by approval at the end of a written consultation (the **Written Decision**).

In accordance with Article R.228-71 of the French *Code de commerce*, each Noteholder shall prove the right to participate in Collective Decisions by registration of his/her Notes either in the registered securities accounts kept by the Issuer, or in the bearer securities accounts kept by an intermediary (if applicable) on the second (2nd) business day prior to the date of the Collective Decision at midnight, Paris time.

Collective Decisions must be published in accordance with Article 10(h).
The Issuer must keep a register of the Collective Decisions, and must make it available, on request, to any subsequent Noteholders of the Notes in this Series.

(A) General Meeting

General Meetings may be held at any time, on convocation either by the Issuer or the Representative. One or more Noteholders, holding together at least one-thirtieth (1/30th) of the nominal amount of the Notes outstanding may request the Issuer or the Representative to convene a General Meeting. If such General Meeting has not been convened within two months from such demand, such Noteholders may instruct one of themselves to petition the competent court to appoint an agent to convene the meeting.

General Meetings may deliberate validly on first notice only if the Noteholders present or represented hold at least one fifth (1/5th) of the nominal amount of Notes outstanding at that time. No quorum will be required on second notice. General Meetings shall decide validly with a majority of two thirds (2/3) of the votes cast by the Noteholders attending the Meetings, either in person or by means of a representative.

A notice indicating the date, time, place and agenda of the General Meeting shall be published in accordance with Article 10(h) at least fifteen (15) calendar days before the date of the General Meeting on the first notice of meeting, and not less than five (5) calendar days before the date of the General Meeting on a second notice of meeting.

Each Noteholder has the right to participate in the General Meeting in person, through an agent, by mail, via videoconference, or via any other method of communication that allows the identification of the Noteholders participating in the General Meeting.

During the period of fifteen (15) calendar days preceding a General Meeting on the first notice of meeting, or during the period of five (5) calendar days that precedes a General Meeting called on a second notice of meeting, each Noteholder or his or her agent shall have the right to consult or to make a copy of the resolutions that will be proposed and the reports that will be presented at the General Meeting; these will be made available to the Noteholders in question at the Issuer’s address, from the designated offices of the Paying Agents, or at any other location specified in the notice of meeting for the General Meeting.

(B) Written Decisions and Electronic Consent

At the initiative of the Issuer or the Representative, Collective Decisions may also be taken by Written Decision.

This Written Decision must be signed by, or on behalf of, the Noteholders who hold at least ninety (90) per cent of the nominal amount of the Notes outstanding, without having to meet the requirements for formalities and time periods stipulated in Article 10(d)(A). Any Written Decision shall have, in all points, the same effect as a resolution adopted at a General Meeting of Noteholders. A Written Decision may be materialised in a single document or
in several identical format documents, signed by or on behalf of one or more Noteholders.

Under Article L.228-46-1 of the French Code de commerce, Noteholders may also express their approval or rejection of the proposed Written Decision by any electronic communications method that allows their identification (Electronic Consent).

Any Written Decision (including a Decision adopted by Electronic Consent) must be published in accordance with Article 10(h).

Notices concerning a request for approval via a Written Decision (including by Electronic Consent) shall be published in accordance with Article 10(h) at least five (5) calendar days before the date set for the adoption of said Written Decision (the Written Decision Date). Notices concerning a request for approval via a Written Decision shall contain the conditions of form and the deadlines to be met by the Noteholders who wish to express their approval or rejection of the Written Decision proposed. Noteholders who express their approval or rejection before the Written Decision Date shall agree not to sell their Notes before the Written Decision Date.

e) Expenses

The Issuer shall pay, upon presentation of duly documented evidence, all expenses incurred in connection with the conduct of the affairs of the Masse, including all expenses relating to notices and the Collective Decisions and, more generally, all administrative expenses adopted by the Collective Decisions, provided however that no expenses may be imputed against any interest payable on the Notes.

f) Single Masse

The holders of Notes of the same Series, (including Noteholders of any other Tranche consolidated in accordance with Article 13 of the Terms and Conditions of the Notes “Fungible Issues”) shall be grouped together for the defence of their common interests into a single Masse. The Representative appointed for the first Tranche of a Series of Notes shall be the Representative of the single Masse of the Series.

g) Single Noteholder

For as long as the Notes are held by a single Noteholder, and unless a Representative has been designated for this Series, the Noteholder in question will exercise all the powers attributed to the Masse by the provisions of the French Code de commerce, as amended by this Article 10. The Issuer must keep a register of the decisions adopted by the single Noteholder in his capacity, and must make it available, on request, to any subsequent Noteholder of the Notes in this Series. A Representative shall be appointed as soon as the Notes of a Series are held by more than one Noteholder.

h) Notice to Noteholders

Any notice to be sent to the Noteholders pursuant to this Article 10(h) must be sent in accordance with Article 13.5.
In order to avoid any ambiguity in this Article 10, the expression “outstanding” will not include the Notes bought back by the Issuer pursuant to Article 5.7 that are held and not cancelled.

11. REPLACEMENT OF PHYSICAL NOTES, RECEIPTS, COUPONS AND TALONS

In the case of Materialised Notes, any Physical Note, Receipt, Coupon or Talon that has been lost, stolen, defaced or destroyed in whole or in part, may be replaced, in compliance with applicable laws and stock market rules and regulations at the offices of the Fiscal Agent or any other Paying Agent, if any, appointed by the Issuer for such purpose and whose appointment shall be notified to the Noteholders. Such replacement shall be made against payment by the claimant of any fees and expenses incurred in connection therewith and subject to such terms as proof, security or indemnity (which may provide, inter alia, that in the event that the Physical Note, Receipt, Coupon or Talon allegedly lost, stolen or destroyed is subsequently presented for payment or, as the case may be, for exchange for further Coupons, the Issuer shall be paid, at its request, the amount payable by the Issuer in respect of such Physical Notes, Receipts, Coupons or further Coupons). Partially destroyed or defaced Materialised Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

12. FUNGIBLE ISSUES

The Issuer shall be entitled, without the consent of the holders of any Notes, Receipts or Coupons, to create and issue further notes to be consolidated with the Notes already issued to form a single Series, provided that such Notes which have been previously issued and the further notes confer on their holders rights that are identical in all respects (or identical in all respects other than the Issue Date, issue price and the first interest payment) and that the terms of such Notes provide for consolidation. References to “Notes” in these Terms shall be interpreted accordingly.
13. **NOTICES**

13.1 Notices addressed by the Issuer to the holders of Dematerialised Notes in registered form shall be valid either (a) if they are posted to their respective addresses, in which case they shall be deemed to have been delivered on the fourth (4th) Business Day after posting or (b) at the option of the Issuer, if they are published on the website of any relevant regulatory authority, in one of the leading economic and financial daily newspapers with general circulation in Europe (which is expected to be the Financial Times). So long as the Notes are admitted to trading on any regulated market and the applicable rules of such market so require, notices shall not be deemed to be valid unless published in an economic and financial daily newspaper with general circulation in the city(ies) in which the Notes are admitted to trading, which in the case of Euronext Paris is expected to be *Les Échos* and in any other manner required, as the case may be, under the applicable rules of such market.

13.2 Notices addressed to Noteholders of Materialised Notes and Dematerialised Notes in bearer form shall be valid if published in a leading economic and financial daily newspaper with general circulation in Europe (which is expected to be the Financial Times) and, so long as the Notes are admitted to trading on any regulated market and the applicable rules of such market so require, notices shall also be published in an economic and financial daily newspaper with general circulation in the city(ies) in which the Notes are admitted to trading, which in the case of Euronext Paris is expected to be *Les Échos* and in any other manner required, as the case may be, under the applicable rules of such market.

13.3 If any such publication is not practicable, the notice shall be validly given if published in a leading economic and financial newspaper with general circulation in Europe, provided however that, so long as the Notes are admitted to trading on any regulated market, notices must be published in any other manner required, as the case may be, under the applicable rules of such regulated market. Noteholders shall be deemed to have had notice of the contents of any notice on the date of publication, or if the notice was published more than once or on different dates, on the date of the first publication as described above. Coupon holders shall be deemed, in all circumstances, to have had notice of the contents of any notice addressed to Noteholders of Materialised Notes in accordance with this Article.

13.4 Notices addressed to holders of Dematerialised Notes (whether in registered or bearer form) in accordance with these Terms may be delivered to Euroclear France, Euroclear, Clearstream or any other clearing system through which the Notes are then cleared, instead of posting or publishing the notice as provided in Articles 13.1, 13.2 and 13.3 of the Terms and Conditions of the Notes, provided however that so long as the Notes are admitted to trading on any regulated market and the applicable rules of such market so require, notices shall also be published in an economic and financial daily newspaper with general circulation in the city(ies) in which the Notes are admitted to trading, which in the case of Euronext Paris is expected to be *Les Échos* and in any other manner required, as the case may be, under the applicable rules of such market.

13.5 Notices relating to Collective Decisions pursuant to Article 10 and Article R.228-79 of the French *Code de commerce*, must be delivered to Euroclear France, Euroclear, Clearstream and any other clearing system through which the Notes are then cleared. To avoid any ambiguity, Articles 13.1, 13.2, 13.3 and 13.4 do not apply to such notices.
14. GOVERNING LAW, LANGUAGE AND JURISDICTION

14.1 Governing law

The Notes, Receipts, Coupons and Talons are governed by and shall be interpreted in accordance with French law.

14.2 Language

This Base Prospectus has been drafted in the French language. A free translation in English may be available, however only the French version, in respect of which the Autorité des marchés financiers has granted a visa, may be relied upon as the authentic and binding version.

14.3 Jurisdiction

Any claims relating to the Notes, Receipts, Coupons or Talons shall be brought before the competent courts of the Cour d’Appel de Paris jurisdiction (subject to mandatory rules regarding territorial jurisdiction of French courts). No private law enforcement measures may be taken and no seizure or attachment proceedings may be brought against the assets or property of the Issuer, as a public law legal entity.
TEMPORARY GLOBAL CERTIFICATES IN RESPECT OF MATERIALISED NOTES

1. TEMPORARY GLOBAL CERTIFICATES

A Temporary Global Certificate in respect of Materialised Notes, without interest coupons, will initially be issued (a Temporary Global Certificate) for each Tranche of Materialised Notes, and shall be deposited at the latest by the issue date of such Tranche with a common depositary (the Common Depositary) for Euroclear Bank SA/NV, as operator of the Euroclear system (Euroclear) and Clearstream Banking S.A. (Clearstream). Following deposit of such Temporary Global Certificate with a Common Depositary, Euroclear or Clearstream shall credit each subscriber with an amount in principal of Notes equal to the nominal amount so subscribed and paid for.

The Common Depositary may also credit the accounts of subscribers of a nominal amount of Notes in other clearing systems through accounts held directly or indirectly by such other clearing systems with Euroclear and Clearstream. Conversely, a nominal amount of Notes initially deposited with any other clearing system may, in the same manner, be credited to the accounts of subscribers held with Euroclear, Clearstream or other clearing systems.

2. EXCHANGE

Each Temporary Global Certificate in respect of Materialised Notes shall be exchangeable, free of charge to the bearer, at the earliest on the Exchange Date (as defined below):

   (a) if the applicable Final Terms specify that the Temporary Global Certificate is issued in compliance with the C Rules or in a transaction to which the TEFRA rules do not apply, in whole but not in part, for Physical Notes; and

   (b) in all other cases, in whole but not in part, after certification, to the extent required under section § 1.163-5(c)(2)(ii)(D)(4)(ii) of the US Treasury regulations, that the Notes are not held by US persons, for Physical Notes.

3. DELIVERY OF PHYSICAL NOTES

On or after the Exchange Date, the holder of a Temporary Global Certificate may surrender such Temporary Global Certificate to or to the order of the Fiscal Agent. The Issuer shall, in exchange for any Temporary Global Certificate, deliver or procure the delivery of an equal aggregate nominal amount of duly signed and authenticated Physical Notes. For the purposes of this Base Prospectus, Physical Notes means, in respect of a Temporary Global Certificate, the Physical Notes for which the Temporary Global Certificate may be exchanged (having, if appropriate, attached to them all Coupons and Receipts in respect of interest amounts or Instalment Amounts that have not already been paid on the Temporary Global Certificate and a Talon). Physical Notes will be securely printed in accordance with any applicable legal and stock exchange requirements.

Exchange Date means, in relation to a Temporary Global Certificate, the day falling no earlier than forty (40) calendar days after its issue date, provided however that, in the case of a further issue of Materialised Notes, to be consolidated with such previously mentioned Materialised Notes, issued prior to such day in accordance with Article 12 of the Terms and Conditions of the Notes “Fungible Issues”, the Exchange Date may, at the option of the Issuer, be postponed until a date falling at least forty (40) calendar days after the issue date of such further Materialised Notes.
In the case of Materialised Notes with a minimum maturity of more than 365 calendar days (to which the TEFRA C Rules do not apply), the Temporary Global Certificate must include the following legend:

ANY UNITED STATES PERSON (AS DEFINED IN THE INTERNAL REVENUE CODE OF 1986) WHO HOLDS THIS NOTE WILL BE SUBJECT TO RESTRICTIONS UNDER UNITED STATES FEDERAL INCOME TAX LAWS, INCLUDING THOSE PROVIDED UNDER SECTIONS 165(J) AND 1287(A) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED.
DESCRIPTION OF THE ISSUER

1. LEGAL NAME OF THE ISSUER

The issuer is the Syndicat des transports d’Ile-de-France, a local public establishment.

Ile-de-France Mobilités is the usual name for the Syndicat des transports d’Ile-de-France.

2. REGISTERED OFFICE, GEOGRAPHIC LOCATION, LEGAL FORM

Ile-de-France Mobilités has its registered office at 39-41, rue de Châteaudun in Paris (75009).

The telephone number of the registered office of Ile-de-France Mobilités is + (33)1 47 53 28 00.

The Ile-de-France Mobilités website is: www.iledefrance-mobilites.fr

The organisation of passenger transport services in Ile-de-France is governed by specific provisions in the French Code des transports (articles L.1241-1 et seq., L.3111-14 to L.3111-16 and R.1241-1 et seq.), as distinct from the provisions of common law that apply in the rest of the country.

The geographic scope of Ile-de-France Mobilités is the Région Ile-de-France, which is the capital region of France.

3. GOVERNANCE OF ILE-DE-FRANCE MOBILITES

3.1 Evolution of governance

Historically, the organisation of public transport in the Paris region was based on state intervention through large national operators with monopolies (the Société nationale des chemins de fer (“SNCF”), a state-owned public industrial and commercial establishment with a monopoly on operation of the national rail network, created in 1938 by the Decree Law of 31 August 1937, and the Régie autonome des transports parisiens (“RATP”), a public industrial and commercial establishment created by the Law of 21 March 1948). The creation in 1959 of the Syndicat des Transports Parisiens, a state-owned public establishment tasked with setting operating and financing
conditions for rail operators, overseen by law by the Préfet of the Région Ile-de-France, did not change this situation.

From 2000 onwards, the system in the Région Ile-de-France evolved in two ways. Firstly, contractual arrangements (public service contracts by legal determination, which were not subject to the obligations of the “Sapin” Law of 29 January 1993 on public service delegations nor the public procurement code) were put in place in order to determine more precisely the transport offer to be produced by the operators, to introduce a share of the commercial risk for them and to establish a portion of variable remuneration for service quality and proper implementation of the offer to transport users. Secondly, in order to bring the organisation of transport in Ile-de-France closer to common law, the “solidarity and urban renewal” Law of 13 December 2000 gave the Région Ile-de-France and departments a presence on the board of the Syndicat des Transports Parisiens, although the State continued to chair it. The Syndicat des Transports Parisiens subsequently became the Syndicat des transports d’Ile-de-France (STIF).

Law no. 2004-809 dated 13 August 2004 on local freedoms and responsibilities continued this trend of decentralisation. It provides that the Région Ile-de-France “shall define regional travel policy, in accordance with the guidelines in the Région Ile-de-France's master plan [...] and the urban transport plan [...]”. Article 38 of the Law amends the order of 7 January 1959, creating between the Région Ile-de-France and the eight departments (including the City of Paris, a local authority that is both a municipality and a department) “a public establishment in charge of the organisation of the public transport of persons in Ile-de-France. This public establishment, named Syndicat des transports d’Ile-de-France, shall replace on 1 July 2005 the syndicate of the same name, in all its property, rights and obligations towards third parties as well as in all of the latter’s resolutions, employment contracts and acts”.


This decree removed the State from the board of the establishment. Since then, the latter has acquired legal autonomy, in addition to financial autonomy, like the French local authorities, and has since been administered by the Région Ile-de-France, the City of Paris and the seven other Ile-de-France departments, with each local authority having the following weighting in decision-making:

- 15 votes for the Region;
- 5 votes for the City of Paris;
- 1 vote per department for the seven other departments;
- 1 vote for the representative of the Ile-de-France Public Establishments for Intermunicipal Cooperation (Etablissements Publics de Coopération Intercommunaux, or EPCIs) and
- 1 vote for the representative of the Chamber of Commerce and Industry of Paris Ile-de-France.

The Law of 13 August 2004 and its implementation expanded the authority of the Syndicat des transports d’Ile-de-France. After decentralisation, it was assigned:

- responsibility for drawing up the Ile-de-France Urban Transport Plan;
- the possibility of delegating, by agreement, all or part of its tasks, with the exception of tariff policy, to the local authorities in the region;
- the transportation of passengers with reduced mobility, as well as the possibility of organising transport on demand;
- school transport;
- authority over regular public passenger transport by river;
- control of the coherence of investment plans relating to regional public passenger transport; and
- the possibility of becoming the contracting authority in the construction of passenger transport infrastructure.

In the 2000s, the authority devolved to the Syndicat des transports d’Ile-de-France changed only marginally. Its governance and its status as an administrative public establishment remained unchanged. Some of the statutory and regulatory provisions governing it were nevertheless created or revoked to take account of changes in its judicial environment, and in particular:

- Law no. 2009-1503 dated 8 December 2009 on the organisation and regulation of rail transport, which clarified the role and system of ownership of rolling stock and infrastructure between the Syndicat des transports d’Ile-de-France, the SNCF group and the RATP group, pending the introduction of competitive bidding;


- Law no. 2010-788 dated 12 July 2010 on the “Grenelle” national environmental commitment, particularly Articles 51 to 57, which favour planning for urban public transport and facilitate the development of new mobilities for the Transport Authorities;

- the reclassification, by Law no. 2014-58 dated 27 January 2014 on the modernisation of regional public action and the affirmation of metropolises (modernisation de l’action publique territoriale et d’affirmation des métropoles – MAPTAM) (Articles 52 and 21), of Transport Authorities as Mobility Authorities, in order to take account of new mobility modes available to the Organising Authorities;

- Order no. 2014-1090 dated 26 September 2014, and particularly Article 7, which aims to make all public transport in Ile-de-France accessible to people with reduced mobility by 2025; and

- Decree no. 2015-748 of 27 June 2015, amending the articles of association of the Syndicat des transports d’Ile-de-France. This text provides in particular for the removal of the existing incompatibility between membership of the Board of Directors and membership of SNCF’s management bodies (in order to allow the application of the railway reform providing for the representation of the Syndicat des transports d’Ile-de-France in these bodies); the enlargement of the possible delegations of the board to the chief executive officer, the alignment of the board voting rules with the rules of common law: decisions are taken by a majority of votes cast and not by members present;

- Law no. 2015-992 dated 17 August 2015 on the energy transition for green growth, which sets broad strategic guidelines for reducing greenhouse gas emissions by 40% between 1990 and 2030 and dividing them by four between 1990 and 2050; among other things, this law sets the
- Law no. 2018-515 dated 27 June 2018 for a new rail agreement, setting the dates for the introduction of competitive bidding in national, regional and urban rail transport.

These changes have been incorporated, *inter alia*, into the French *Code des transports*, which governs Ile-de-France Mobilités, in particular articles L.1241-1 to L.1241-20; L.3111-14 to L.3111-16 (legislative part) and R.1241-1 to R.1241-66; R.3111-30 to D.3111-36 (regulatory part).

Since 2006, these developments have also dictated the pace of certain activities of Ile-de-France Mobilités (implementation of a transport offer for people with reduced mobility, transport on demand, park and ride to promote intermodality, purchases of hybrid, electric and natural mains gas buses); these legislative and regulatory developments continue to influence future spending. The most significant elements will be:

- the progressive introduction of competitive bidding among operators:
  - buses: in 2021 and 2025,
  - tramways: 2030,
  - trains: 2023 to 2033,
  - RER (regional express network): from 2025 for Line E, and from 2033 to 2039 for the other lines;
  - metro: 2039.

- the entry into service, after competitive bidding to determine the operator, of Grand Paris Express between 2024 and 2030, and

- to a lesser extent, expenses under the master plan for the RER lines, which require major upgrade investments.

Ile-de-France Mobilités incorporates within its contracts with the transport operators (SNCF Mobilités, RATP and Optile bus operators) the investment and operating expenses arising from the latest legislative developments. These contracts, which last from 4 to 5 years, define the transport offer and the service quality expected by Ile-de-France Mobilités from the operators. They also contain the guidelines that Ile-de-France Mobilités gives itself in terms of investments. The latest contracts between Ile-de-France Mobilités and the operators cover the periods:

- 2016 – 2019 for SNCF, and
- 2016 – 2020 for RATP and the Optile bus operators.

### 3.2 Functioning of the bodies of Ile-de-France Mobilités

Ile-de-France Mobilités is a *sui generis* administrative public establishment that brings together the *Région Ile-de-France*, the City of Paris and the departments of Hauts-de-Seine, Seine-Saint-Denis, Val-de-Marne, Essonne, Yvelines, Val-d’Oise and Seine-et-Marne.

Ile-de-France Mobilités is administered by a Board comprising representatives of its member local authorities, a representative of the Chamber of Commerce and Industry of Paris Ile-de-France and a
representative of the chairpersons of the Ile-de-France EPCIs. Ile-de-France Mobilités is chaired by the chairman of the regional council or his/her representative.

3.2.1 The Board of Directors

The board of directors comprises 29 directors:

- 15 regional council representatives, including:
  - the Les Républicains (LR) group: 6 members;
  - the Parti Socialiste (PS) group: 3 members;
  - the Mouvement Démocrate (MoDem) group: 1 member;
  - the Union des Démocrates Indépendants (UDI) group: 1 member;
  - the Europe Ecologie Les Verts (EELV) group: 1 member; and
  - the Front de Gauche/Parti Communiste (FG/PC) group: 1 member.

- 5 representatives of the Council of Paris, including
  - the Parti Socialiste (PS) group: 2 members;
  - the Les Républicains (LR) group: 1 member;
  - the Front de Gauche/Parti Communiste (FG/PC) group: 1 member; and
  - the Europe Ecologie Les Verts (EELV) group: 1 member.

- 7 representatives of the other Ile-de-France departments in the ratio of 1 representative per department, including:
  - the Les Républicains (LR) group: 5 members;
  - the Parti Socialiste (PS) group: 1 member; and
  - the Front de Gauche/Parti Communiste (FG/PC) group: 1 member.

- 1 representative elected by the chairpersons of the EPCIs; a member of the Les Républicains (LR) group; and

- 1 representative of the Chamber of Commerce and Industry of Paris Ile-de-France (CRCI-IDF): an administrative public establishment (apolitical).

In addition, a representative of the Public Transport Partners Committee (Comité des Partenaires du Transport Public – CPTP) assists the board in an advisory capacity.

Until the next municipal, departmental and regional elections, which will take place in 2020 and 2021, the 29 members of the board are as follows:

- for the Ile-de-France regional council:
  - the Chairman, Ms Valérie Pécresse, the role of chairman of Ile-de-France Mobilités being automatically fulfilled by the chairman of the Région Ile-de-France or his/her representative;
  - Mr Stéphane Beaudet;
  - Ms Isabelle Béressi;
  - Mr Claude Bodin;
  - Ms Yasmine Camara;
  - Mr Didier Dousset;
  - Ms Marianne Duranton;
  - Mr Brice Nkonda;
  - Ms Audrey Guibert;
  - Mr Fabien Guillaud-Bataille;
  - Ms Emmanuelle Cosse;
  - Ms Dominique Barjou;
- for the City of Paris;
  o Mr Christophe Najdovski;
  o Ms Julie Boillot;
  o Mr Jacques Baudrier;
  o Mr Emmanuel Grégoire; and
  o Mr Jean-Louis Missika;

- for the departmental councils:
  o the representative of the departments in the inner suburbs: Mr Jean-Didier Berger (Hauts-de-Seine);
  o the representative of the departments in the outer suburbs: Mr Jean-Louis Thiériot (Seine-et-Marne);
  o Mr Pierre Bédier, representing the department of Yvelines;
  o Mr Philippe Rouleau, representing the department of Val d’Oise;
  o Mr François Durovray, representing the department of Essonne;
  o Mr Pierre Garzon, representing the department of Val de Marne; and
  o Ms Corinne Valls, representing the department of Seine Saint Denis;

- for the Chamber of Commerce and Industry and the Ile-de-France EPCIs:
  o Mr Didier Kling, representing the Chamber of Commerce and Industry of Paris Ile-de-France; and
  o Mr Yves Albarello, representing the Ile-de-France EPCIs.

The chief executive officer of Ile-de-France Mobilités also sits on the board in an advisory capacity.

The board is chaired by the chairman of the regional council of Ile-de-France, or by an elected representative of the regional council designated by the chairman of the regional council from among the members of STIF’s board.

Four vice-chairmen are elected from among the board members, including one of the representatives of the regional council, one of the representatives of the Council of Paris, one from the departmental councils for the inner suburbs and one from the department councils for the outer suburbs.

An inaugural meeting of the board is convened after each renewal of a portion of its members, following the renewal of the regional council, the general renewal of the municipal councils or departmental councils of Ile-de-France. The election of the vice-chairmen and committee members and chairmen takes place at each inaugural session.

Any member may give, in writing, a mandate to another member to be represented at both board and committee meetings. Each member may have only one representative.

3.2.2 The Executive Committee

The Executive Committee comprises the Chairman, the vice-chairmen, the chairmen of the technical committees, the representative of the Chamber of Commerce and Industry of Paris Ile-de-France and the representatives of the chairmen of the EPCIs. Convened by the Chairman at least once before each meeting of the board, the executive committee issues an opinion on the agenda and decides which agenda items should be submitted to the technical committees for opinions.
3.2.3 The committees

The board’s rules of procedure, adopted on 17 February 2016, set the number of committees at 4, each made up of 9 directors representing the member local authorities of STIF (5 for the Region, 2 for the City of Paris, 1 for the inner suburbs and 1 for the outer suburbs), as well as the representative of the Chamber of Commerce and Industry of Paris Ile-de-France and the representative of the EPCIs:

- The transport offer committee (commission de l’offre de transport – COT) is consulted on all matters relating to the Transport Plan. It may also be consulted on all matters concerning the transport offer. It must be consulted on the delegation of powers to the local organising authorities (autorités organisatrices de proximité – AOPs). It is also responsible for revising the Urban Transport Plan (plan de déplacements urbains – PDU);

- the investments committee (commission des investissements – CI) may be consulted at all stages of implementation of major investment projects, including the main objectives and characteristics, schematic diagram, public utility survey, preliminary draft and project management. The committee may also be consulted on projects relating to rolling stock. It is also informed of the follow-up of the execution of the investments included in the project contract;

- the economic and tariff committee (commission économique et tarifaire – CET) may issue an opinion on budgetary and tariff issues, as well as on contracts with transport companies. It must be consulted on changes to the distribution of the contributions of STIF’s members and on the delegation of powers to the local organising authorities (AOPs); and

- the service quality, accessibility and user relations committee (commission de la qualité de service, accessibilité et relations avec les usagers – CQSAU) may be consulted on all draft decisions related to the Urban Transport Plan, accessibility, intermodality, consultation procedures, prevention and safety.

A representative of the Comité des Partenaires du Transport Public (Public Transport Partners Committee – CPTP) assists each committee in an advisory capacity.

As a local administrative public establishment, Ile-de-France Mobilités is required to set up a tender committee (commission d’appel d’offres – CAO) a public service delegation committee (commission de délégation de service public – CDSP) and an advisory committee for local public services (commission consultative des services publics locaux – CCSPL). Their members are elected to the board, and the CCSPL also has seats for representatives of user associations.

3.2.4 Functioning of the bodies of Ile-de-France Mobilités

The board must meet at least six times a year. It is convened by its chairman. This convening is by right when requested by at least one-third of the board members.

The Chairman sets the agenda for the board meeting after consulting the executive committee. The Executive Committee meets at the request of the Chairman and usually 15 days before each board meeting. It also meets if one-third of its members request this.

The board meeting agenda, accompanied by reports for presentation and draft resolutions, is then brought to the attention of the board members 12 days before the meeting. This period may be reduced to 5 days in case of urgency. The inclusion of a question on the agenda is by right when it is requested by at least one-third of the board members or, in case of urgency, by the Chairman.
All documents relating to board and committee meetings (meeting notices, agenda, reports, draft resolutions, supporting documents, etc.) are made available to the directors by dematerialised and secure methods.

The committees meet before the board meeting and issue an opinion on the matters submitted to them. Their opinion is then brought to the attention of the entire Board of Directors before the vote on the resolutions.

The public transport partners committee is also invited to express an opinion on all matters on the board’s agenda.

Any member of the board has the right to submit amendments to the resolutions put to the vote of the board. Amendments must be filed with the board secretariat no later than the third business day prior to the relevant board meeting. Under the same conditions, board members may submit resolutions to be put to the vote of the board.

The conditions for the examination of these resolutions and amendments are specified in the rules of procedure.

The board may validly pass resolutions only if at least half of its members attend or are represented at the meeting. Meetings are not public unless the chairman decides otherwise.

Resolutions are adopted by an absolute majority of the votes cast.

A qualified two-thirds majority is required for:

- delegations of powers of STIF; and
- changes to the distribution of the contributions of STIF’s members.

The resolutions passed are sent to the Préfet for legal checks, posted on the Ile-de-France Mobilités website and published in the Ile-de-France Mobilités collection of administrative documents, produced quarterly.

3.2.5 Organisation and internal administration of Ile-de-France Mobilités

General management comprises the Chief Executive Officer and three general managers. The latter are more specifically in charge of issues relating to:

- the operation of public transport;
- the development of new transport infrastructures;
- and lastly, the support resources and the financing of all these projects.

Ten departments operate under the guidance of general management.

➢ Two departments oversee projects requiring the development of new infrastructures, from the design phase to the commissioning phase, if the project is implemented:

- **The outlook and studies department** helps to define strategic transport guidelines based on mobility analyses and traffic simulations, and to guide the development and deployment of the Ile-de-France Urban Transport Plan.

- **The infrastructure department:**
o coordinates the preparation of all major transport projects and major intermodal hubs;

o organises procedures from the development of schematic diagrams to the public survey;

o manages the negotiation of financing agreements for operations;

o acts as the direct contracting authority for certain projects, or ensures successful completion by other contracting authorities until commissioning; and

o acquires land and manages assets.

➢ Three departments define, contract and monitor the implementation of the offer by the carriers and service quality for all public transport networks and modes in Ile-de-France:

- **The railway department** is in charge of the RER network, trains and tram-trains. This department also includes a section dedicated to the preparation of the Grand Paris Express Public Service Delegation (*Délégation de Service Public* – DSP).

- **The surface mobilities department** is in charge of the bus network in the inner and outer suburbs, tramways and school transport. This department also includes a section dedicated to monitoring the smooth running of the energy transition of the bus fleet, as well as a section dedicated to the introduction of competitive bidding in the bus networks, in the outer suburbs in 2021 and in the inner suburbs in 2025.

- **The intermodality marketing and services department** is in charge of monitoring and developing all issues related to improving the service quality provided to passengers. These issues concern ticketing, passenger information, intermodality, phone apps and new mobilities (bicycles, carpooling).

➢ Two departments are responsible for managing the resources of Ile-de-France Mobilités in the areas of finance and budget, legal affairs, contracting, human resources, general resources and information systems. Their tasks include the negotiation and financial follow-up of contracts entered into with transport operators in Ile-de-France:

- **The finance, purchasing and contracts department**: this department includes the following sections:

  o the financial management of operators’ contracts;

  o public procurement, including the guidance of competitive bidding procedures;

  o finance and management control, a department which orders payments to the accounting officer after verifying them, prepares and monitors budget execution, prepares the closing of the accounts each year, draws up the multi-year financial forecast and manages cash and debt;

  o and the tariff department. This department prepares tariff decisions for all tickets in Ile-de-France and monitors the tariff revenues collected by the operators; and

  o European affairs, which follows European debates on mobility, in which it may participate, and prepares grant applications.

- **The resources department** includes:
• human resources and general resources;
• legal affairs;
• information systems; and
• a method and process section, which centralises the operating procedures of Ile-de-France Mobilités to ensure that practices are standardised and properly implemented.

➢ Three other departments with the following tasks:

• the office is in charge of organising and following up meetings of the Board of Directors; to do this, it defines and oversees the process of preparation, validation and follow-up of resolutions and the associated documents; the office ensures relations with the directors on the board and their teams, the elected representatives of Ile-de-France and the secretariat of the Public Transport Partners Committee (CPTP);

• communications informs the residents of Ile-de-France about projects and transport services in the region, as well as the role of Ile-de-France Mobilités as the Mobility Authority; it supports the rolling out of major events and projects led by Ile-de-France Mobilités; finally, it also ensures the implementation of a unified system of symbols for the network (maps, names of modes and services, vehicle livery); and

• passenger and regional relations is responsible for relations with passenger associations and handles passenger complaints. It ensures that Ile-de-France Mobilités is properly represented at inaugurations, but also with institutional bodies (Groupement des Autorités Responsables de Transport, Association des Régions de France, Association des Maires d’Ile-de-France, etc.).

In addition, Ile-de-France Mobilités has the specific feature of its own accounting agency incorporated within it. By virtue of the separation between the payments authoriser (Ile-de-France Mobilités) and the payer (the State), Ile-de-France Mobilités’ accounting officer is a seconded agent of the State. He/she verifies the legality of the expenses ordered by Ile-de-France Mobilités. But unlike smaller local authorities, Ile-de-France Mobilités’ accounting officer and his/her team are dedicated to STIF, while one accounting officer usually works with more than one local authority.

Being assigned to IDFM, the accounting officer performs his/her duties at Ile-de-France Mobilités’ premises. The agency has two sections: the first is dedicated to approving expenses, and the other to approving revenues and monitoring cash.

4. ENVIRONMENT AND AUTHORITY OF ILE-DE-FRANCE MOBILITÉS

Ile-de-France Mobilités is the organising authority for regular public passenger transport (Transilien, RER, metro, tramway and road services by bus and coach), school transport, transport on demand and regular public river transport of passengers. It promotes the transport of passengers with reduced mobility. It organises and finances the operation of public transport in Ile-de-France.

4.1 Authority and activities

4.1.1 Authority

Ile-de-France Mobilités, through the Ile-de-France Urban Travel Plan (le plan de déplacements urbains d’Ile-de-France – PDUIF), which it is in charge of developing and assessing, sets the
objectives for the evolution of mobility at regional level until 2020, as well as the actions to be implemented to achieve them for all mobility stakeholders. The objectives presented in the PDUIF are broken down into Master Plans, approved by Ile-de-France Mobilités’ Board of Directors.

Ile-de-France Mobilités takes action in areas that are within its purview. Schematically, its scope of intervention can be summarised in four main areas: the definition and implementation of the public transport offer, the coordination of investment policies, the definition of the tariff policy and the development of digital services.

➢ Contracts with operators are Ile-de-France Mobilités’ main intervention tool

Ile-de-France Mobilités is responsible for organising regular public passenger transport services in the geographical region of Ile-de-France (mainly by bus, tram, metro and train-RER). This task (definition of services and procedures) is mainly carried out through contracts with transport operators that define service level and quality (punctuality, regularity, passenger information, safety, cleanliness, ticket distribution policy, etc.) and related financing.

- Contracts with incumbent operators
  o Most of these contracts are currently awarded without competitive bidding to operators that benefit from exclusive rights or monopolies (notably RATP and SNCF Mobilités).

  o Contracts with operators govern both the operating conditions of public transport (and may contain additional clauses, depending on the evolution of the offer and the service quality objectives set by Ile-de-France Mobilités) and the programming of investments (in rolling stock and service quality) that companies carry out on behalf of Ile-de-France Mobilités (in the framework of four-year or five-year investment programmes, both usually referred to as “PQIs” (programmes quadriennaux ou quinquennaux d’investissement)).

- Contracts subject to competitive bidding via public service delegations
  o For services that are not subject to exclusive rights or monopolies (new non-rail services), this task is carried out through public service delegations (délégations de service public – DSPs), as is already the case for some bus lines. Ile-de-France Mobilités is working on the public service delegations that will have to be implemented for the services currently provided by companies belonging to the Optile association that operate bus networks in the outer suburbs, or those that will be implemented in the context of new transport infrastructure, such as the operation of the Grand Paris Express (GPE) network or the T9 tramway (Paris-Orly Ville).

  o As with contracts with incumbent operators, Ile-de-France Mobilités sets the offer and service quality expected and includes an investment programme in the contracts.

  o In addition to investments in rolling stock made via operators, Ile-de-France Mobilités is preparing to buy buses directly, which will be made available to companies operating within the scope of the Optile companies. Bus depots are also being renovated so that clean energy buses can be maintained.

- New mobilities

Ile-de-France Mobilités also implements actions to develop new mobilities that complement existing, “traditional” modes of public transport. On 28 June 2017, the board voted on an action plan for emerging mobility services (a resolution supplementing the action plan for
“new Ile-de-France stations, multimodality and services” approved on 30 May 2017). Thus, for example, experiments are being conducted on autonomous vehicle transport solutions, a public service delegation is being prepared which will focus on the long-term rental of electric bicycles, and actions are also being taken to encourage the people of Paris to carpool. In addition, a reflection is under way to examine the relevance and consistency of a river transport service on the Seine.

- **School transport and transport on demand, progressive introduction of competitive bidding through public contracts**

  - Ile-de-France Mobilités organises and implements school transport, including for students with disabilities, which it also finances in full. Ile-de-France Mobilités has the same authority as that exercised by the departments outside Ile-de-France. Some of these services are carried out by local organisers (local authorities, schools).

  - Ile-de-France Mobilités also organises so-called transport on demand, which, for the most part, is delegated to departments (for the transport of passengers with disabilities) or to local authorities and EPCIs.

- **Ile-de-France Mobilités helps to define and implement public transport investments in Ile-de-France**

  Another essential task of Ile-de-France Mobilités is to ensure the consistency of investment policies, subject to the legally recognised powers assigned to SNCF Réseau, Société du Grand Paris and RATP as infrastructure managers. This task is carried out in four main ways:

  - through operating agreements with operators that include a four-year or five-year investment programme (PQI). Investment policies are thus defined, carried out over the duration of the contract and financed in advance by the operators. However, it is indeed Ile-de-France Mobilités that ultimately finances these investments;

  - through the payment of investment grants to operators or local authorities as contracting authorities or managers of roads;

  - upstream of the projects, by guiding the development of the key objectives and characteristics files (dossiers d’objectifs et de caractéristiques principales – DOCPs), the schematic diagrams and the preliminary drafts of the investment projects submitted for the approval of the Board of Directors of Ile-de-France Mobilités. This authority enables Ile-de-France Mobilités to verify that projects are consistent with its supply development and service quality objectives. It also allows it to ensure that optimal technical solutions are chosen and project costs are controlled. Since the Law of 27 January 2014 on the modernisation of regional public action and the affirmation of metropolitan areas (modernisation de l’action publique territoriale et d’affirmation des métropoles – MAPTAM), Ile-de-France Mobilités has also issued opinions on SGP’s infrastructure projects; and

  - by designating the contracting authorities for infrastructure projects, although most contracting authorities are designated by law (SNCF Réseau, SNCF Mobilités, SGP or RATP for extensions of existing lines, local authorities as managers of roads). Ile-de-France Mobilités sometimes takes over the project management of certain projects, such as the
future T9 tramway, projects that are fully subsidised by the Region, the State and the departments (under the State/Region Plan Contract (Contrat de Plan Etat-Région – CPER)). With regard to the financing of these investments, Ile-de-France Mobilités interacts with various entities in Ile-de-France, each with its own purview, according to the following diagram:

**Contractual modalities**
- **Contrat quadriennal ou quinquennal Ile-de-France Mobilités – Opérateur**
  - Pilote les modalités d’exploitation et le Plan Quadriennal ou Quinquennal d’Investissement (PQI)

**Financing modalities**
- **Conventions de financement Ile-de-France Mobilités – opérateur**
  - Définissent les modalités d’achat du matériel roulant
  - S’inscrivent dans le PQI

- **State/Region Plan Contract: State, Region, departments**
- **Grand Paris Express: Société du Grand Paris**
- **Other: RATP GI through the PQI, SNCF Réseau through the tolls paid by Ile-de-France Mobilités**

**Ile-de-France Mobilités – Operator four-year or five-year contract**
Manages the operating procedures and the Four-Year or Five-Year Investment Plan (PQI)

**C2 contribution paid to the operator**
Covers the depreciation and financial costs of the rolling stock during entry into service

**Ile-de-France Mobilités – operator financing agreements**
- Defines the procedures for purchasing rolling stock
- Forms part of the PQI

**Equipment subsidies paid to the operator**
Paid to the operator in line with disbursements from the contracting authority
Ile-de-France Mobilités defines tariff policy and how it is implemented

Ile-de-France Mobilités defines the various tickets offered to passengers and the related tariff changes. The tariff policy takes account of specific types of passengers and thus includes fares for the socially disadvantaged, fares for schoolchildren and students and fares for the elderly and people with disabilities. The tariff policy is currently mainly implemented through contracts with the operators. Ile-de-France Mobilités has also launched the ticketing modernisation program (le programme de modernisation billettique – PMB), which aims to create ticketing tools in order to develop the pricing strategy and to redesign the sales, distribution and after-sales service policy, in particular by creating new payment methods (payment by smartphone, post-payment). Ile-de-France Mobilités is the contracting authority for this programme.

Ile-de-France Mobilités develops digital services

This action is taking place under a framework resolution adopted by the Board of Directors on 1 June 2016, which provides for the creation of useful and innovative services to improve the ability of travellers to choose sustainable modes of transport that are appropriate for their needs. The aim is to implement new information and ticketing services, to collect new data, to continue efforts on Open data (opening of public data) and to widen the scope of action to all mobilities, including within a regional platform. These developments will be linked to the ticketing modernisation programme.

4.1.2 Activities

Ile-de-France Mobilités transports, on average, nearly 10 million passengers each day across the Région Ile-de-France.

Public transport in Ile-de-France is mainly based on four transport modes:

- Buses, with 300 routes operated by RATP in Paris and the inner suburbs, and 1,200 lines by the Optile operators in the outer suburbs;
- Metro: 16 lines operated by RATP;
- Tramway and tram-train: 8 tramway lines operated by RATP and 2 tram-train lines operated by SNCF or its subsidiaries; and
- Train (9 lines) and train-RER (5 lines): operated by SNCF, except for Lines A and B of the RER, which are jointly operated by SNCF and RATP.

In total, the network is more than 38,000 km long, mainly comprising bus networks in the outer suburbs.

Features of the network: number and length of lines/routes by mode

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th></th>
<th>2014</th>
<th></th>
<th>2015</th>
<th></th>
<th>2016</th>
<th></th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of lines</td>
<td>Length of lines in km</td>
<td>Number of lines</td>
<td>Length of lines in km</td>
<td>Number of lines</td>
<td>Length of lines in km</td>
<td>Number of lines</td>
<td>Length of lines in km</td>
<td>Number of lines</td>
</tr>
<tr>
<td>Train/RER</td>
<td>13</td>
<td>1,450</td>
<td>13</td>
<td>1,450</td>
<td>14</td>
<td>1,503</td>
<td>14</td>
<td>1,503</td>
<td>14</td>
</tr>
<tr>
<td>- Train</td>
<td>8</td>
<td>850</td>
<td>8</td>
<td>850</td>
<td>9</td>
<td>903</td>
<td>9</td>
<td>903</td>
<td>9</td>
</tr>
<tr>
<td>Mode</td>
<td>- RER</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>---------------</td>
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<td>----</td>
<td>----</td>
<td>----</td>
<td>----</td>
<td>----</td>
</tr>
<tr>
<td>Metro</td>
<td>5</td>
<td>600</td>
<td>5</td>
<td>600</td>
<td>5</td>
<td>600</td>
<td>5</td>
<td>600</td>
<td>5</td>
</tr>
<tr>
<td>Tramway</td>
<td>7</td>
<td>83</td>
<td>7</td>
<td>83</td>
<td>9</td>
<td>105</td>
<td>9(1)</td>
<td>105</td>
<td>10</td>
</tr>
<tr>
<td>Bus</td>
<td>1,463</td>
<td>32,561</td>
<td>1,515</td>
<td>32,256</td>
<td>1,525</td>
<td>33,585</td>
<td>1,492</td>
<td>36,340</td>
<td>1,509</td>
</tr>
<tr>
<td>- in Paris</td>
<td>65</td>
<td>709</td>
<td>65</td>
<td>591.3</td>
<td>65</td>
<td>614.6</td>
<td>62</td>
<td>831</td>
<td>62</td>
</tr>
<tr>
<td>- in the inner and outer suburbs</td>
<td>1,351</td>
<td>30,802</td>
<td>1,403</td>
<td>32,256</td>
<td>1,412</td>
<td>32,116</td>
<td>1,382</td>
<td>34,040</td>
<td>1,399</td>
</tr>
<tr>
<td>- Nocturnal (night bus)</td>
<td>47</td>
<td>1,050</td>
<td>47</td>
<td>1,418</td>
<td>48</td>
<td>1,469</td>
<td>48</td>
<td>1,469</td>
<td>48</td>
</tr>
</tbody>
</table>

NB: estimated length of lines according to the Système d’Information Géographique (SIG). If there are sub-lines, the shared trunk lines are only counted once.

The 2017 figures for buses are not yet available.

(1) lines T3a and T3b have 2 lines.

Source: Ile de France Mobilités according to SNCF, RATP, Optile
### Annual number of journeys by mode (millions)

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>RAIL MODES (train, metro and train-RER)</td>
<td>2,724</td>
<td>2,728</td>
<td>2,878</td>
<td>2,929</td>
<td>2,980</td>
</tr>
<tr>
<td>TRAMWAY</td>
<td>191</td>
<td>231</td>
<td>267</td>
<td>287</td>
<td>294</td>
</tr>
<tr>
<td>BUS</td>
<td>1,283</td>
<td>1,341</td>
<td>1,367</td>
<td>1,421</td>
<td>1,431</td>
</tr>
<tr>
<td>ALL MODES</td>
<td>4,199</td>
<td>4,301</td>
<td>4,511</td>
<td>4,637</td>
<td>4,705</td>
</tr>
</tbody>
</table>

**NB:**

One SNCF train journey corresponds to a journey taken by one passenger in one vehicle. If the passenger changes during the journey, two journeys are counted.

- As of 2015, there was a change in calculation method for SNCF train traffic: Results using the CAB Tendance method (source: SNCF). Rail traffic was recalculated in the period 2015 to 2017 in order to neutralise certain methodological biases observed between the CAB Tendance traffic estimation model and manual counting. These new recalculated results for 2015 to 2017 are now the official traffic results and have replaced the figures sent out in the last three years.

- SNCF traffic excluding additional routes (beyond the limits of Ile-de-France)

**Source:** Ile de France Mobilités according to Optile, SNCF, RATP

Ile-de-France Mobilités counted 4.7 billion journeys in 2017.

Since the 1970s, the organisation of the region has changed: it has gradually become multipolar, with several major cities, as well as several employment pools other than Paris. The transport network outside Paris has therefore increased to serve these areas of activity.

The continued development of activities outside Paris requires Ile-de-France Mobilités to reorganise the transport network through the Ile-de-France Urban Transport Plan (PDUIF). Thus, by 2020, the current PDUIF provides for a more structured network classification, thanks to increased diversity of transport modes, with:

- a structuring network: it provides the bulk of medium and long-distance travel and supports heavy passenger flows. The frequency and range are high and uniform by mode: passengers experience a continuous service, they do not need to check the schedule beforehand, they know the level of supply with certainty; and

- a local network of interest (bus): allows for fine irrigation of the regions. It can be easily adapted to local demand in terms of both geography and timetabling.

Within the Ile-de-France network, each mode of transport has its own purpose:

- The train and RER network provides medium- and long-distance trips between the outer suburbs and Paris, as well as in the metropolis (Paris and nearby suburbs), thanks to radial and bypass lines.

- The metro network extends into the heart of the metropolis, offering dense coverage and frequency, for shorter distances than with trains and RER.

- The tramway and TZen surface network: this is a surface network running on dedicated lanes. It offers high service quality and supplements the rail and metro network to ensure a strong service, especially in residential areas.

- The bus network: it covers very different situations, according to the regions. As this mode of transport is very flexible in terms of supply, it adapts to the purpose of each route. The
The bus fleet is currently being overhauled, with all engines being replaced by mains natural gas and electric engines by 2025.

### Traffic revenues received by operators

<table>
<thead>
<tr>
<th></th>
<th>Amounts in €M</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>RATP scope traffic revenues</td>
<td></td>
<td>2,408</td>
<td>2,458</td>
<td>2,404</td>
<td>2,402</td>
<td>2,597</td>
</tr>
<tr>
<td>SNCF scope traffic revenues</td>
<td></td>
<td>1,105</td>
<td>1,120</td>
<td>1,093</td>
<td>885</td>
<td>957</td>
</tr>
<tr>
<td>Optile scope traffic revenues</td>
<td></td>
<td>177</td>
<td>181</td>
<td>178</td>
<td>212</td>
<td>223</td>
</tr>
<tr>
<td>Orlyval scope traffic revenues</td>
<td></td>
<td>28</td>
<td>28</td>
<td>28</td>
<td>26</td>
<td>25</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td>3,727</td>
<td>3,796</td>
<td>3,711</td>
<td>3,525</td>
<td>3,802</td>
</tr>
</tbody>
</table>

Source: Ile de France Mobilités according to Optile, SNCF, RATP

Traffic revenues in the SNCF scope only relates to SNCF Transilien. Based on the IdFM/SNCF 2016-2019 contract, a change in contractual method provides that revenues from Navigo travel passes sold with season tickets valid outside Ile-de-France are now allocated to SNCF Transilien and no longer to SNCF TER (Transport Express Régional) or SNCF TET (Trains d’Equilibre du Territoire).

Depending on the type and frequency of their journeys and their personal situations, users have access to different tickets, which can be divided into two categories:

- short-term tickets (single tickets, season tickets <1 week, etc.), and
- long-term tickets (monthly or yearly season tickets).

Since the dezoning and the implementation of the single tariff (new pricing allowing all passengers to use all public transport, in the entire Région Ile-de-France, at a single rate), long-term tickets as a proportion of traffic revenues increased by 4% at 1 September 2015; in 2016 and 2017, they accounted for nearly 65% of the traffic revenues of all operators.

The majority of users use transport very frequently and opt for monthly or annual season tickets.

Traffic revenues are not included in the budget of Ile-de-France Mobilités. The contracts in place with the operators provide for the receipt of revenues by the latter. As these revenues do not cover all of their costs, the contracts also provide for the payment of contributions to the operators by Ile-de-France Mobilités. Any tariff decision will therefore have an impact on the contributions to be paid to the operators.

The delegation to the operators of the receipt of revenues and ticketing management is a choice on the part of Ile-de-France Mobilités and is not in any way a regulatory constraint.

### 4.2 Specific legal framework for Ile-de-France transport

The French Code des transports lays down specific rules for Ile-de-France with regard to the designation of operators, the contracting of infrastructures and the local organisation of transport skills.

#### 4.2.1 The scheduled end to the lack of competitive bidding in the designation of operators

For the operation of regular public passenger transport (Transilien, RER, metro, tramway and road services by bus and coach), Ile-de-France Mobilités was subject to a legal regime exempting it from competitive bidding and allowing it to designate the operators by unilateral decision to register them in the regional transport plan. This registration gives the carrier an exclusive right to operate over several years.
However, Article 5 of Law no. 2009-1503 dated 8 December 2009 on the organisation and regulation of rail transport (known as the “ORTF” law), which has since been codified in the French Code des transports, amended this legal regime in order to take into account the provisions of European Regulation No. 1370/2007 of 23 October 2007 on public passenger transport services by rail and road, known as the “public service obligations” (obligations de service public – OSP) regulation. Since 3 December 2009, all public transport services must be the subject either of a contract concluded in accordance with Law No. 82-1153 dated 30 December 1982 on the orientation of domestic transport (known as “LOTI”), after a competitive bidding procedure, or placed under State control. This is the case for new services created since that date and the same will apply to Greater Paris transport network routes.

The French Code des transports stipulates that existing contracts entered into before 3 December 2009 will continue until 31 December 2024 for road transport services, until 31 December 2029 for tramway transport services and until 31 December 2039 for the metro. After these dates, the services in question will be subject to competitive bidding, unless otherwise stipulated in the aforementioned contracts: as the contracts with Optile private operators will end on 31 December 2020, Ile-de-France Mobilités plans to make them subject to competitive bidding from 2021.

Recently, Law no. 2018-515 dated 27 June 2018 for a new rail agreement set the dates for the introduction of competitive bidding in national, regional and urban rail transport. With regard to Ile-de-France Mobilités, competitive bidding will be gradually introduced for the regional train network between 2023 and 2033. This process will take place between 2033 and 2039 for the RER network.

4.2.2 The specific organisation of contracting for transport infrastructures

Under the provisions of the French Code des transports, Ile-de-France Mobilités ensures that investment programmes are consistent, without prejudice to the authority assigned to SNCF Réseau, RATP as infrastructure manager and SGP. In this context, it approves documents relating to the projects (key objectives and characteristics, survey, schematic diagram and preliminary draft).

Ile-de-France Mobilités has the authority to contract itself or to designate the contracting authorities for transport infrastructure projects. The question of the contracting authority is essential in that it entails ownership of the works. On new projects, Ile-de-France Mobilités is now positioned as the contracting authority. This is also the case for the new tramway projects (T9 and T10).

However, on “operations not decided before 1 January 2010, for the purpose of direct, dependent and ancillary development, upgrades or extensions of existing lines, works or installations existing on the same date” (essentially extensions of metro lines), the French Code des transports imposes co-contracting between Ile-de-France Mobilités and RATP, according to the following modalities:

- Ile-de-France Mobilités ensures the feasibility and timeliness of operations and continues to fund them, and
- it is up to RATP to choose the process according to which the infrastructure and the equipment will be realised or acquired, to act as the contracting authority or ensure that contracting is carried out, and to enter into contracts for the purpose of studies and execution of works.

This is the case for the extension of Line 14 to Mairie de Saint-Ouen or Line 11 to Rosny-Bois-Perrier.

In addition, the law provides for specific contracting authorities:

- on the national rail network, the SNCF Réseau public establishment is the contracting authority, in accordance with the provisions of the French Code des transports; and
on the Greater Paris transport network, Law no. 2010-597 dated 3 June 2010 created a State-owned public establishment named Société du Grand Paris, tasked as the contracting authority for infrastructure, works, installations, stations and rolling stock, in association with the organising authority.

4.2.3 Economic and social environment

➢ Population of Ile-de-France

With an estimated population of 12.2 million at 1 January 2018, according to the National Institute of Statistics and Economic Studies (Institut National de la Statistique et des Etudes Économiques – INSEE), Ile-de-France, over whose geographical scope Ile-de-France Mobilités has authority, is the most populated region in France. It contains 18% of the country’s population.

<table>
<thead>
<tr>
<th>Regions</th>
<th>0 to 19 years of age</th>
<th>20 to 39 years of age</th>
<th>40 to 59 years of age</th>
<th>60 to 74 years of age</th>
<th>75 and over</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% of the pop. Total</td>
<td>% of the pop. Total</td>
<td>% of the pop. Total</td>
<td>% of the pop. Total</td>
<td>% of the pop. Total</td>
<td>Total</td>
</tr>
<tr>
<td>Auvergne-Rhône-Alpes</td>
<td>25%</td>
<td>24%</td>
<td>26%</td>
<td>16%</td>
<td>9%</td>
<td>8,037,059</td>
</tr>
<tr>
<td>Bourgogne-Franche-Comté</td>
<td>23%</td>
<td>22%</td>
<td>26%</td>
<td>19%</td>
<td>11%</td>
<td>2,813,289</td>
</tr>
<tr>
<td>Brittany</td>
<td>24%</td>
<td>22%</td>
<td>26%</td>
<td>18%</td>
<td>10%</td>
<td>3,336,643</td>
</tr>
<tr>
<td>Centre-Val-de-Loire</td>
<td>24%</td>
<td>21%</td>
<td>26%</td>
<td>18%</td>
<td>11%</td>
<td>2,582,522</td>
</tr>
<tr>
<td>Corsica</td>
<td>20%</td>
<td>23%</td>
<td>27%</td>
<td>18%</td>
<td>11%</td>
<td>337,796</td>
</tr>
<tr>
<td>Grand Est</td>
<td>23%</td>
<td>24%</td>
<td>27%</td>
<td>17%</td>
<td>9%</td>
<td>5,548,090</td>
</tr>
<tr>
<td>Hauts-de-France</td>
<td>26%</td>
<td>24%</td>
<td>26%</td>
<td>16%</td>
<td>8%</td>
<td>6,023,336</td>
</tr>
<tr>
<td>Ile-de-France</td>
<td>26%</td>
<td>28%</td>
<td>26%</td>
<td>13%</td>
<td>7%</td>
<td>12,246,234</td>
</tr>
<tr>
<td>Normandy</td>
<td>24%</td>
<td>22%</td>
<td>26%</td>
<td>18%</td>
<td>10%</td>
<td>3,342,467</td>
</tr>
<tr>
<td>Nouvelle-Aquitaine</td>
<td>22%</td>
<td>21%</td>
<td>26%</td>
<td>19%</td>
<td>11%</td>
<td>5,994,336</td>
</tr>
<tr>
<td>Occitanie</td>
<td>23%</td>
<td>23%</td>
<td>26%</td>
<td>18%</td>
<td>11%</td>
<td>5,903,190</td>
</tr>
<tr>
<td>Pays de la Loire</td>
<td>25%</td>
<td>23%</td>
<td>26%</td>
<td>17%</td>
<td>9%</td>
<td>3,787,411</td>
</tr>
<tr>
<td>Provence-Alpes-Côte d’Azur</td>
<td>23%</td>
<td>22%</td>
<td>26%</td>
<td>18%</td>
<td>11%</td>
<td>5,065,723</td>
</tr>
<tr>
<td>Mainland France</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>65,018,096</td>
</tr>
<tr>
<td>Guadeloupe</td>
<td>26%</td>
<td>19%</td>
<td>30%</td>
<td>17%</td>
<td>8%</td>
<td>390,704</td>
</tr>
<tr>
<td>Martinique</td>
<td>23%</td>
<td>18%</td>
<td>31%</td>
<td>18%</td>
<td>10%</td>
<td>371,246</td>
</tr>
<tr>
<td>French Guiana</td>
<td>42%</td>
<td>28%</td>
<td>21%</td>
<td>7%</td>
<td>2%</td>
<td>281,612</td>
</tr>
<tr>
<td>La Réunion</td>
<td>31%</td>
<td>24%</td>
<td>28%</td>
<td>12%</td>
<td>5%</td>
<td>865,826</td>
</tr>
<tr>
<td>Mayotte</td>
<td>54%</td>
<td>27%</td>
<td>14%</td>
<td>3%</td>
<td>1%</td>
<td>259,154</td>
</tr>
<tr>
<td>Overseas Territories</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2,168,542</td>
</tr>
<tr>
<td>Mainland France and Overseas Territories</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>67,186,638</td>
</tr>
</tbody>
</table>

Source: INSEE - Population estimates (provisional figures at end of 2017).

Between 2010 and 2018, INSEE estimates the average annual growth of the population of Ile-de-France at +0.5% per year, slightly more than the national population growth (+0.4% per year on average for all of France, the same as the rate for the mainland alone).

Ile-de-France differs from the other mainland regions due to the youth of its population, which explains the fact that its natural balance is significantly higher than that of other regions: on average, the population of Ile-de-France increased by +0.9% per year between 2010 and 2018, compared with a rate of +0.3% for mainland France (and +0.4% including overseas departments and territories).
This natural dynamism is offset by negative net migration: -0.4% per year on average, compared with a net national migration balance of zero over the same period.

The population is divided among the various departments that make up the region, as follows:

<table>
<thead>
<tr>
<th>Department</th>
<th>Estimated population at 01/01/1999</th>
<th>Estimated population at 01/01/2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>75 - Paris</td>
<td>19%</td>
<td>18%</td>
</tr>
<tr>
<td>92 - Haute-de-Seine</td>
<td>13%</td>
<td>13%</td>
</tr>
<tr>
<td>93 - Seine-Saint-Denis</td>
<td>13%</td>
<td>13%</td>
</tr>
<tr>
<td>94 - Val-de-Marne</td>
<td>11%</td>
<td>11%</td>
</tr>
<tr>
<td>Inner suburbs</td>
<td>37%</td>
<td>38%</td>
</tr>
<tr>
<td>77 - Seine-et-Marne</td>
<td>11%</td>
<td>12%</td>
</tr>
<tr>
<td>78 - Yvelines</td>
<td>12%</td>
<td>12%</td>
</tr>
<tr>
<td>91 - Essonne</td>
<td>10%</td>
<td>11%</td>
</tr>
<tr>
<td>95 - Val-d’Oise</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>Outer suburbs</td>
<td>44%</td>
<td>44%</td>
</tr>
</tbody>
</table>

*Source: INSEE - Population estimates (provisional figures at end of 2017).*

The population distribution between departments has remained stable overall in the last two decades, with a strong concentration in Paris, given the small surface area of this department: 105.4 km². INSEE estimates that the population of the capital city was 2.1 million inhabitants on 1 January 2018, with a population density of 20,000 inhabitants per km², almost twice as high as London and 5 times higher than Berlin.

According to projections provided by the Ile-de-France Institute for Urban Planning and Development (*Institut d’Aménagement et de l’Urbanisme d’Île-de-France* – IAU), the population and jobs in the *Région Île-de-France* should grow by 7% and 8% respectively between 2013 and 2025 and by 12% and 15% between 2013 and 2035.

Another peculiarity of the Île-de-France population is the structure of its distribution by socio-professional category:

**Structure of population aged 15 years and over by socio-professional category in 2015: regional comparisons**

<table>
<thead>
<tr>
<th>Region</th>
<th>Proportion of farmers (in %)</th>
<th>Proportion of artisans, traders, business owners (in %)</th>
<th>Proportion of managers, higher intellectual occupations (in %)</th>
<th>Proportion of intermediate occupations (in %)</th>
<th>Proportion of white-collar workers (in %)</th>
<th>Proportion of blue-collar workers (in %)</th>
<th>Proportion of retirees (in %)</th>
<th>Proportion of other persons without professional activity (in %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auvergne-Rhône-Alpes</td>
<td>0.9</td>
<td>3.9</td>
<td>9.1</td>
<td>15.1</td>
<td>16.0</td>
<td>12.9</td>
<td>27.1</td>
<td>15.2</td>
</tr>
<tr>
<td>Bourgogne-Franche-Comté</td>
<td>1.3</td>
<td>3.3</td>
<td>6.2</td>
<td>13.2</td>
<td>15.5</td>
<td>15.4</td>
<td>31.0</td>
<td>14.2</td>
</tr>
<tr>
<td>Brittany</td>
<td>1.4</td>
<td>3.5</td>
<td>7.2</td>
<td>13.6</td>
<td>15.5</td>
<td>13.5</td>
<td>30.9</td>
<td>14.3</td>
</tr>
<tr>
<td>Centre-Val-de-Loire</td>
<td>1.0</td>
<td>3.2</td>
<td>6.9</td>
<td>13.7</td>
<td>16.4</td>
<td>14.4</td>
<td>30.8</td>
<td>13.6</td>
</tr>
<tr>
<td>Corsica</td>
<td>1.0</td>
<td>5.6</td>
<td>5.4</td>
<td>11.5</td>
<td>18.6</td>
<td>10.7</td>
<td>27.5</td>
<td>19.8</td>
</tr>
<tr>
<td>Grand Est</td>
<td>0.8</td>
<td>2.9</td>
<td>7.0</td>
<td>13.6</td>
<td>16.7</td>
<td>15.4</td>
<td>27.0</td>
<td>16.7</td>
</tr>
<tr>
<td>Hauts-de-France</td>
<td>0.6</td>
<td>2.6</td>
<td>6.7</td>
<td>13.5</td>
<td>16.7</td>
<td>15.2</td>
<td>25.3</td>
<td>19.4</td>
</tr>
<tr>
<td>Île-de-France</td>
<td><strong>0.1</strong></td>
<td><strong>3.1</strong></td>
<td><strong>17.6</strong></td>
<td><strong>16.2</strong></td>
<td><strong>16.9</strong></td>
<td><strong>8.9</strong></td>
<td><strong>19.7</strong></td>
<td><strong>17.6</strong></td>
</tr>
<tr>
<td>Normandy</td>
<td>1.0</td>
<td>3.2</td>
<td>6.2</td>
<td>13.4</td>
<td>16.4</td>
<td>15.0</td>
<td>29.7</td>
<td>15.0</td>
</tr>
<tr>
<td>Nouvelle</td>
<td>1.4</td>
<td>4.0</td>
<td>6.7</td>
<td>13.0</td>
<td>16.3</td>
<td>12.7</td>
<td>31.8</td>
<td>14.2</td>
</tr>
</tbody>
</table>
Two socio-professional categories in Ile-de-France show figures far removed from those observed for the country as a whole: the population of Ile-de-France has nearly 35% fewer retirees than the rest of France. Conversely, the proportion of executives and higher intellectual professions is almost twice that of the rest of France. This last element is due to the high concentration of head offices and organisations related to research and education in the Région Ile-de-France.

➢ The gross domestic product of the Région Ile-de-France

At the national level, the Région Ile-de-France generates the highest gross domestic product (GDP):
The Région Ile-de-France produced 30% of national GDP in 2015. Its GDP per capita was €55,227 in 2015, i.e. 67% higher than national GDP per capita (source INSEE).

It is also one of the most economically dynamic regions in Europe. In 2015, its GDP represented 4% of the GDP of the European Union (Source: Key figures of the Région Ile-de-France 2018, produced by INSEE, the Institute for Urban Planning and Development and the Chamber of Commerce and Industry of Paris Ile-de-France).

**GDP per capita compared with the European level expressed in purchasing power parity in 2015**

*Source: key figures of the Région Ile-de-France 2018, produced by INSEE, the Institute for Urban Planning and Development and the Chamber of Commerce and Industry of Paris Ile-de-France based on Eurostat 2018 sources*
Most of the economic activity is concentrated in the tertiary sector, which employed 85% of the region’s employees as at 31 December 2015.

**Number of businesses established as at 31 December 2015 in the Région Ile-de-France by business sector**

<table>
<thead>
<tr>
<th>Business Sector</th>
<th>Number of Businesses as at 31 December 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>All sectors</td>
<td>1,054,827</td>
</tr>
<tr>
<td>Industry</td>
<td>42,900</td>
</tr>
<tr>
<td>Construction</td>
<td>115,137</td>
</tr>
<tr>
<td>Trade, transport, accommodation and catering</td>
<td>277,854</td>
</tr>
<tr>
<td>Business services</td>
<td>435,317</td>
</tr>
<tr>
<td>Private services</td>
<td>183,619</td>
</tr>
</tbody>
</table>

*Field: commercial services outside agriculture.*
*Source: Insee, Directory of Companies and Establishments (Sirene) in Geography at 31/12/2015. Latest data available*

Compared with the national scale, the predominant sectors in the Région Ile-de-France are:

- scientific and technical activities and administrative and support services: at the end of 2015, 35% of companies based in France in this sector were located in Ile-de-France;
- information and communication: 49% of companies based in France in this sector are in Ile-de-France;
- transport and storage: 37% of the companies in this sector are located in Ile-de-France; and
- finance and insurance, with 27% of companies located in Ile-de-France.

Tourism is particularly well-developed in Ile-de-France compared with the rest of France and Europe. Although only 5% of Ile-de-France businesses are engaged in accommodation and catering, it should be noted that the region accounts for 19% of French companies in the sector (source: INSEE). At the European level, Ile-de-France is the second most visited region, behind the Canary Islands, with 76.8 million overnight stays recorded in 2015 (source: Eurostat).

Since 2015, Ile-de-France has experienced an economic rebound that has resulted in significantly more dynamic business creations than in other regions of France. This economic rebound has resulted in significant increases in traffic revenues and dynamic growth in tax receipts from the public transport contribution (a tax on salaries, paid by employers with more than 10 employees located in the region - see the financial reports of Ile-de-France Mobilités annexed to the financial statements).

**Change in the number of business creations by region in 2016 and 2017**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>French Guiana</td>
<td>-6.5%</td>
<td>-10.5%</td>
</tr>
<tr>
<td>Region</td>
<td>Men</td>
<td>Women</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>--------</td>
<td>-------</td>
</tr>
<tr>
<td>Auvergne-Rhône-Alpes</td>
<td>8.1%</td>
<td>8.0%</td>
</tr>
<tr>
<td>Bourgogne-Franche-Comté</td>
<td>8.2%</td>
<td>8.2%</td>
</tr>
<tr>
<td>Brittany</td>
<td>7.9%</td>
<td>8.0%</td>
</tr>
<tr>
<td>Centre-Val-de-Loire</td>
<td>8.8%</td>
<td>8.9%</td>
</tr>
<tr>
<td>Corsica</td>
<td>9.9%</td>
<td>9.1%</td>
</tr>
<tr>
<td>Grand Est</td>
<td>9.2%</td>
<td>9.3%</td>
</tr>
<tr>
<td>Hauts-de-France</td>
<td>11.6%</td>
<td>11.8%</td>
</tr>
<tr>
<td>Ile-de-France</td>
<td>8.1%</td>
<td>8.3%</td>
</tr>
<tr>
<td>Normandy</td>
<td>9.4%</td>
<td>9.6%</td>
</tr>
<tr>
<td>Nouvelle-Aquitaine</td>
<td>8.8%</td>
<td>8.7%</td>
</tr>
<tr>
<td>Occitania</td>
<td>11.0%</td>
<td>11.0%</td>
</tr>
<tr>
<td>Pays de la Loire</td>
<td>7.8%</td>
<td>7.7%</td>
</tr>
<tr>
<td>Provence-Alpes-Côte d’Azur</td>
<td>10.8%</td>
<td>11.0%</td>
</tr>
<tr>
<td>Guadeloupe</td>
<td>22.4%</td>
<td>21.1%</td>
</tr>
</tbody>
</table>

Field: all non-agricultural commercial activities.

Source: INSEE, Directory of Companies and Establishments (Sirene).

Ile-de-France is also characterised by a dense fabric of small and medium-sized enterprises (SMEs); as at 31 December 2015, 95% of establishments located in the territory employed fewer than 10 employees.

➢  Employment and income

The consequence of this economic dynamism is a lower unemployment rate than the national rate, particularly among the population aged 15-24, which is more affected than other age groups by unemployment in France.

Average annualised unemployment rate by sex and age in 2017

<table>
<thead>
<tr>
<th>Region</th>
<th>Men</th>
<th>Women</th>
<th>15-24 years of age</th>
<th>25-49 years of age</th>
<th>50 and over</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auvergne-Rhône-Alpes</td>
<td>8.1%</td>
<td>8.0%</td>
<td>8.1%</td>
<td>18.5%</td>
<td>7.6%</td>
</tr>
<tr>
<td>Bourgogne-Franche-Comté</td>
<td>8.2%</td>
<td>8.2%</td>
<td>8.1%</td>
<td>20.2%</td>
<td>7.5%</td>
</tr>
<tr>
<td>Brittany</td>
<td>7.9%</td>
<td>8.0%</td>
<td>7.8%</td>
<td>20.2%</td>
<td>7.2%</td>
</tr>
<tr>
<td>Centre-Val-de-Loire</td>
<td>8.8%</td>
<td>8.9%</td>
<td>8.6%</td>
<td>22.6%</td>
<td>8.1%</td>
</tr>
<tr>
<td>Corsica</td>
<td>9.9%</td>
<td>9.1%</td>
<td>10.9%</td>
<td>25.8%</td>
<td>9.4%</td>
</tr>
<tr>
<td>Grand Est</td>
<td>9.2%</td>
<td>9.3%</td>
<td>9.0%</td>
<td>22.0%</td>
<td>8.5%</td>
</tr>
<tr>
<td>Hauts-de-France</td>
<td>11.6%</td>
<td>11.8%</td>
<td>11.4%</td>
<td>29.3%</td>
<td>10.3%</td>
</tr>
<tr>
<td>Ile-de-France</td>
<td>8.1%</td>
<td>8.3%</td>
<td>7.9%</td>
<td>15.9%</td>
<td>7.8%</td>
</tr>
<tr>
<td>Normandy</td>
<td>9.4%</td>
<td>9.6%</td>
<td>9.1%</td>
<td>24.6%</td>
<td>8.4%</td>
</tr>
<tr>
<td>Nouvelle-Aquitaine</td>
<td>8.8%</td>
<td>8.7%</td>
<td>8.8%</td>
<td>22.6%</td>
<td>8.2%</td>
</tr>
<tr>
<td>Occitania</td>
<td>11.0%</td>
<td>11.0%</td>
<td>10.9%</td>
<td>27.5%</td>
<td>10.3%</td>
</tr>
<tr>
<td>Pays de la Loire</td>
<td>7.8%</td>
<td>7.7%</td>
<td>7.9%</td>
<td>19.8%</td>
<td>7.0%</td>
</tr>
<tr>
<td>Provence-Alpes-Côte d’Azur</td>
<td>10.8%</td>
<td>11.0%</td>
<td>10.7%</td>
<td>24.6%</td>
<td>10.4%</td>
</tr>
<tr>
<td>Guadeloupe</td>
<td>22.4%</td>
<td>21.1%</td>
<td>23.5%</td>
<td>53.3%</td>
<td>24.1%</td>
</tr>
</tbody>
</table>
Field: France excl. Mayotte

Source: INSEE, Localised Unemployment Rates, Overseas Territories Employment Survey.

More broadly, the employment rate in Ile-de-France among those aged 20-64 (i.e. the employed active population compared with the total population of this age group) has **steadily increased in recent years** and is among the highest in the country, at 72.8% in 2016 according to Eurostat, compared with 70.4% for France.

This economic dynamism has, however, been accompanied by social disparities, which are reflected in the distribution of income; these differences in purchasing power are accentuated by the higher cost of living in Ile-de-France compared with other regions, particularly in terms of housing.

| Field | Field: employees in the private sector or a public enterprise, excluding agriculture, including beneficiaries of subsidised contracts and salaried business owners; |
| Field: apprentices, trainees, agricultural employees and employees of private employers are excluded. |
| Field: All of France including the overseas territories, |
Reading: in 2015 in Ile-de-France, 50% of employees earned less than €34,901 gross per year, while 50% earned more than this threshold. The threshold is called the median salary.

Thus, the salary of the last decile of the Région Ile-de-France (i.e., the threshold that delimits the highest-paid 10% of employees) is 3 times higher than the salary of the first decile (which delimits the lowest-paid 10% of employees). This gap indicates greater disparities in income in Ile-de-France than in other regions, where the average ratio between these two deciles is 1.67.

Further evidence of income disparities in the region, even within a decile between socio-professional categories, is that the median salary of senior executives in the Région Ile-de-France is 82% higher than the median salary of unskilled workers, while at the national level the gap is 56%.

➢ Transport and travel

Another peculiarity of Ile-de-France is the importance of its urban public transport. INSEE’s 2015 annual census survey showed that 43% of active employees in Ile-de-France use public transport as their main mode of travel. The proportion is even higher in Paris: 65% of employed people mainly travelled by public transport in 2015.

For this reason, of the 44.2 billion passenger-kilometres recorded in France in urban public transport in 2017, 76% were in Ile-de-France.

Transport volume is measured in passenger-kilometres. This unit of measurement, used to measure the volume of use of a network, corresponds to the transport of 1 person over a distance of 1 km.

<table>
<thead>
<tr>
<th>Level in millions of passenger-kilometres</th>
<th>2015</th>
<th>2016</th>
<th>2017 (p)</th>
</tr>
</thead>
<tbody>
<tr>
<td>All of Ile-de-France</td>
<td>32,125</td>
<td>32,924</td>
<td>33,526</td>
</tr>
<tr>
<td>Rail modes</td>
<td>26,231</td>
<td>26,890</td>
<td>27,362</td>
</tr>
<tr>
<td>Trains and RER(1)</td>
<td>18,510</td>
<td>19,176</td>
<td>19,545</td>
</tr>
<tr>
<td>Metro</td>
<td>7,721</td>
<td>7,714</td>
<td>7,817</td>
</tr>
<tr>
<td>Tramways</td>
<td>854</td>
<td>913</td>
<td>939</td>
</tr>
<tr>
<td>Bus</td>
<td>5,040</td>
<td>5,121</td>
<td>5,225</td>
</tr>
<tr>
<td>All excl. Ile-de-France</td>
<td>10,290</td>
<td>10,481</td>
<td>10,660</td>
</tr>
<tr>
<td>Metros</td>
<td>2,468</td>
<td>2,507</td>
<td>2,557</td>
</tr>
<tr>
<td>Tramways and buses(2)</td>
<td>7,823</td>
<td>7,975</td>
<td>8,103</td>
</tr>
<tr>
<td>All urban public transport</td>
<td>42,415</td>
<td>43,406</td>
<td>44,186</td>
</tr>
</tbody>
</table>

(1) Including the RER operated by RATP and the T4 tram-train line.

(2) The 2017 levels were estimated by the SDES according to the UTP’s economic indicators.

Field: Mainland France.

Sources: Department of Data and Statistical Studies, from: IDFM-Omnil, Annual Survey on Urban Public Transport (Cerema, CGDD, DGITM, Gart, UTP), UTP

In the period 2015-2017, the number of passenger-kilometres travelled made by urban public transport increased by 1.8% per year on average in Ile-de-France.
This growth mainly reflects the economic dynamism of the region and the recovery of tourism. Faced with this growing demand, Ile-de-France Mobilités is adjusting the existing transport offer to absorb the influx of new passengers. At the same time, new infrastructure is being developed (line extensions, Grand Paris Express), in order to meet the demand for longer-term transport.

Every 10 years, Ile-de-France Mobilités carries out a global transport survey with the Regional and Interdepartmental Directorate for the Equipment and the Development of Ile-de-France (Direction Régionale et Interdépartementale de l’Équipement et de l’Aménagement d’Ile-de-France - DRIEA-IDF), in order to ascertain and foresee the transport habits and needs of Ile-de-France residents. The last survey was published in 2010 and the next is being developed.

At the time of the last survey, it appeared that 40% of the daily journeys of Ile-de-France residents related to work or school. The survey also showed that 70% of the daily journeys of Ile-de-France residents took place outside Paris. In the 7 largest employment pools of Ile-de-France, outside Paris (around Cergy, Roissy, Meaux, Trappes-Guyancourt, Etampes, Evry and Melun), residents of these areas reported in 2010 that 70% or more of their journeys took place within their area, including commutes.

These findings illustrate the multipolarity of Ile-de-France and the need for the rail network and the density of the bus network in the outer suburbs.

4.3 **Solvency of Ile-de-France Mobilités**

4.3.1 **2017: change in revenues after introduction of single-tariff Navigo travel pass**

On 1 September 2015, the single-tariff Navigo travel pass came into effect. This tariff measure limits the monthly price of a public transport season ticket (Navigo travel pass) to €70, regardless of the distances travelled. Previously, the season ticket price varied according to the geographical zones that the user wished to access (up to 6).

This measure had an effect over a full year in 2016, with an estimated financing cost of €450 million per year. €150 million has been financed since 2016 thanks to an increase in the contribution rates of the public transport contribution (versement transport or “VT”, a payroll-based tax payable by Ile-de-France employers to Ile-de-France Mobilities and representing more than 70% of its operating revenues), obtained in the 2015 Finance Act. Pending the finalisation of other long-term revenues put in place in 2017, Ile-de-France Mobilités financed the measure on an exceptional basis in 2016, with one-off revenues and reversals of provisions. Thus, the 2016 financial statements are not representative of Ile-de-France Mobilités’ financial structure, which is usually based on durable resources for financing operating expenditure, and not the mobilisation of reversals of provisions and exceptional receipts.

As of 2017, Ile-de-France Mobilités has obtained additional resources from the State, which have been added to the increase in VT rates in place since 2015:

- a further increase in VT rates as of 01/04/2017, to bring in almost €200 million (0.10% increase in VT rates in all zones, with an additional increase of 0.11% for zone 2);
- the receipt of a portion of the Domestic Consumption Tax on Energy Products (Taxe Intérieure de Consommation sur les Produits Énergétiques – TICPE), up to a limit of €100 million/year.
and in addition, in order to continue financing the development of public transport: the possibility of converging the zone 2 rate from 2.12% towards the zone 1 rate (currently 2.95%), through an increase of +0.21% each year over the period 2018-2021. This possibility was ratified by Article 99 of the 2018 Finance Act.

4.3.2 2018: rating of Ile-de-France Mobilités

In 2017, Ile-de-France Mobilités was rated for the first time by the ratings agency Moody’s. The agency assigned it a long-term rating of Aa2 with a positive outlook. This rating is based on the following fundamentals:

- a strong economic model, correlated to local economic conditions. In fact, regional economic growth is having an upward impact on both the revenues and expenses of Ile-de-France Mobilités, which has to adjust supply to meet the growing transport demand. Conversely, a drastic decline in regional employment would translate into lower revenues for Ile-de-France Mobilités, but also lower transport demand, providing an opportunity to reduce operating costs;

- resistance to shocks, due to both budgetary flexibility (including the adaptation of supply if necessary) and to Ile-de-France Mobilités’ ability to obtain the resources it needs from the State, as in the case of implementation of the single-tariff Navigo travel pass; and

- Ile-de-France Mobilités’ key role at the national level. Ile-de-France Mobilités is a key player in the regional economy, due to the preponderance of public transport in the Région Ile-de-France, especially for commuting, and given the share of French GDP that is concentrated in the region (30% in 2015 (source: INSEE)); Ile-de-France Mobilités plays a key role in the French economy.

On the basis of these elements, Moody’s Investors Service EMEA Limited France Branch assigned Ile-de-France Mobilités an Aa2 rating and emphasised the likelihood of last-resort support from the French State. Ile-de-France Mobilités was assigned the same rating as the French State. As the latter is the ceiling for the rating of French public entities, an improvement of Ile-de-France Mobilités’ rating would only be possible if the French State’s rating were increased.

In the short term, Moody’s Investors Service EMEA Limited France Branch has assigned Ile-de-France Mobilités a P-1 rating.

4.3.3 The legal framework of the French local authorities and their groupings and public establishments limits insolvency risks

Article R.1241-48 of the French Code des transports provides that the “budget of Syndicat des transports d’Ile-de-France includes expenses, notably: (...) 8° The annual payment of debt in principal and interest”.

Interest on debt and the repayment of the principal thus constitute compulsory expenses for Ile-de-France Mobilités. These expenses are therefore necessarily charged to the budget of Ile-de-France Mobilités.

Otherwise, French law has introduced a procedure (Article L. 1612-15 of the French Code général des collectivités territoriales) enabling the Préfet, having consulted the Regional Accounts Office (Chambre Régionale des Comptes) to register this expense in the budget of the local authority,
grouping or establishment. Furthermore, failing payment of a mandatory expense, French law has introduced another procedure (Article L.1612-16 of the French Code général des collectivités territoriales) enabling the Préfet to do so automatically. These Articles L.1612-15 and L.1612-16 of the French Code général des collectivités territoriales are made applicable by Article L.1612-20 of the same code “to public establishments common to local authorities or groupings of these authorities and to public establishments”, such as Ile-de-France Mobilités, an administrative public establishment constituted between the local authorities of Ile-de-France (Articles L.1241-8 and R.1241-1 of the French Code des transports).

In this respect, the failure of the Préfet to implement this procedure could generate liability for the French State, if applicable, for all unpaid expenses (see Conseil d’État, 18 November 2005, Société Fermière de Campoloro, No. 271898; Conseil d’État, 29 October 2010, Min. Alimentation, Agriculture et Pêche, No. 338001).

This “implied” guarantee mechanism is justified by the principle of immunity from seizure of the assets of French public authorities. Under this principle, the Issuer, as a public establishment, is immune from ordinary law enforcement measures such as seizure of assets. In fact, Article L.2311-1 of the French Code général de la propriété des personnes publiques (CG3P) provides that “the assets of the public entities referred to in article L.1 shall be immune from seizure”.

The mandatory nature of debt repayment therefore constitutes a strong legal protection for lenders. Moreover, Law No. 2013-672 of 26 July 2013 on the separation and regulation of banking activities inserted a new Article L.1611-3-1 in the French Code général des collectivités territoriales. Under the terms of this article, as amended by Law No. 2015-991 of 7 August 2015 defining the new territorial organisation of the Republic, when a local authority or a group of local authorities contract a loan denominated in a foreign currency, the local authority or group of local authorities shall have an obligation to enter into a euro currency swap contract when it contracts the loan for the same amount and term as the loan. In any case, loans denominated in foreign currencies are not part of Ile-de-France Mobilités’ financing strategy, which is why the resolutions of the Board of Directors successively governing the use of loans have excluded them from the authorised framework.

Finally, Decree No. 2014-984 of 28 August 2014, adopted pursuant to the aforementioned law of 26 July 2013, sets out the conditions for local authorities and their groups when subscribing for loans from credit institutions and for financial contracts, in order to limit high risk borrowing.

This decree defines four categories of simple indexes on which rates may vary. In accordance with the Article R.1611-33 II 2° of the French Code général des collectivités territoriales, the interest rate may not, during the life of the loan, be greater than double the lowest rate recorded in the first three years of the loan. Furthermore, subscribing to a financial contract backed by a loan does not represent an exception to these rules, except where allowing such an exception would reduce the risk related to a loan from credit institutions or a financial contract that does not comply with the new provisions. Therefore, the new Article R.1611-34 I of the aforementioned code allows local authorities to subscribe to financial contracts only under the condition that they are backed by loans and the variable interest rate resulting from the combination of the loan and financial contract does not violate the condition stipulated in Article R.1611-33 II 2°. The debt strategy of Ile-de-France Mobilités has always been to avoid complex (structured) rates. All the resolutions of the Board of Directors that have successively governed the use of loans only allow for conventional indexing: fixed rates or a variable rate with a margin.

Beyond that, the use of financial instruments (derivatives such as swaps, caps, tunnels, etc.) is only permitted for the purpose of hedging interest rate risk, as provided in the inter-ministerial circular no. NOR IOCB 1015077C of 25 June 2010 relating to financial products offered to local authorities and their public establishments. Speculative transactions are strictly prohibited.
5 PUBLIC FINANCE AND TRADE

5.1 Budgetary operation of Ile-de-France Mobilités

The budgetary operation of Ile-de-France Mobilités is mainly defined in Articles L.1241-14 and R.1241-46 et seq. of the French *Code des transports*.

As a local authority, the budgetary operation of Ile-de-France Mobilités comprises two sections:

- an operating budget, which covers current revenue and expenditure, including transport operating costs and debt interest, as well as provisions and depreciation allowances; and
- an investment budget, which covers revenue from investment financing (such as the loan), as well as investment expenditure (e.g. buying and upgrading rolling stock, bus depots, investments in quality of service and infrastructure where Ile-de-France Mobilités is the contracting authority). The repayment of debt capital is classified as investment expenditure.

The budgetary framework consists of generating a sufficient surplus in the operating budget to finance part of the investment budget. The surplus should at least cover the debt repayment, since this is compulsory expenditure (see previous comments on “The legal framework of French local authorities and their public groups and establishments” and on insolvency risks).

By 15 April each year, the board of directors of Ile-de-France Mobilités has to approve the primary budget for that year. The budget appropriations, particularly as regards spending and borrowing, represent a maximum limit which Ile-de-France Mobilités cannot exceed during the year. Ile-de-France Mobilités issues payment orders (as the authorising officer) to its accounting officer, who arranges payment (as the payer). In accordance with the principle of separation between the authorising officer and the payer, the accounting officer is a representative of the State who verifies that the expenditure ordered by Ile-de-France Mobilités is lawful. There must be a contractual arrangement with the beneficiary of each item of expenditure.

The accounting officer thus ensures that the establishment is financially secure.

The accounts are presented in the form of a financial account (up to and including the 2017 budget year) or administrative account (from the 2018 budget year onwards). The board of directors must approve the administrative account by 30 June of the year following the budget year in question. The administrative account is reconciled with the management account kept by the accounting officer of Ile-de-France Mobilités. The two accounts must tally.

During the year, the board of directors may vote to revise the budget appropriations up or down: the board will then adopt an amendment decision. The first amendment decision following the vote on the administrative account for N-1 will carry forward the surplus or deficit from the previous budget year to the current year’s budget.

Each budget, amendment decision and administrative account must maintain the financial equilibrium to ensure that the establishment remains solvent. Following the vote, they are submitted to the Prefecture of the *Région Ile-de-France*, which verifies their legality.

5.2 Budgetary control

5.2.1 Public auditor control

The public auditor executes the financial transactions of Ile-de-France Mobilités. He or she checks that the expenditure is legal and itemised in the correct budget chapter and that all revenue is of lawful origin. The public auditor is not authorised to examine the suitability of expenditure. He or
she may not review the expediency of the political decisions made by local authorities, since these are self-governing. By contrast, the authorising officer may order the public auditor to make a payment.

If the public auditor detects any irregularities, he or she will reject the payment instructed by the authorising officer.

Public auditors are financially and personally liable for the payments they make. If an irregularity is detected, the Finance Minister may issue an order reversing the payment, which obliges the public auditor to pay immediately the relevant sum from his or her own funds.

5.2.2 Review of legality by the Préfet

The representative of the State – in the case of Ile-de-France Mobilités, the Préfet of the Région Ile-de-France – refers any acts considered unlawful to the Administrative Court within two months of them being sent to the Prefecture. The review of legality applies to the preparation, adoption and presentation of budget documents and their appendices.

5.2.3 Controls by the regional accounts office

Budgetary and financial control is also exercised retrospectively by the Regional Accounts Office (Chambre Régionale des Comptes – CRC).

The Law of 2 March 1982 established the CRC, staffed by life-appointed magistrates: this is the quid pro quo for the abolition of the ex-ante control of local authority acts. The powers and authority of these courts are prescribed by law and have been codified under Articles L.211-1 et seq. of the French Code des juridictions financières.

The powers of the CRC extend to all local authorities within its geographical jurisdiction, whether a Municipality, Department or Region, but also to their public establishments. Moreover, the Court of Accounts (Cour des comptes) has delegated power to the CRC to control various national public establishments, including certain universities and Chambers of Agriculture.

In this regard, the CRC have been bestowed with threefold powers of control. Firstly, budgetary control, as previously exercised by the Préfet prior to the Law of 2 March 1982. Secondly, jurisdictional control, whose purpose is to ensure the regularity of the public auditor’s actions. Thirdly, management control, whose purpose is to control the regularity of local authorities’ income and expenditure.

Budgetary control

Pursuant to Articles L. 1612-1 to L. 1612-20 of the French Code général des collectivités territoriales, budgetary control is exercised over the primary budget, amendment decisions and administrative account. The CRC intervenes in four instances:

- where the primary budget is adopted out-of-time (i.e. after 15 April) and after a delivery period of 15 days, the Préfet must refer the matter without delay to the CRC, which must then formulate its proposals within one month;
- if the approved budget is not properly balanced (namely where there is a lack of correlation between income and expenditure), three successive monthly periods follow: one month for the Préfet to refer the matter to the CRC; one month for the CRC to formulate its proposals; a third period of one month for the executive board of the local authority or group or establishment to remedy the situation, failing which the Préfet will adjust the municipal budget;
- if no compulsory expenditure is recorded, the same periods apply but the CRC, which may be petitioned either by the Préfet, or by the public auditor or by any other interested party, sends a formal notice of demand to the relevant local authority, group or establishment; and
- where the execution of the budget is in deficit (i.e. where the sum of the results of the two sections of the administrative account is negative) by more than 5% or 10% of operating budget revenue, depending on the size of the local authority, the CRC will propose restorative measures within a period of one month from the date of referral. Furthermore, it ratifies the primary budget for the following budget year.

Judicial review

The CRC has judicial authority over all public auditors’ accounts for local authorities, groups and establishments. It audits the regularity of the public auditor’s operations. This consists in verifying not only that the accounts have been properly prepared, but above all that the public auditor has indeed carried out all of the controls he or she is obliged to perform. Conversely, Law No. 2001-1248 of 21 December 2001 on the regional accounts offices and Court of Accounts prohibits any suitability control. The CRC issues a judgement noting whether the accounts are correct, whether irregularities have been found.

Management control

The CRC also have a mandate to oversee the management of local authorities and their groups and establishments. The purpose of these controls is to examine the regularity and quality of a local authority’s management. It examines not only the financial equilibrium of management operations and the resources employed for their implementation, but also the outcome achieved compared to the resources employed and the results of the actions undertaken. The CRC examines the regularity of the operations and their cost-efficiency, rather than the expediency of the acts of local authorities and their groups and establishments. The primary task of the CRC is to assist and encourage local authorities and their groups and establishments to comply with the law so as to avoid any sanctions.

5.3 Operating budget revenue

5.3.1 The versement transport (VT)

The versement transport, or public transport contribution, accounts for 70% of the actual operating revenue of Ile-de-France Mobilités. The public transport contribution is a tax collected by French social security organisations (mainly URSSAF and MSA). It is levied on the total payroll subject to social security contributions and is paid by public and private-sector employers in Ile-de-France with more than 11 employees. Several exemptions from this tax exist: for example, if employers can prove that their employees have accommodation on site, or that they organise their own transport for staff; foundations and registered charities in the social welfare sector are also exempt.

This tax also exists in other French cities. It is paid specifically to authorities responsible for organising public transport.

The rate applicable to each employer depends on the location of its employees. There are four zones in Ile-de-France, each with its own public transport contribution rate.
Like any tax, changes in the public transport contribution are based on:

➢ a volume effect, since the public transport contribution is levied on the total payroll of employers in Ile-de-France with more than 11 employees. Between 2004 and 2011 – a period when the scope and rates of public transport contribution in Ile-de-France remained stable – Ile-de-France Mobilités saw average growth in its public transport contribution of 2.9% per year, as a result of a dynamic volume effect;

➢ a rate effect, since each organising authority sets its own rates, capped at the maximum amounts defined in the Finance Act. The latest rates for Ile-de-France Mobilités were approved by Article 99 of the Law of 30 December 2017 (Finance Act 2018), by a parliamentary amendment. The board of directors of Ile-de-France Mobilités was subsequently able to raise its public transport contribution rates, setting them at the maximum level permitted under the Finance Act at its meeting on 14 February 2018.

Parliament regularly approves increases in public transport contribution rates following amendments to finance bills. Under the Finance Act 2018, multi-year rate increases are permitted for zone 2.

**Changes in public transport contribution rates for Ile-de-France by zone**

<table>
<thead>
<tr>
<th>Changes in public transport contribution rates by zone</th>
<th>Rate on 01/07/2015</th>
<th>Rate on 01/04/2017</th>
<th>Rate on 01/07/2018</th>
<th>Rate on 01/01/2019</th>
<th>Rate on 01/01/2020</th>
<th>Rate on 01/01/2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zone 1 (Paris and Hauts de Seine)</td>
<td>2.85%</td>
<td>2.95%</td>
<td>2.95%</td>
<td>2.95%</td>
<td>2.95%</td>
<td>2.95%</td>
</tr>
<tr>
<td>Zone 2 (Seines Saint Denis and Val de Marne)</td>
<td>1.91%</td>
<td>2.12%</td>
<td>2.33%</td>
<td>2.54%</td>
<td>2.74%</td>
<td>2.95%</td>
</tr>
</tbody>
</table>
The 2015 rate increase was authorised under the Finance Act 2015 to finance part of the tariff measure known as the single-tariff Navigo travel pass. Ile-de-France Mobilités estimates that this rate increase generated €150 million in additional full-year revenue, excluding the volume effect.

Between 2016 and 2017, Ile-de-France Mobilités negotiated with the government to obtain the rate increases now in effect for 2017-2021. This negotiation led to the public transport contribution rates adopted in the Finance Acts 2017 and 2018 being revised upwards, ensuring a steady increase in this revenue until 2021.

The additional revenues generated by the 2017 tax increase in the public transport contribution is estimated at €200 million over the full year, excluding the volume effect. The additional annual increases of 0.21 points in zone 2 from 2018 until 2021, designed to bring zone 2 rates into line with zone 1 rates by 2021, should generate between €50 million and €60 million for the full year.

5.3.2 Domestic consumption tax on energy products (TICPE)

In addition to the above-mentioned rate increases to finance the single-tariff Navigo travel pass, Ile-de-France Mobilités has negotiated and obtained a special right to receive a percentage of the domestic consumption tax on energy products (TICPE) in Ile-de-France.

Since 2017, the STIF has charged duty on petrol and diesel sold in Ile-de-France. This tax rate is capped by law, as is the amount of revenue, which is limited to €100 million per annum.

This new source of funding is used to supplement the financing of the single-tariff Navigo travel pass.

5.3.3 Public contributions (25% of actual operating revenue)

- Statutory contributions

These consist of the statutory contributions from the member authorities that make up the board of directors of Ile-de-France Mobilités. The contributions are paid monthly and are compulsory expenditure for each member authority.

The share paid by each member is determined in accordance with the bylaws of the STIF and the French Code des transports (Articles R.1241-2 et seq.). They break down as follows:

| Zone 2 bis (municipalities outside zones 1 and 2 of the Paris metropolitan area defined in Decree No. 2012-463) | 1.91% | 2.01% | 2.01% | 2.01% | 2.01% | 2.01% |
| Zone 3 (other municipalities in Ile-de-France) | 1.50% | 1.60% | 1.60% | 1.60% | 1.60% | 1.60% |
➢ Operating subsidies

In addition to these contributions, Ile-de-France Mobilités receives operating subsidies to make up for the loss of earnings resulting from social tariff measures introduced by the Région Ile-de-France. The subsidies are index-linked contractually to the tariff changes made by Ile-de-France Mobilités.

Ile-de-France Mobilités also receives a general government grant to finance some of the school transport services it organises. The grant is set at €128 million per annum.

Lastly, Ile-de-France Mobilités receives around €10 million per annum in various operating subsidies from the Ile-de-France authorities, to fund school transport services.

➢ CPER subsidies

The STIF receives other subsidies under the State/Region Plan Contract (Contrat de Plan Etat-Région – CPER) for studies conducted prior to new infrastructure projects. These studies are then included in the operating budget. They are received in two stages: 30% in the expenditure year and 70% in year N+1.

5.3.4 Reversal of the access charge (“train path charge”) by SNCF

(See above section on expenditure: other operating expenditure) Ile-de-France Mobilités pays SNCF Réseau an access charge inclusive of tax. In order for Ile-de-France Mobilités to be able to recover the value-added tax (VAT) on this expenditure, a chargeback mechanism has been put in place, thereby neutralising the VAT on this fee. The fee is charged back to the network operator, SNCF Mobilités, inclusive of tax, making this line neutral from a budgetary perspective. SNCF Mobilités is compensated for this expenditure since Ile-de-France Mobilités pays this contribution exclusive of tax under the operating agreement. According to the definition provided by Article 3(27) of Directive 2012/34/EU of 21 November 2012 establishing a single European railway area, “train path” means the infrastructure capacity needed to run a train between two places over a given period.

5.3.5 Traffic revenue
Traffic revenues are not directly included in the budget of Ile-de-France Mobilités. However, it influences the level of contributions paid to the operators (SNCF, RATP and Optile). Assuming a constant scope, the more traffic revenue increases, the more the contributions paid to operators fall. In view of the volume of operating expenditure, revenue is a major issue for the finances of Ile-de-France Mobilités.

As a reminder, most traffic revenue (65%) comes from long-term travel passes (fixed-price subscriptions). This provides a solid revenue base, given the nature of most of the journeys made by travel pass holders (commuting to work/school) and the limited options available for switching to other modes of transport.

The amount of traffic revenue varies according to:

- the volume effect, i.e. frequency of use. On average, the annual trend observed during the 14 years prior to the introduction of the single tariff (2001-2014) was 1.4%. Periods of economic recovery can temporarily boost passenger numbers. This is why the volume of revenue rose by 3.7% between 2016 and 2017, which was unusual;

- tariffs introduced by Ile-de-France Mobilités. In view of the contractual mechanisms:

  - a one-point increase in tariffs yields approximately €35 million (excl. tax) in tariff revenue over a full year: Ile-de-France Mobilités receives 100% of this, taking into account the effect on the volume of price elasticity of -0.16 on average (-0.3 on short-term travel passes and -0.1 on long-term travel passes). The contributions paid to operators would thus decrease by €35 million (excl. tax);

  - a one-point increase in tariff revenue generates €35 million (excl. tax) in tariff revenue over a full year. However, Ile-de-France Mobilités would only benefit from 50% of this effect, given the risk-sharing mechanism within the range of +/-3% (and 90% above this 3%): the contributions paid to operators would thus decrease by €18 million (excl. tax).

Using this tariff lever alone, Ile-de-France Mobilités can therefore generate €35 million (excl. tax) from a one-point increase in tariffs over a full year. This effect is cumulative from year to year.

The business model of Ile-de-France Mobilités naturally tends to balance the operating budget: an improvement in the local economic situation would lead to an increase in the public transport contribution and traffic revenue, as well as greater demand for transport. In this case, Ile-de-France Mobilités would respond to demand by increasing the transport services offered.

Conversely, if a deterioration in the economic situation were to affect traffic revenue and the public transport contribution, demand for transport would tend to fall, potentially leading to a contraction in the transport services offered and lower operating costs.

5.4 Operating budget expenditure

5.4.1 Main operating expenditure

The contributions to RATP and SNCF and to Optile bus operators account for 90% of actual operating expenditure (excluding provisions and depreciation allowances).
The contracts with these operators are based on a similar arrangement to public service delegations, but are currently negotiated in a non-competitive environment. The annual contributions are fixed and known for the entire duration of the contracts. However, they will be updated as a result of factors such as the indexation of charges, the amount of traffic revenue recorded for the year, and financial incentive mechanisms based on quality of service indicators and the performance of the transport service.

Through its contributions, Ile-de-France Mobilités also finances some of the investments made by operators. These are financed in two ways:

- through investment subsidies paid essentially by Ile-de-France Mobilités; and
- through operators that, as a result of the “C11” contribution, generate cash flow which is then reinvested in the investment programme. They also receive a special “C2” grant which covers the depreciation of these investments and the cost of capital generated in particular by the debt raised by operators to finance these investments.

For each operator, the extent to which the two financing methods are used depends on the intended purpose of the rolling stock (upgrading of existing stock, expansion of the service or testing).

The contributions to operators are also adjusted according to traffic revenue (i.e. the proceeds from ticket sales). These are paid directly to operators and do not currently go through the Ile-de-France Mobilités budget: changes in these amounts will affect the contribution towards the financing of operators’ expenditure.

To neutralise the impact of the tariff decisions made by Ile-de-France Mobilités on the coverage of operators’ expenditure, the operating agreements stipulate that Ile-de-France Mobilités must compensate operators for the difference between the tariff increase and the contractual indexation based on indices published by the French National Institute of Statistics and Economic Studies (INSEE).

An incentive mechanism for “fare-paying traffic” is envisaged: within a range of +/-3% above and below a tariff revenue target, the additional revenue volume is shared equally between Ile-de-France Mobilités and the operators. Outside this range, the difference in revenue is 90% allocated to Ile-de-France Mobilités and 10% to operators. This mechanism prevents any fraud.

Other financial incentives are contractually agreed based on the satisfactory performance of the service and indicators relating to punctuality and quality of service.

5.4.2 Other operating expenditure

Ile-de-France Mobilités also incurs other operating costs, which represent almost 7% of its actual operating expenditure. These are:

- **the flat-rate tax on network operators (IFER)**

  Ile-de-France Mobilités is the legal owner of the rolling stock used by RATP (which has economic ownership). As such, Ile-de-France Mobilités is liable to a flat-rate tax on network operators (IFER).

  This consists of a flat-rate tax calculated according to the number of trains and locomotives.

- **the access charge paid to SNCF (“train path charge”)**

  Ile-de-France Mobilités pays SNCF Réseau an access charge inclusive of tax. In order for Ile-de-France Mobilités to be able to recover the value-added tax (VAT) on this expenditure, a chargeback mechanism has been put in place, thereby neutralising the VAT on this fee. The fee is
charged back to the network operator, SNCF Mobilités, inclusive of tax, making this line neutral from a budgetary perspective. SNCF Mobilités is compensated for this expenditure since Ile-de-France Mobilités pays this contribution exclusive of tax under the operating agreement. According to the definition provided by Article 3(27) of Directive 2012/34/EU of 21 November 2012 establishing a single European railway area, “train path” means the infrastructure capacity needed to run a train between two places over a given period.

➢ **School transport**

Ile-de-France Mobilités has been responsible for school transport in the region since 2005. Around 90,000 pupils travel on scheduled public transport each day, while 886 travel on dedicated school services. In certain conditions, Ile-de-France Mobilités reimburses the costs of home-to-school or university transport of pupils and students who have a disability and are therefore unable to use public transport.

It has gradually taken over the organisation of school transport from all departments except Seine-et-Marne, which holds the public service delegation contract and receives a subsidy on that basis.

Ile-de-France Mobilités is gradually awarding public contracts for the provision of the service: the departments of Yvelines, Val d’Oise, Hauts-de-Seine and Essonne are already under contract, while Paris, Seine-Saint-Denis and Val-de-Marne will follow at the start of the 2020 academic year.

➢ **the costs of social tariff measures decided by Ile-de-France Mobilités.** These are the costs associated with managing mobility vouchers and the Améthyste travel pass for ex-service personnel.

➢ **the operating costs of other transport agreements.** These agreements mainly concern passengers with reduced mobility and transport on demand.

### 5.4.3 Other non-debt expenditure

Other operating expenditure represents 3% of actual expenditure. This mainly comprises:

➢ studies;

➢ the payroll for Ile-de-France Mobilités agents;

➢ current operating costs; and

➢ reimbursements of the public transport contribution (versement transport – VT) paid by some employers in the specific cases envisaged by law (employee housing or transport), as well as collection fees charged by social security organisations (URSSAF – Union de Recouvrement des Cotisations de Sécurité Sociale et d’Allocations Familiales and MSA – Mutualité sociale agricole) which collect the public transport contribution on behalf of Ile-de-France Mobilités.

### 5.4.4 Financial expenses

Interest on debt and lines of credit are recognised in the operating budget. These currently represent less than 1% of actual operating expenditure.
5.5 Investment budget revenue

Investment expenditure is financed by:

➢ **Revenue from parking fines.** From 2019, under paragraph 3 bis of Article L1241-14 of the French *Code des transports*, introduced by Article 64 of the Law of 27 January 2014 on the modernisation of local government and recognition of metropolitan areas (“MAPTAM”), the revenue that Ile-de-France Mobilités earns each year is set at the amount collected in 2018, i.e. €138 million. **Since these funds are guaranteed, the European Investment Bank (EIB) requires them to be included in the calculation of gross savings (actual operating revenue – actual operating expenditure), which determines the deleveraging capacity ratio** (debt outstanding/gross savings).

➢ **Subsidies under the State/Region Plan Contract (CPER):** these subsidies fully cover spending on infrastructure where Ile-de-France Mobilités is the contracting authority. As in the operating budget (for studies), these subsidies are paid to Ile-de-France Mobilités on the basis of 30% of the expenditure recorded in N and 70% in N+1. Although there is a budgetary lag, this expenditure is neutral overall for Ile-de-France Mobilités on completion of each project.

➢ **VAT Compensation Fund (FCTVA):** because it places its orders via operators, Ile-de-France Mobilités makes most of its investments tax-free. The recovery of VAT therefore concerns minor investments (e.g. IT, offices, infrastructure, etc.).

➢ **Cash flow:** the operating budget surplus is used to finance investments. It may be capitalised until it is carried over to year N+1.

➢ **The loan:** this is used to supplement cash flow. It may be arranged with banking partners in the public or private sector, or via direct financing through private placements or bond issues.

5.6 Investment budget expenditure

5.6.1 Rolling stock

Purchases or upgrades of rolling stock account for an average of 70% of the investments made each year (excluding repayment of the loan). This expenditure consists of:

- **Buying or upgrading railway rolling stock:** this expenditure is part of the Rolling Stock Master Plan (*Schéma Directeur du Matériel Roulant* – SDMR) approved by the Board of Directors in 2016. This is primarily aimed at upgrading or replacing obsolete railway rolling stock. This will involve more than 700 trains by 2021, with around 400 trains to be delivered after 2021, at an estimated cost of €9 billion by 2030. The SDMR includes rolling stock that will run on the future extension of line E (Eole project).

- **Purchase of rolling stock for new infrastructure:** at present, this mainly consists of trams for line extensions (3 and 4) due to enter into service shortly, and the opening of new lines (9 and 10), all at an estimated cost of €500 million. The next purchases will involve Grand Paris Express rolling stock (estimated at €2 billion).
Replacement of the bus fleet with non-diesel vehicles. By 2025, all Ile-de-France Mobilités buses will be gas or electric-powered, following an investment currently estimated at €1.4 billion between now and 2025.

5.6.2 Quality of service

The investments in quality of service are estimated at €1.4 billion between now and 2025. Almost half of the investment concerns the Accessibility Master Plan (Schéma Directeur d’Accessibilité – SDA), with an obligation to make SNCF stations accessible by 2025. The remainder is divided among:

- the ticketing modernisation programme;
- intermodality;
- passenger information;
- safety; and
- infrastructure optimisation.

5.6.3 Infrastructure or network development

Ile-de-France Mobilités is not involved in financing infrastructure (with a few exceptions). Infrastructure is financed and managed by SNCF Réseau on its network and RATP on the metro network. In the near future, Société du Grand Paris will finance and manage infrastructure on the Grand Paris Express network (outsourcing infrastructure management to RATP).

However, Ile-de-France Mobilités may act as project manager during the construction of new infrastructure, all of which is currently planned under the State/Region Plan Contract and then fully subsidised by the State, the Regional Authority and departments in Ile-de-France.

5.6.4 Repayment of debt capital

Unlike interest, which is allocated to the operating budget, the repayment of capital is classified as an investment. As a reminder, Ile-de-France Mobilités must generate enough cash flow to finance the repayment of debt capital.

5.7 Financial position of Ile-de-France Mobilités and ratios observed
The table above includes the amounts recorded in recent years for the various revenue and expenditure items previously mentioned (excluding provisions and depreciation allowances), as well as several ratios and aggregates specific to the financial analysis of French local authorities:

- **Management savings**: actual operating revenue (revenue excluding reversals of provisions) – actual operating expenditure excluding financial expenses (expenditure excluding provisions and depreciation)

- **Gross savings**: management savings – financial expenses

- **Net savings**: gross savings – debt amortisation recognised in the investment budget. The net savings must be at least zero, with current operating cash flow to cover at least the debt repayment. Ideally, net savings must be positive in order to finance investment expenditure.

The last part of the table contains the ratios for which the loan agreements granted by the EIB (European Investment Bank) impose limits, which Ile-de-France Mobilités must respect for the entire term of the loans.
➢ **Deleveraging capacity**: debt outstanding at 31 December/gross savings. Assuming that gross savings remain constant, this ratio is used to calculate the number of years it will take to pay off the debt, if Ile-de-France Mobilités were to allocate all its cash flow to this. *Ile-de-France Mobilités manages its financial outlook on the basis of this ratio, for which it has set itself a maximum limit of 15 years. The first full year of the single-tariff Navigo travel pass (2016) was an exceptional year:* pending the revenue expected to supplement the financing of this measure, Ile-de-France Mobilités financed it in 2016 through a reversal of provisions. However, provisions are not taken into account in the calculation of gross savings, which is why the ratio has temporarily deteriorated.

➢ **Deleveraging capacity defined by the EIB**: in its contracts, the EIB requires Ile-de-France Mobilités to keep its deleveraging capacity below 15 years; however, it includes revenue from fines in gross savings. In principle, gross savings measure the surplus generated by a local public body’s own recurring revenue and expenditure. Accordingly, the EIB considers revenue from fines as a recurring source of funds and therefore includes it in gross savings before calculating this ratio. The maximum 15-year ratio thus imposed is therefore less restrictive than the limit imposed by Ile-de-France Mobilités using the conventional formula for this ratio (as defined by the French Department of Local Government).

➢ **Gross savings/debt annuity**: in its contracts, the EIB requires Ile-de-France Mobilités to ensure that (unadjusted) gross savings are at least 1.1 times higher than the debt annuity for that year. Again, 2016 was an exceptional year for the reasons given above. However, even without including the €300 million of provisions reversed that year, the ratio remained well above the threshold set by the EIB.
On 13 December 2017, the Board of Directors adopted the 2018 primary budget which is summarised below:

**Projected operating revenue in the 2018 primary budget**

<table>
<thead>
<tr>
<th>Operating revenue</th>
<th>2018 PB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public transport contribution</td>
<td>4,443,228,000</td>
</tr>
<tr>
<td>Statutory contributions</td>
<td>1,276,049,475</td>
</tr>
<tr>
<td>School transport</td>
<td>138,099,000</td>
</tr>
<tr>
<td>Regional tariff subsidies</td>
<td>102,205,600</td>
</tr>
<tr>
<td>Other revenue and subsidies</td>
<td>39,804,500</td>
</tr>
<tr>
<td>Domestic consumption tax on energy products</td>
<td>100,000,000</td>
</tr>
<tr>
<td>SNCF Réseau access charge</td>
<td>154,200,000</td>
</tr>
<tr>
<td>Sundry and non-recurring revenue</td>
<td>-</td>
</tr>
<tr>
<td>Reversal of provisions</td>
<td>-</td>
</tr>
<tr>
<td>Order entry</td>
<td>294,000,000</td>
</tr>
<tr>
<td><strong>Total operating revenue</strong></td>
<td><strong>6,547,586,575</strong></td>
</tr>
<tr>
<td><strong>Total actual operating revenue</strong></td>
<td><strong>6,253,586,575</strong></td>
</tr>
</tbody>
</table>

*NB: in this table, VT means the public transport contribution; RIF means the Région Ile-de-France; TICPE means the domestic consumption tax on petroleum products.*

**Projected operating expenditure in the 2018 primary budget**

<table>
<thead>
<tr>
<th>Operating expenditure</th>
<th>2018 PB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular services</td>
<td></td>
</tr>
<tr>
<td>Regular RATP services</td>
<td>2,030,875,000</td>
</tr>
<tr>
<td>Regular SNCF services</td>
<td>2,301,400,000</td>
</tr>
<tr>
<td>Regular CT3 services</td>
<td>816,430,000</td>
</tr>
<tr>
<td>Other (shuttle services, car-sharing, services for people with reduced mobility, transport on demand, etc.)</td>
<td>21,847,000</td>
</tr>
<tr>
<td>School transport</td>
<td></td>
</tr>
<tr>
<td>School transport</td>
<td>145,419,240</td>
</tr>
<tr>
<td>Social tariff</td>
<td></td>
</tr>
<tr>
<td>Mobility vouchers</td>
<td>1,300,000</td>
</tr>
<tr>
<td>Social tariff management</td>
<td>-</td>
</tr>
<tr>
<td>Améthyste travel pass for ex-service personnel</td>
<td>8,900,000</td>
</tr>
<tr>
<td>Charges/taxes</td>
<td></td>
</tr>
<tr>
<td>Flat-rate tax on network operators</td>
<td>75,500,000</td>
</tr>
<tr>
<td>SNCF Réseau access charge</td>
<td>154,200,000</td>
</tr>
<tr>
<td>Debt and public transport contribution management</td>
<td></td>
</tr>
<tr>
<td>Financial expenses</td>
<td>42,058,900</td>
</tr>
<tr>
<td>Public transport contribution management costs</td>
<td>54,119,000</td>
</tr>
<tr>
<td>Current budget</td>
<td></td>
</tr>
<tr>
<td>Payroll costs</td>
<td>30,977,880</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>36,254,740</td>
</tr>
<tr>
<td>Studies</td>
<td>20,033,470</td>
</tr>
<tr>
<td>Taxes</td>
<td>1,513,000</td>
</tr>
<tr>
<td>Other expenses</td>
<td></td>
</tr>
<tr>
<td>Non-recurring</td>
<td>100,000</td>
</tr>
<tr>
<td>Provision</td>
<td>3,800,000</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>340,000,000</td>
</tr>
<tr>
<td>Order entry</td>
<td></td>
</tr>
<tr>
<td>Budget transfer</td>
<td>462,858,345</td>
</tr>
<tr>
<td><strong>Total operating expenditure</strong></td>
<td><strong>6,547,586,575</strong></td>
</tr>
<tr>
<td><strong>Total actual operating expenditure</strong></td>
<td><strong>5,744,728,230</strong></td>
</tr>
</tbody>
</table>
## Projected investment revenue in the 2018 primary budget

<table>
<thead>
<tr>
<th>Investment revenue</th>
<th>2018 PB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan</td>
<td>553,989,871.00</td>
</tr>
<tr>
<td>Revenue from fines</td>
<td>125,000,000.00</td>
</tr>
<tr>
<td>Subsidies</td>
<td>40,000,000.00</td>
</tr>
<tr>
<td>Other revenue</td>
<td>4,343,774.00</td>
</tr>
<tr>
<td>Investments under mandate</td>
<td>239,521.25</td>
</tr>
<tr>
<td>Accrual accounting entries</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>340,000,000.00</td>
</tr>
<tr>
<td>Investments in progress</td>
<td>-</td>
</tr>
<tr>
<td>2016 surplus</td>
<td>-</td>
</tr>
<tr>
<td>Allocation of operating surplus</td>
<td>-</td>
</tr>
<tr>
<td>Operating budget transfer</td>
<td>462,858,345.00</td>
</tr>
<tr>
<td><strong>Total investment revenue</strong></td>
<td><strong>1,526,431,511</strong></td>
</tr>
<tr>
<td><strong>Total actual investment revenue</strong></td>
<td><strong>723,573,166</strong></td>
</tr>
</tbody>
</table>

## Projected investment expenditure in the 2018 primary budget

<table>
<thead>
<tr>
<th>Investment expenditure</th>
<th>2018 PB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Major investments</td>
<td>1,123,756,900</td>
</tr>
<tr>
<td>of which equipment subsidies paid</td>
<td>973,557,600</td>
</tr>
<tr>
<td>of which railway rolling stock</td>
<td>638,275,000</td>
</tr>
<tr>
<td>of which road rolling stock (bus, tram, bike)</td>
<td>105,728,600</td>
</tr>
<tr>
<td>of which QoS improvements</td>
<td>199,500,000</td>
</tr>
<tr>
<td>of which network development</td>
<td>30,000,000</td>
</tr>
<tr>
<td>of which infrastructure project management</td>
<td>127,816,100</td>
</tr>
<tr>
<td>of which land and bus depots</td>
<td>22,383,200</td>
</tr>
<tr>
<td>Other (fixed assets, accounting transactions)</td>
<td>16,845,090</td>
</tr>
<tr>
<td>Investments under mandate</td>
<td>239,521</td>
</tr>
<tr>
<td>Capital repayment</td>
<td>91,590,000</td>
</tr>
<tr>
<td>Reversals and neutralisation of subsidies paid</td>
<td>294,000,000</td>
</tr>
<tr>
<td>Investments in progress</td>
<td>-</td>
</tr>
<tr>
<td>Investment result carried forward</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total investment expenditure</strong></td>
<td><strong>1,526,431,511</strong></td>
</tr>
<tr>
<td><strong>Total actual investment expenditure</strong></td>
<td><strong>1,232,431,511</strong></td>
</tr>
</tbody>
</table>
Amendment decision 1 was adopted by a vote on 9 October 2018. The aim of this was:

- to adjust during the year, the budget appropriations in light of events that occurred during the year
- to recover the surplus obtained during the vote on the closing of the 2017 accounts. The 2018 budget was voted in December 2017, before year-end 2017, and did not recover any surplus with respect to the previous year

**Operating revenues voted as part of amendment decision no. 1 2018**

<table>
<thead>
<tr>
<th>Operating revenue</th>
<th>2018 PB</th>
<th>AD1</th>
<th>Voted after AD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public transport contribution</td>
<td>4,443,228,000</td>
<td>40,000,000</td>
<td>4,483,228,000</td>
</tr>
<tr>
<td>Statutory contributions</td>
<td>1,276,049,475</td>
<td>1,276,049,475</td>
<td></td>
</tr>
<tr>
<td>School transport</td>
<td>138,099,000</td>
<td>138,099,000</td>
<td></td>
</tr>
<tr>
<td>Regional tariff subsidies</td>
<td>102,205,600</td>
<td>102,205,600</td>
<td></td>
</tr>
<tr>
<td>Other revenue and subsidies</td>
<td>39,804,500</td>
<td>39,804,500</td>
<td></td>
</tr>
<tr>
<td>Domestic consumption tax on energy products</td>
<td>100,000,000</td>
<td>-</td>
<td>88,000,000</td>
</tr>
<tr>
<td>SNCF Réseau access charge</td>
<td>154,200,000</td>
<td>154,200,000</td>
<td></td>
</tr>
<tr>
<td>Sundry and non-recurring revenue</td>
<td>-</td>
<td>32,644,431</td>
<td>32,644,431</td>
</tr>
<tr>
<td>Reversal of provisions</td>
<td>-</td>
<td>31,389,201</td>
<td>31,389,201</td>
</tr>
<tr>
<td>Order entry</td>
<td>294,000,000</td>
<td></td>
<td>294,000,000</td>
</tr>
<tr>
<td>Total operating revenue</td>
<td>6,547,586,575</td>
<td>92,033,632</td>
<td>6,639,620,207</td>
</tr>
<tr>
<td>Total actual operating revenue</td>
<td>6,253,586,575</td>
<td>92,033,632</td>
<td>6,345,620,207</td>
</tr>
</tbody>
</table>
Operating expenditure voted as part of amendment decision no. 1 2018

<table>
<thead>
<tr>
<th>Operating expenditure</th>
<th>2018 PB</th>
<th>AD1</th>
<th>Voted after AD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regular RATP services</td>
<td>2,030,875,000</td>
<td>-</td>
<td>2,014,084,000</td>
</tr>
<tr>
<td>Regular SNCF services</td>
<td>2,301,400,000</td>
<td>-</td>
<td>2,294,655,000</td>
</tr>
<tr>
<td>Regular CT3 services</td>
<td>816,430,000</td>
<td>-</td>
<td>816,430,000</td>
</tr>
<tr>
<td>Other (shuttle services, car-sharing, services for people with reduced mobility, transport on demand, etc.)</td>
<td>21,847,000</td>
<td>3,900,000</td>
<td>25,747,000</td>
</tr>
<tr>
<td>PMB and passenger information</td>
<td></td>
<td>4,400,000</td>
<td>4,400,000</td>
</tr>
<tr>
<td>School transport</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>School transport</td>
<td>145,419,240</td>
<td>-</td>
<td>142,919,240</td>
</tr>
<tr>
<td>Social tariff</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mobility vouchers</td>
<td>1,300,000</td>
<td></td>
<td>1,300,000</td>
</tr>
<tr>
<td>Social tariff management</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Améthyste travel pass for ex-service personnel</td>
<td>8,900,000</td>
<td></td>
<td>8,900,000</td>
</tr>
<tr>
<td>Charges/taxes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flat-rate tax on network operators</td>
<td>75,500,000</td>
<td></td>
<td>75,500,000</td>
</tr>
<tr>
<td>SNCF Réseau access charge</td>
<td>154,200,000</td>
<td></td>
<td>154,200,000</td>
</tr>
<tr>
<td>Debt and public transport contribution management</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial expenses</td>
<td>42,058,900</td>
<td>-</td>
<td>36,258,900</td>
</tr>
<tr>
<td>Public transport contribution management</td>
<td>54,119,900</td>
<td>-</td>
<td>54,119,900</td>
</tr>
<tr>
<td>Current budget</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payroll costs</td>
<td>30,977,880</td>
<td></td>
<td>30,977,880</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>36,254,740</td>
<td>1,300,000</td>
<td>37,554,740</td>
</tr>
<tr>
<td>Studies</td>
<td>20,033,470</td>
<td></td>
<td>20,033,470</td>
</tr>
<tr>
<td>Taxes</td>
<td>1,513,000</td>
<td></td>
<td>1,513,000</td>
</tr>
<tr>
<td>Other expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-recurring</td>
<td>100,000</td>
<td>460,000</td>
<td>560,000</td>
</tr>
<tr>
<td>Provision</td>
<td>3,800,000</td>
<td>40,200,000</td>
<td>44,000,000</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>340,000,000</td>
<td></td>
<td>340,000,000</td>
</tr>
<tr>
<td>Order entry</td>
<td>-</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Budget transfer</td>
<td>462,858,345</td>
<td>73,609,632</td>
<td>536,467,977</td>
</tr>
<tr>
<td>Total operating expenditure</td>
<td>6,547,586,575</td>
<td>92,033,632</td>
<td>6,639,620,207</td>
</tr>
<tr>
<td>Total actual operating expenditure</td>
<td>5,744,728,230</td>
<td>18,424,000</td>
<td>5,763,152,230</td>
</tr>
</tbody>
</table>
Since early 2018, the following events have been observed:

➢ Credit notes of €32 million issued against operators’ invoices from 2017 (RATP, SNCF Mobilités and Optile, whose contracts are referred to as “CT3”). These credit notes will have an impact on 2018 (miscellaneous and exceptional revenues in the operating budget). Most of the forecast variances are due to SNCF Réseau toll revenue, which is lower than expected, and tariff revenue, the volume of which exceeded expectations, resulting in the payment of lower contributions to operators.
➢ A €34.1 million decrease in estimated contributions in 2018 for operators; this is mainly due to a downward revision of contractual indexation in view of the indicators published, particularly wage indexation, the settlement of a tax dispute with SNCF and a reduction in the estimated tax paid at cost to RATP.
➢ Additional public transport contribution revenue of +€40 million due to a recovery in salary bonuses.

These favourable changes compared with the initial budget for 2018 allow:
➢ additional equipment to be financed, particularly rolling stock, taking into account the satisfactory progress of investment projects;
➢ a provision of €44 million to be recognised to cover any claims for reimbursement from the beneficiaries of State medical support (Aide Médicale d’État – AME) (see section on proceedings and arbitration).

5.8 Ile-de-France Mobilités cash and debt

5.8.1 Change in outstandings

Ile-de-France Mobilités has made use of borrowing since 2012, following the acceleration of its investments. At 31 December 2017, Ile-de-France Mobilités had debt of €1,713 million, with a residual average term of 12 years and 3 months.

Change in debt at 31/12/N by type of loan

<table>
<thead>
<tr>
<th>Year</th>
<th>Bank loan</th>
<th>EIB loan</th>
<th>NSV and SSD</th>
<th>Bond</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>0</td>
<td>170</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2013</td>
<td>0</td>
<td>246</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2014</td>
<td>0</td>
<td>411</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2015</td>
<td>100</td>
<td>584</td>
<td>80</td>
<td>50</td>
</tr>
<tr>
<td>2016</td>
<td>365</td>
<td>566</td>
<td>128</td>
<td>50</td>
</tr>
<tr>
<td>2017</td>
<td>871</td>
<td>575</td>
<td>125</td>
<td>50</td>
</tr>
</tbody>
</table>

NB: “SSD”: Schuldcscheidarlehen; “NSV”: Namenschuldverschreibungen

During the first two years, Ile-de-France Mobilités borrowed from the EIB after signing off a €600 million budget. Since then, it has diversified its sources of funding, both in terms of the number of financial partners and the types of financing it uses (Schuldschein, NSV, bond issuance, multi-index loans with a revolving mobilisation phase).
Ile-de-France Mobilités now works with 10 European financial groups which respond to its calls for funding. Other intermediaries can respond more directly. Ile-de-France Mobilités has arranged long-term financing with eight banking groups in addition to the EIB, in intermediated or direct financing:

**Outstanding debt by type of lender on 31/12/2017**

This diversity of partners has enabled Ile-de-France Mobilités to raise the necessary amounts, even when these were particularly high, with coverage rates ranging from 3.88 (for the €500 million requested in 2016) to 9.20 (for the €50 million requested in 2015).

Ile-de-France Mobilités is continuing its diversification process so as to be able to withstand any future liquidity crisis and to take advantage of the most optimal financing conditions. It is natural therefore that it should turn to the bond market.

5.8.2 Interest rate management
Ile-de-France Mobilités generally opts for fixed-rate debt so that it can be certain of its commitments. The low margins offered by some lenders, combined with the fall in long rates since 2012, have supported this strategy.

However, Ile-de-France Mobilités allows itself to hold some floating-rate debt in order to:
- optimise the cost of some of its commitments, at a time of unusually low short rates, and
- maintain some flexibility in the management of its commitments (early repayment, renegotiation of margins).

For its bond issues, Ile-de-France Mobilités mostly intends to continue borrowing at a fixed rate. It has an LEI (Legal Entity Identifier) number, which will allow it to conduct interest rate swaps on its issues.

The resolution accompanying the annual vote on the primary budget includes the signing authority which the board of directors grants to the chief executive officer of Ile-de-France Mobilités. The chief executive officer is only authorised to sign off the loans budgeted for that year; EIB-type multi-annual financing requires board approval.

Loans must be euro-denominated.

With regard to interest rate management, the resolution allows only fixed rate or floating rate, i.e. an index with a margin, from among the following indices:
- interbank monetary rates (Euribor, Eonia);
- regulated rates of French savings accounts: Livret A and LEP (Livret d’Epargne populaire), mainly offered by the Caisse des Dépôts et Consignations, a French public bank;
- French or European inflation;
- French bond market benchmark rates: government rates; and
- CMS (Constant Maturity Swaps).

The resolution also authorises the chief executive officer to renegotiate outstanding loans, or to engage in the contracting/arbitrage of swaps, caps, floors or tunnels, subject to the restrictions imposed above with respect to the indexation allowed. No over-hedging is permitted, according to the law governing the use of borrowing by local authorities (see section on risks presented by the issuer). Lastly, the resolution requires Ile-de-France Mobilités to remain vigilant in the fight against money laundering, corruption and tax fraud against its lenders.
The resolution reflects the commitment of Ile-de-France Mobilités to protect its secured debt. The indexation permitted under this resolution has not changed in recent years.

5.8.3 Medium and long-term debt annuity

![Annual repayment of outstanding debt at 31/12/2017](image)

This graph only concerns debt of more than one year. Debt of less than one year is dealt with in the section on treasury management.

Among the long-term debt of Ile-de-France Mobilités, all outstanding loans have a maturity of more than one year.

The current annuity profile shows that the outstanding commitments of Ile-de-France Mobilités predominantly consist of instalment debt (bank loans and EIB loans). To accelerate its deleveraging, Ile-de-France Mobilités has hitherto mainly opted for repayment in equal instalments (as opposed to steadily increasing instalments).

The repayment periods over which Ile-de-France Mobilités borrows correspond to the depreciation periods of the assets financed:

- 8 years for bus purchases;
- 15 years for rolling stock upgrades and quality of service investments; and
- 30 years for purchases of railway rolling stock and trams.

Following the implementation of its EMTN programme, Ile-de-France Mobilités will seek to smooth its depreciation profile through repayment at maturity, taking into account:

- the technical depreciation period of the assets financed;
- the difference in duration between repayment at term and constant amortisation; and
- the need to smooth its annuities in future years.

Moreover, the increasing debt burden has made Ile-de-France Mobilités attentive to the monthly positioning of its maturities, in a bid to maintain a viable treasury position.

Ile-de-France Mobilités still has a €700 million long-term loan agreement with the EIB, which will probably be mobilised between 2018 and 2019.
## Debt situation at 31/12/2017

<table>
<thead>
<tr>
<th>Loan reference</th>
<th>Hedging</th>
<th>Lender or lead arranger</th>
<th>Principal outstanding at 31/12/2017</th>
<th>Remaining term (in years)</th>
<th>Index</th>
<th>Interest rate at 31/12/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>FR0013185287</td>
<td>N</td>
<td>NATIXIS</td>
<td>50,000,000.00</td>
<td>6.49</td>
<td>0.763% fixed rate</td>
<td>0.76</td>
</tr>
<tr>
<td>0032487F</td>
<td>N</td>
<td>CREDIT FONCIER DE FRANCE</td>
<td>44,736,441.99</td>
<td>4.96</td>
<td>1.25% fixed rate</td>
<td>1.26</td>
</tr>
<tr>
<td>0041199L-A</td>
<td>N</td>
<td>CREDIT FONCIER DE FRANCE</td>
<td>145,000,000.00</td>
<td>28.5</td>
<td>1.71% fixed rate</td>
<td>1.71</td>
</tr>
<tr>
<td>0041199L-B</td>
<td>N</td>
<td>SaarLB</td>
<td>72,000,000.00</td>
<td>23.5</td>
<td>1.55% fixed rate</td>
<td>1.55</td>
</tr>
<tr>
<td>00425903</td>
<td>N</td>
<td>CACIB</td>
<td>15,000,000.00</td>
<td>5.87</td>
<td>Euribor 3 M + 0.4%</td>
<td>0.40</td>
</tr>
<tr>
<td>04112015</td>
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<td>Euribor 3 M + 0.34%</td>
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<td>25994-1</td>
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<td>3.008% fixed rate</td>
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<td>25994-2</td>
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<td>25994-3</td>
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<td>Euribor 3 M + 0.3%</td>
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<tr>
<td>MON506258EUR</td>
<td>N</td>
<td>BANQUE POSTALE</td>
<td>46,000,000.00</td>
<td>22.58</td>
<td>2.18% fixed rate</td>
<td>2.17</td>
</tr>
<tr>
<td>MON506259EUR</td>
<td>N</td>
<td>BANQUE POSTALE</td>
<td>27,600,000.00</td>
<td>22.58</td>
<td>2.18% fixed rate</td>
<td>2.17</td>
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<td>BANQUE POSTALE</td>
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<td>0.7% fixed rate</td>
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<td>2.205% fixed rate</td>
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<td>N</td>
<td>Bayern LB</td>
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<td>28.49</td>
<td>1.53% fixed rate</td>
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<td><strong>1,713,147,460.33</strong></td>
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</table>
5.8.4 Treasury management

Until the implementation of the Neu CP programme, the only debts of less than one year held by Ile-de-France Mobilités are two lines of credit totalling €400 million, of which €100 million will be extinguished on 27 November 2018 and €300 million will be extinguished on 3 May 2019.

Since the board meeting of 11 July 2018, the total authorised amount of treasury instruments has increased to €1.3 billion, including a Neu CP programme of at most €600 million. Ile-de-France Mobilités plans to implement its Neu CP programme at the end of 2018. Since it does not need to issue €600 million immediately, it will cover part of this programme with lines of credit which will replace the two lines in place as of the date of this prospectus.

In addition to short-term contracts, Ile-de-France Mobilités still has cash available under the €700 million long-term loan agreement signed with the EIB, as described in the section on long-term debt.

Since entering the market in 2012, Ile-de-France Mobilités has not had the opportunity to take out the revolving loans over their full term due to the liquidity crisis. Therefore, these types of instruments do not feature among its outstanding commitments.

Ile-de-France Mobilités has regular cash flow cycles. They are characterised by:

➢ Monthly peaks

Outflows:
- On the 8th of the month: €110 million currently, i.e. 1/3 of monthly advance payments to public operators (SNCF + RATP)
- On the 12th of the month: €15 million in train fees
- On the 24th of the month: €240 million currently, i.e. 2/3 of monthly advance payments to public operators
- On the 26th of the month: €60 million currently in monthly advance payments to private operators (Optile)

Inflows:
- Around the 5th of the month: €105 million in contributions from member authorities
- On the 20th of the month: €300 million to €400 million per month from the public transport contribution, some months traditionally being higher (December premiums, quarterly contributions from some members)

Advance payments made to operators may be revised upwards or downwards in the second half of the year on the basis of: new services approved in the first half of the year; the payment/reimbursement of adjustments once the annual invoice for the previous year has been drawn up; local taxes that RATP passes on at cost to Ile-de-France Mobilités in the summer and in December.

➢ Annual trends

- January–March: cash flow requirement as member authorities begin a new spending cycle
- April–May: surplus on receipt of 50% of the general decentralised grant for school transport paid by the State (€128 million per annum), 100% of revenue from fines (€138 million per annum) and 50% of regional subsidies for the social tariff (€70 million per annum)
- Late summer: decrease in cash flow due to the payment of 50% of railway rolling stock, 50% of the flat-rate tax on network operators (€75 million per annum) and 40% of the local tax paid at cost to RATP (€125 million per annum).
- November–December: cash flow requirement with payment of the outstanding balance for railway rolling stock, RATP tax and the flat-rate tax on network operators. Receipt of the regional subsidy compensating for the 50% discount offered to students (Imagin’R travel pass – €24 million per annum)

The daily balance of the treasury account therefore has a similar profile. The difference is due to:

- the execution of investments, which if delayed will result in additional cash flow during the year, and
- consequently whether or not most of the loan is mobilised in the summer (at the time of the rolling stock payment) or at the end of the year.

In 2017, Ile-de-France Mobilités adapted the limits of its lines of credit to its profile to optimise the cost of these facilities.
The mobilisation of the €630 million loan in the summer of 2016 kept cash flow high in the second half of the year, whereas in 2017 the loan was only mobilised in December (but taken out in the summer). However, the trend in the second half was similar in both 2016 and 2017.

The introduction of the single tariff for the Navigo travel pass, the absence of any recent provisions and the acceleration of investments have increased the cash flow of Ile-de-France Mobilités somewhat over the last two years. As a result, Ile-de-France Mobilités has set up a Neu CP programme for €600 million, which is a relatively small amount compared with the investments it has made to date (almost €1 billion annually).

6 SIGNIFICANT CHANGES

There has been no significant change in (a) the tax and budgetary systems, (2) the gross public debt, (c) the trade balance and the balance of payments, (d) foreign exchange reserves, (e) position and financial resources, nor in the Issuer’s income and expenses since 31 December 2017.

7 LEGAL AND ARBITRATION PROCEEDINGS

On 6 July 2018, the cour administrative d’appel de Paris upheld a judgement setting aside a resolution adopted by the board of Ile-de-France Mobilités on 17 February 2016 which sought to withdraw the discount offered to beneficiaries of State medical support when travelling on public transport in the Région Ile-de-France (75% discount). The judgement of the cour administrative d’appel de Paris was based on Article L.1113-1 of the French Code des transports, which requires any authority organising mobility services to grant a minimum of a 50% reduced tariff on public transport networks to anyone whose income is equal to or less than a threshold set under Article L.861-1 of the French Code de la sécurité sociale.

Following this judgement, Ile de France Mobilités took steps to reissue reduced-fare passes (with a 50% discount) to beneficiaries of State medical support from November 2018. It also recognised a provision in the amount of €44 million to cover any reimbursement claims. Ile-de-France Mobilités estimates the annual cost of this reduced tariff to be €40 million, which represents a very low financial risk. Consequently, these proceedings are not likely to have a significant impact on the financial position or profitability of Ile-de-France Mobilités.
8 DOCUMENTS ON DISPLAY

Financial documents: budgets, financial accounts, amendment decisions and related reports and resolutions are available on the Ile-de-France Mobilités website at: https://www.iledefrance-mobilites.fr/le-financement-des-transports-publics/

Other administrative documents adopted by Ile-de-France Mobilités: all documents are available at the following address: https://www.iledefrance-mobilites.fr/recueils-actes-administratifs/

The resolutions of the board of Ile-de-France Mobilités are available at: https://www.iledefrance-mobilites.fr/deliberations/
USE OF PROCEEDS

The net proceeds from the Securities issue will be used to finance the Issuer’s investments. If the proceeds from the Securities issue are intended to be used for a specific purpose, this will be stated in the relevant Final Terms.
TAXATION

The following is a summary of certain tax considerations concerning withholding applicable in France to payments in respect of Notes made to any Noteholder.

This summary is based on French tax laws in force at the date of this Base Prospectus, which are susceptible to change and/or interpretation (potentially with retroactive effect). This summary is provided as general information and does not purport to be a comprehensive analysis of all tax considerations that may be relevant to holders of Notes. It is therefore recommended that prospective investors consult with their usual tax adviser to examine their individual circumstances in detail.

FRANCE

Payments of interest and other income made by the Issuer with respect to the Notes are not subject to the withholding tax set out under Article 125 A III of the French Code général des impôts, unless said payments are made outside France in a non-cooperative State or territory within the meaning of Article 238-0 A of the French Code général des impôts (a Non-Cooperative State). Pursuant to Article 125 A III of the French Code général des impôts, if said payments of interest on the Notes are made outside France in a Non-Cooperative State, a 75% withholding tax will be applicable (subject to certain exceptions and to more favourable provisions of an applicable convention on double taxation). A law published in the Journal Officiel on 24 October 2018 extends as of 1st December, 2018 (i) the list of Non Cooperative States to include the jurisdictions listed in Schedule I of the conclusions adopted by the Council of the European Union on 5 December 2017, as updated (the EU List) and, (ii) this withholding regime to certain jurisdictions listed on the EU List.

Notwithstanding the foregoing, the 75% withholding stipulated in Article 125 A III of the French Code général des impôts shall not apply to a given issue of Notes if the Issuer demonstrates that the principal purpose and effect of said issue of Notes were not to allow the location of interest and other income in a Non-Cooperative State (the Exception).

Pursuant to the Bulletin officiel des finances publiques – Impôts, BOI-INT-DG-20-50-20140211, BOI-RPPM-RCM-30-10-20-40-20140211 and BOI-IR-DOMIC-10-20-20-60-20150320, an issue of Notes will benefit from the Exception without requiring the Issuer to provide proof of the purpose and effect of such an issue of Notes, if the Notes in question are:

8.1.1 offered in the context of a public offering of financial securities within the meaning of Article L. 411-1 of the French Code monétaire et financier or an equivalent offering made in a State other than a Non-Cooperative State. For this purpose, an “equivalent offer” means any offer that requires the registration or filing of an offering document with a foreign securities market authority; or

8.1.2 listed for trading on a regulated market or on a French or foreign multilateral securities trading system, provided that said market or system is not located in a Non-Cooperative State, and that the operation of the market is conducted by a market operator or an investment services provider, or by any other similar foreign entity, and provided further that said market operator, investment services provider or entity is not located in a Non-Cooperative State; or

8.1.3 admitted, at the time they are issued, to the clearing operations of a central depositary or of a securities clearing, settlement and delivery systems operator within the meaning of Article L. 561-2 of the French Code monétaire et financier, or of one or more similar foreign depositaries or operators, provided that the depositary or operator is not located in a Non-Cooperative State.

Pursuant to Article 125 A I of the French Code general des impôts, when the paying institution is established in France, the interest and similar revenue received by individuals who are tax residents...
of France are, subject to certain exceptions, subject to 12.8% withholding that will be chargeable to the income tax owed for the year in which it has been taken. Social security contributions (CSG, CRDS and other related taxes) are also levied through withholding at the overall rate of 17.2% on such interest and similar revenues received by individuals who are tax residents of France.
SUBSCRIPTION AND SALE

Subject to the terms and conditions contained in a French language placement agreement of 6 December 2018 signed by the Issuer, the Permanent Dealers and the Arranger (the Dealer Agreement), the Notes will be offered by the Issuer to the Permanent Dealers. However, the Issuer reserves the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at the market price or a similar prevailing market price on the date of said sale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through Dealers acting as agents of the Issuer. The Dealer Agreement also provides for the issuance of syndicated Tranches that are jointly underwritten by two or more Dealers.

The Issuer shall pay to each Dealer in question a commission set by mutual agreement with said Dealer for the Notes it has subscribed. The Issuer has agreed to reimburse the Arranger for the expenses it has incurred in connection with the establishment of the Programme, and the Dealers for certain expenses related to their role in this Programme.

The Issuer has agreed to indemnify the Dealers against certain types of liability incurred in connection with the offering and sale of the Notes. The Dealer Agreement authorises the Dealers, under certain circumstances, to terminate any agreement they have signed for subscription of Notes before paying the funds for said Notes to the Issuer.

1. GENERAL INFORMATION

These sale restrictions may be amended by mutual agreement of the Issuer and the Dealers, in particular following any change in the applicable laws, regulations or directives. Any such amendment shall be set out in a supplement to this Base Prospectus.

Each Dealer has undertaken to comply, to the fullest extent of the information in its possession, with all relevant laws, regulations and directives in each country in which it buys, offers, sells or delivers Notes or in which it holds or distributes the Base Prospectus, any other offering document or any Final Terms, and neither the Issuer nor any of the other Dealers shall incur any liability in respect therefor.

2. UNITED STATES OF AMERICA

The Notes have not and shall not be registered pursuant to the United States Securities Act of 1933 as amended (the United States Securities Act). Subject to certain exceptions, the Notes may not be offered, sold or, in the case of Materialised Notes, delivered in the territory of the United States of America. Each Dealer has undertaken, and each new Dealer will be required to undertake, to offer or sell any Note or, in the case of Dematerialised Notes in bearer form, to deliver said Notes in the territory of the United States of America only in compliance with the Dealer Agreement. The Notes shall be offered and sold outside the United States of America in compliance with Rule S of the United States Securities Act.

Materialised Notes in bearer form with a maturity greater than one year are subject to US tax rules and may not be offered, sold or delivered in the territory of the United States of America or any of its possessions or to an American citizen (U.S. Persons), with the exception of certain transactions permitted under US tax laws. The terms used in this paragraph shall have the meaning given to them in the U.S. Internal Revenue Code of 1986 and its implementing regulations.

The Materialised Notes shall be issued in compliance with Section (U.S. Treas. Reg.) §1.163-5(c)(2)(i)(D) of the regulations of the United States Treasury (the D Rules) unless (a) the relevant Final Terms do not stipulate that these Materialised Notes will be issued in accordance with Section (U.S. Treas. Reg.) §1.163-5(c)(2)(i)(C) of the regulations of the United States Treasury (the C
Rules), or (b) that these Materialised Notes will not be issued in accordance with the C Rules or the D rules, but under conditions where said Materialised Notes will not constitute “obligations for which registration is required” by the 1982 American law on tax equity and fiscal responsibility (United States Tax Equity and Fiscal Responsibility Act of 1982) (TEFRA), in which case the relevant Final Terms shall indicate that the operation is outside the scope of application of the TEFRA rules.

The TEFRA rules do not apply to the Dematerialised Notes.

In addition, the offering or sale by any Dealer (whether or not participating in the offering) of any identified tranche of Notes within the United States of America within the first forty (40) calendar days after the commencement of the offering, may violate the registration requirements under the US Securities Act.

3. EUROPEAN ECONOMIC AREA

Each Dealer has represented and warranted, and each Dealer subsequently named under the Programme must represent and warrant, that it has not offered, sold or otherwise made available, and that it shall not offer, sell or otherwise make available the Notes in the offerings stipulated in this Base Prospectus, as completed by the relevant Final Terms, to a retail investor in the European Economic Area.

For the purposes of this provision:

(a) The term retail investor means a person who meets one (or more) of the following criteria:

(i) is a “retail customer” as defined by Article 4, paragraph 1, point 11), of Directive 2014/65/EU, as amended (MiFID II); or

(ii) is a “customer” as defined by Directive 2002/92/EC, as amended (the Insurance Intermediation Directive), when he would not meet the definition of a professional customer given in Article 4, paragraph 1, point 10) of MiFID II;

(iii) is not a qualified investor as defined in the Prospectus Directive; and

(b) the term offer includes the communication in any form and by any means of sufficient information on the conditions of the offer and the Notes to be offered, in a way to place an investor in a position to make a decision to purchase or subscribe to these Securities.

4. UNITED KINGDOM

Each Dealer has represented and warranted and each new Dealer will be required to represent and warrant that:

a. in the case of Notes with a maturity of less than one year, (i) it is a person whose ordinary activities involve the acquisition, holding, management or sale of financial products (as principal or agent) for the purposes of its business, and (ii) it has not offered or sold and will not offer or sell Notes to persons in the United Kingdom, other than to persons whose ordinary activities involve the acquisition, holding, management or sale of financial products (as principal or agent) in the context of its business or to persons who it may reasonably believe to acquire, hold, manage or sell financial products (as principal or agent) for the purposes of their business, under circumstances in which the issue of the Notes would otherwise constitute a violation of Section 19 of the Financial Services and Markets Act 2000, (the FSMA);
b. it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in a financial activity (within the meaning of Section 21 of the FSMA) it has received in connection with the issue or sale of Notes under circumstances in which Section 21(1) of the FSMA does not and will not apply to the Issuer; and

c. it has complied and will comply with all applicable provisions of the FSMA with respect to anything it does in relation to the Notes in, from or otherwise involving the United Kingdom.

5. ITALY

This Base Prospectus has not been and shall not be published in the Republic of Italy in connection with the offering of Notes. The offering of Notes has not been registered with the Commissione Nazionale per le Società e la Borsa (Consob) in the Republic of Italy in accordance with Legislative Decree No. 58 of 24 February 1998 as amended (the Financial Services Act) and Consob Regulation No. 11971 of 14 May 1999 as amended (the Regulation on Issuers) and, as a result, the Notes may not be, and shall not be, offered, sold or delivered, directly or indirectly, in the Republic of Italy in the context of a public offering, and no copy of this Base Prospectus, the relevant Final Terms or any other document relating to the Notes may be, or shall be, distributed in the Republic of Italy, except:

(a) to professional investors (investitori qualificati), as defined in Article 100 of the Financial Services Act and Article 34-ter, paragraph 1(b) of the Regulation on Issuers, or

(b) in any other circumstance benefiting from an exemption to the rules governing public offerings in accordance with the conditions established in Article 100 of the Financial Services Act and Article 34-ter of the Regulation on Issuers.

Any offer, sale or delivery of Notes and any distribution of this Base Prospectus, the relevant Final Terms or any other documents relating to the Notes in the Republic of Italy in accordance with paragraphs 5(a) and 5(b) above, must and shall be conducted in compliance with the Italian laws in force, particularly those governing securities, taxation and foreign exchange, and any other applicable law or regulation and, in particular:

a. must and shall be made by an investment firm, bank or financial intermediary authorised to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, Consob regulation No. 20307 of 15 February 2018 (as amended) and Legislative Decree No. 385 of 1 September 1993 as amended (the Banking Act);

b. must and shall be made in accordance with Article 129 of the Banking Act and the directives governing the Bank of Italy, as amended, under which the Bank of Italy may demand information on the issuance or sale of securities in the Republic of Italy; and

c. must and shall be conducted pursuant to all laws, regulations and requirements or limits imposed by Consob and/or any other Italian authority.

Investors who subscribe to the Notes during an offering are solely responsible for ensuring that the offer or resale of the Notes subscribed in this offering is executed in accordance with applicable Italian laws and regulations. No person residing or located in the Republic of Italy, who is not the original recipient of this Base Prospectus may base a decision on this Base Prospectus, the Final Conditions or any other document related to the Notes.
6. FRANCE

Each of the Dealers and the Issuer has declared and acknowledged that, in the context of their initial placement, it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France; it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Base Prospectus, the applicable Final Terms or any other offering material relating to the Notes, and such offers, sales and placements of Notes in France shall be made only to (i) providers of portfolio management-related investment services for the account of third parties, and/or (ii) qualified investors (investisseurs qualifiés) acting on their own behalf, and/or (iii) a restricted circle of investors, as defined in and in accordance with, Articles L. 411-1, L. 411-2 and D. 411-1 and D. 411-4 of the French Code monétaire et financier.
FORM OF FINAL TERMS

Set out below is the Form of Final Terms that will be issued for each Tranche of Notes:

[Governance of MiFID II Products / Target Market: eligible counterparties and professional customers only - Only for the purposes of the process of approval of [the/each] producer of the product, the assessment of the target market for the Notes, taking into consideration the 5 categories referenced in point 18 of the Guidelines published by the European Financial Markets Authority on 5 February 2018, led to the conclusion that: (i) the target market for the Notes concerns the eligible counterparties and professional customers only, as defined in MiFID II and that (ii) all distribution channels for the Notes to eligible counterparties or professional customers are appropriate. Any person who subsequently offers, sells or recommends the Notes (a distributor) must take into consideration the target market of the producer or producers. However, a distributor subject to MiFID II must conduct its own assessment of the target market for the Notes (using or exceeding the assessment of the target market performed by the producer or producers and determine the appropriate distribution channels.)

Final Terms dated [●]

SYNDICAT DES TRANSPORTS D’ILE-DE-FRANCE
Euro Medium Term Note Programme
(The Programme)
€5,000,000,000

Legal Entity Identifier (IEJ): [●]

SERIES No.: [●]

TRANCHE No.: [●]

[Brief description and aggregate nominal amount of Notes]

Issue Price: [●] %

[Name(s) of Dealer(s)]
PART 1

CONTRACTUAL TERMS

This document constitutes the Final Terms in respect of the issue of notes described below (the Notes) and contains the final terms and conditions of the Notes. These Final Terms complete the base prospectus dated 6 December 2018 (approved by the French Autorité des marchés financiers (the AMF) under No. 18-549 on 6 December 2018) [and the supplement to the base prospectus dated [●] (approved by the AMF under No.[●] dated [●])] relating to the Issuer’s programme to issue debt securities for €5,000,000,000, which [together] constitute a base prospectus (the Base Prospectus) for the purposes of Article 5.4 of Directive 2003/71/EC of the European Parliament and Council of 4 November 2003 as amended (the Prospectus Directive) and must be read together with this document. The terms used below have the meaning given to them in the Base Prospectus. The Notes shall be issued in accordance with the provisions of these Final Terms together with the Base Prospectus. The Issuer accepts responsibility for the information contained in these Final Terms which, together with the Base Prospectus, contain all material information in connection with the issue of the Notes. Full information on the Issuer and the offer of Notes is available solely on the basis of these Final Terms and the Base Prospectus which together constitute the Prospectus. These final Terms and the Base Prospectus shall be published on the websites of (a) the AMF (www.amf-france.org) and (b) the Issuer (https://www.iledefrance-mobilites.fr/le-financement-des-transports-publics/) and (c) shall be available for inspection and obtaining copies, free of charge, during normal office hours, on any day of the week (except Saturdays, Sundays and public holidays) at the offices of the Fiscal Agent or the Paying Agent(s).

[Complete all the following sections or specify “Not Applicable”. Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or a specific sub-paragraph. Italics denote directions for completing the Final Terms.]

1. **Issuer:**

   Syndicat des Transports d’Ile-de-France

2. (a) **Series:**

   [●]

(b) **Tranche:**

   [●]

(c) **Date on which the Notes shall be fungible and form a single Series:**

   [The Notes shall be fungible and form a single Series with [describe the Series in question] issued by the Issuer on [insert date] (the “Existing Notes”) on or after [insert date]. Once they have been listed for trading, the Notes shall be entirely ranked with the Existing Notes and shall form a single Series with them.] / [Not applicable]

3. **Specified Currency:**

   [●]

4. **Aggregate Nominal Amount:**

   (a) **Series:**

   [●]

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1 If the Notes are listed for trading on a Regulated Market other than Euronext Paris.
5. **Issue price:**
   \[\bullet\] \% of the Aggregate Nominal Amount plus accrued interest from \[insert date\] (in the case of fungible issues or first broken coupon, if applicable)

6. **Specified Denomination(s):**
   \[\bullet\] (a single Denomination for the Dematerialised Notes) \(€100,000\) minimum or the equivalent in another currency on the Issue Date for the Notes listed for trading on a Regulated Market of the European Union under circumstances that require publication of a prospectus pursuant to the Prospectus Directive)

7. (a) **Issue Date:** \[\bullet\]
(b) **Interest Period Start Date:** \[\bullet\] [Specify / Issue Date / Note Applicable]

8. **Maturity Date:**
   [specify the date or (for Floating Rate Notes) the Coupon Payment Date of the month and year in question, or the nearest date to the Coupon Payment Date in the relevant month and year]

9. **Interest Basis:**
   [Fixed Rate of \[\bullet\] \%] [EURIBOR/EONIA] +/-[\bullet] \% of the Floating Rate] [Zero Coupon Note] [Fixed Rate or Floating Rate Note] (other details specified below)

10. **Redemption/Payment basis:**
   [Subject to any repurchase and cancellation or early redemption, the Notes shall be redeemed on the Maturity Date at \[100\]/[\bullet] \% of their nominal amount.]
   [Instalment Payment]

11. **Change of Interest Basis:**
   [Applicable (for the Notes bearing interest at a Fixed Rate/Floating Rate)/Not applicable]

   (If applicable, specify the details for conversion of the Fixed Rate/Floating Rate interest in accordance with Condition 4.4.)

12. **Redemption at the option of the Issuer/Noteholders:**
   [Redemption at the option of the Issuer]/[Redemption at the option of the Noteholders]/[Not applicable] [other details specified below]

13. (a) **Status of the Notes:**
    Senior
(b) **Date of authorisation of the issue of the Notes:** 
   \[\bullet\]
14. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Note provisions: [Applicable/Not applicable]

   (If this paragraph is not applicable, delete the other sub-paragraphs)

   (a) Interest Rate: [●]% per annum [payable [annually/semi-annually/quarterly/monthly] at maturity]

   (b) Coupon Payment Date(s): [●] in each year [adjusted in accordance with specified Business Day Convention and any relevant Business Centre(s) for the “Business Day” definition]/not adjusted

   (c) Fixed Coupon Amount(s): [●] per [●] of Specified Denomination

   (d) Broken Coupon Amount(s): [Include information relating to the initial or final Broken Coupon Amount which are different from the Fixed Coupon Amount(s) and the Coupon Payment Date(s) to which they refer]/[Not applicable]

   (e) Day Count Fraction (Condition 4.1): [Actual/365 / Actual/365-FBF / Actual/Actual-ICMA/FBF / Actual/365 (Fixed) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30/360 FBF / Actual 30A/360 (American Bond Basis) / 30E/360 / Euro Bond Basis / 30E/360 FBF.]

   (f) Determination Date(s) (Condition 4.1): [●] for each year (specify the regular Coupon payment dates, excluding the Issue Date and the Maturity Date in the case of a first or last long or short Coupon)/[Not applicable]

   N.B.: applicable only when the Day Count Fraction is Actual/Actual (ICMA) Basis.

16. Provisions relating to Floating Rate Notes [Applicable/Not applicable]

   (If this paragraph is not applicable, delete the remaining sub-paragraphs)

   (a) Interest Period(s)/ Accrued Interest Period Date: [●]

   (b) Interest Payment Date(s): [●]

   (c) First Coupon Payment Date: [●]
(d) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]/[not adjusted]

(e) Business Centre(s) (Condition 4.1): [●]

(f) Method to determine Interest Rate: [Screen Page Rate Determination/FFB Determination]

(g) Party responsible for calculating the Interest Rate or Rates Coupon Amount or Amounts (if other than the Calculation Agent): [●]/[Not applicable]

(h) Screen Page Rate Determination (Condition 4.3(c)(b)):
[Applicable/Not applicable]

(If this sub-paragraph is not applicable, delete the other sub-paragraphs)

• Reference Rate: [●]
• Screen Page: [●]
• Reference Time: [●]
• Coupon Determination Date: [●] [TARGET] Business Days in [specify city] for [specify the currency] before [the first day of each Interest Period/each Coupon Payment Date]]
• Primary source for the Floating Rate: [Specify the relevant Screen Page or “Reference Banks”]
• Reference Banks (if the primary source is “Reference Banks”): [Indicate four entities/Not applicable]
• Relevant Financial Centre: [The financial centre most closely connected with the Benchmark—specify, if other than Paris]
• Benchmark: [EONIA/EURIBOR]

(if the Interest Rate is determined by linear interpolation for a [first/last] [long/short] Interest Period, insert the relevant interest period(s) and the two relevant rates used for said determination)
• Representative Amount: [Specify if quotations published on a Screen Page or offered by Reference Banks must be given for a transaction of a specific amount]
• Effective Date: [Specify if quotations are not to be obtained with effect at start of the Interest Period]

• Specified Duration: [Specify the period for quotation if other than the duration of Interest Period]

(i) FBF determination (Condition 4.3(c)(i)): [Applicable/Not applicable]

(If this sub-paragraph is not applicable, delete the other sub-paragraphs)

• Floating Rate: [●]

(if the Interest Rate is determined by linear interpolation for a [first/last] [long/short] Interest Period, insert the relevant interest period(s) and the two relevant rates used for said determination)

• Determination Date of Floating Rate: [●]

• FBF Definitions: [●]

(j) Margin(s): [[+/-] [●] % per annum/Not applicable]

(k) Minimum Interest Rate: [[0] / [●]% per annum\(^2\)]

(l) Maximum Interest Rate: [[+/-] [●] % per annum/Not applicable]

(m) Day Count Fraction (Condition 4.1): [Actual/365 / Actual/365-FBF / Actual/Actual-ICMA/FBF / Actual/365 (Fixed) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30/360 FBF / Actual 30A/360 (American Bond Basis) / 30E/360 / Euro Bond Basis / 30E/360 FBF.]

(n) Rate Multiplier: [●]

17. Provisions relating to Zero Coupon Notes: [Applicable/Not applicable]

(If this paragraph is not applicable, delete the remaining sub-paragraphs)

(a) Yield: [●]% per annum

(b) Day Count Fraction: [Actual/365 / Actual/365-FBF / Actual/Actual-ICMA/FBF / Actual/365 (Fixed) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30/360 FBF / Actual 30A/360 (American Bond Basis) / 30E/360 / Euro Bond Basis / 30E/360 FBF.]

PROVISIONS RELATING TO REDEMPTION

\(^2\) Interest payable for Notes will be at least equal to zero in all circumstances.
18. **Redemption option at Issuer’s call:**

   (a) Optional Redemption Date(s): [●]

   (b) Optional Redemption Amount(s) for each Note: [●] per Note [of Specified Denomination [●]]

   (c) If redeemable in part:

      (i) Minimum redemption amount: [●]

      (ii) Maximum redemption amount: [●]

   (d) Notice period: [●]

19. **Redemption option at Noteholders’ put:**

   (a) Optional Redemption Date(s): [●]

   (b) Optional Redemption Amount(s) for each Note: [●] per Note [of Specified Denomination [●]]

   (c) Notice period (Condition 5.4): [●]

20. **Final Redemption Amount for each Note:**

   [●] per Note [of Specified Denomination [●]]

21. **Instalment Amount:**

   (a) Instalment Date(s): [●]

   (b) Instalment Amount(s) of each Note: [●]

22. **Early Redemption Amount:**
(a) Early Redemption Amount(s) for each Note paid on redemption for tax reasons (Condition 5.6), for reasons of illegality (Condition 5.9) or for Accelerated Redemption (Condition Erreur ! Source du renvoi introuvable.): [Pursuant to the Terms and Conditions] per Note [of Specified Denomination ](for notes with Instalment payments) the unamortised face value

(b) Redemption for tax reasons on dates other than Coupon Payment Dates (Condition 5.6): [Yes/No]

(c) Coupons not due to be cancelled at early redemption (Materialised Notes only (Condition 6.2(b))): [Yes/No/Not Applicable]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23. **Form of the Notes:** [Dematerialised Notes/Materialised Notes]

   (a) Form of Dematerialised Notes: [Dematerialised in bearer form/Dematerialised in registered form/Not applicable]

   (b) Registration Agent: [Not Applicable/ [ ] (if applicable name and information] (Note that a Registration Agent may be appointed for Dematerialised Notes in pure registered form (au nominatif pur) only).

   (c) Temporary Global Certificate: [Not Applicable/Temporary Global Certificate exchangeable for Physical Notes on [ ] (the Exchange Date), which is forty calendar days after the issue date, unless postponed, as specified in the Temporary Global Certificate.]

24. **Financial Centre(s) (Condition 6.7):** [Not applicable/Specify] (Note that this point stipulates the date and place of payment and not the Due Dates of the Coupon described in paragraphs 15(b) “Coupon payment date(s)” and 16(b) “Coupon payment date(s)”)

25. **Talons for future Coupons or Receipts to be attached to Physical Notes:** [Yes/No/Not applicable] (If yes, specify) (Applicable only to Materialised Notes)

26. **Redenominations, changes in denomination and convention:** [Not Applicable/Application of the provisions [of Article 1.4 of the Terms and Conditions of the Notes]]

27. **Provisions relating to consolidation:** [Not Applicable/The provisions of Article 1.5 of the Terms and Conditions of the Notes apply]
28. **Masse (Condition 10):**

(Specify the details on the incumbent and alternate Representatives and their compensation indicated below)

Name and contact details of the incumbent Representative are: [●]

The name and contact details of the alternate Representative of the Masse are: [●]

The Representative of the Masse will receive compensation of €[●] per year for his duties/ will not receive compensation for his duties.]

[For as long as the Notes are held by a single Noteholder, and unless a Representative has been designated for this Series, the Noteholder in question shall exercise all powers attributed to the Masse by the provisions of the French *Code de commerce*. The Issuer must keep a register of all decisions adopted by the single Noteholder in his capacity and must make it available, on request, to any future Noteholder. A representative shall be appointed as soon as the Notes of a Series are held by more than one Noteholder.]

**PURPOSE OF THE FINAL TERMS**

The Final Terms contain the final conditions required for the issue [and] [the listing for trading] of the Notes [on Euronext Paris / other (specify)] described in the framework of the debt securities issue programme (*Euro Medium Term Note Programme*) of €5,000,000,000 of the *Syndicat des Transports d’Île-de-France*. 
RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [[Third party information] has been extracted from [specify source]]. 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 [specify source], no facts have been omitted that would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By: ..........................................

   Duly authorised

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3 To be included if information is provided by a third party.
PART 2
OTHER INFORMATION

1. ADMISSION TO TRADING

(a) Admission to trading: [A request for admission of the Notes to trading on [Euronext Paris/other (to be specified)] as from [●] has been made.]

[A request for listing the Notes for trading on [Euronext Paris/other (specify)] as from [●] shall be made by the Issuer (or on its behalf).]

[Not applicable]

(in the case of fungible issues, specify that the original Notes have already been admitted to trading.)

(b) Total estimated costs for admission to trading: [[●]/[(including AMF fees)]/Not applicable]

2. RATINGS

Ratings: The Issuer received a long-term rating of Aa2, outlook positive, from Moody’s Investors Service EMEA Limited France Branch(●)).

Moody’s Investors Service EMEA Limited France Branch is established in the European Union and is registered in accordance with Regulation (EC) No. 1060/2009 relating to credit rating agencies as amended (the ANC Regulation).

Moody’s Investors Service EMEA Limited France Branch is listed on the list of credit ratings agencies published by the European Financial Markets Authority on its website (https://www.esma.europa.eu/supervision/credit-rating-agencies/risk) pursuant to the ANC Regulation.

The Notes to be issued [have not been rated]/[have received the following rating: [[●]/[(including AMF fees)]/Not applicable]]

(The rating assigned to the Notes issued under the Programme must be specified above or, if an issue of Notes has received a specific rating, this specific rating must be indicated above.)

3. [NOTIFICATION]

[The Autorité des marchés financiers has been requested to provide/The Autorité des marchés financiers has provided (insert the first alternative in the case of Notes issued contemporaneously with the updating of the Programme and the second alternative for subsequent issues)] in (insert the
name of the relevant authority in the host Member State) [one or more] certificate[s] of approval certifying that the base prospectus and the supplement[s] [has][have] been prepared in accordance with the Prospectus Directive.]

4. [INTERESTS OF NATURAL AND LEGAL PERSONS PARTICIPATING IN THE ISSUE

The purpose of this section is to describe any interest, including any conflict of interest that may have a material impact on the issue of the Notes, identifying each person concerned and the nature of such an interest. This may be satisfied by inserting the following statement:

[“Except for commissions related to the issue of Notes [and for the costs associated with [insert the relevant costs]] paid to the Dealer or Dealers, to the Issuer’s knowledge, no other person involved in the issue has any material interest, including a conflict of interest, that could significantly influence the issuance of the Notes. The Dealer(s) and (its) their affiliates have conducted, and may in the future conduct, transactions related to their investment banking and/or commercial banking activities with the Issuer and may perform other services for the Issuer in the ordinary course of business.”]

5. REASONS FOR THE OFFER:

[Reasons for the Offer: [●]

(Refer to the Chapter “Utilisation of the funds” in the Base Prospectus - If applicable, detail the reasons for the offering here)]

6. [Fixed Rate Notes only - YIELD

Yield: [●]

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

7. [Floating Rate Notes only – HISTORICAL INTEREST RATES

Details of historical rates [EURIBOR, EONIA] may be obtained from [Reuters].]

[Benchmark: The amounts payable for the Notes will be calculated by reference to the [EURIBOR/EONIA] which is provided by [●]. On the date of [●], [●] [is / is not] registered in the register of administrators and benchmark indices established and kept by the European Financial Markets Authority pursuant to Article 36 of Regulation (EU) 2016/1011 (the Regulation on Benchmarks).] [To the Issuer’s knowledge, the temporary provisions of Article 51 of the Regulation on Benchmark Indices apply, so that [●] is not presently required to obtain authorisation or registration (or, if it is located outside the European Union, recognition, endorsement or equivalency).]

8. DISTRIBUTION

If it is syndicated, names of the Placement Syndicate Members: [Not applicable/provide the names]

(If this paragraph is not applicable, delete the remaining sub-paragraphs)
(a) Entity responsible for Regularisation Transactions (if any): [Not applicable/provide the names]

(b) Date of the underwriting agreement: [●]

If it is not syndicated, name of the Dealer: [Note applicable/provide the name]

Sale restrictions – United States of America [Regulation S Compliance Category 1: TEFRA C Rules / TEFRA D Rules / Not applicable] (The TEFRA Rules are not applicable to the Dematerialised Notes)

9 OPERATIONAL INFORMATION

(a) ISIN Code: [●]

(b) Common code: [●]

(c) Depositary(ies):

(i) Euroclear France acting as Central Depositary: [Yes/No]

(ii) Common Depositary for Euroclear and Clearstream: [Yes/No]

(d) Any clearing system other than Euroclear France, Euroclear and Clearstream and the relevant identification number(s): [Not Applicable/provide name(s) and number(s)]

(e) Delivery: Delivery [for payment/no payment]

(f) Name(s) and address(es) of the Calculated Agent designated for the Notes (if applicable):

Banque Internationale à Luxembourg

(g) Names and addresses of initial Paying Agents appointed for the Notes:

Banque Internationale à Luxembourg

(h) Names and addresses of additional Paying Agents appointed for the Notes: [[●]/[Not applicable]]
GENERAL INFORMATION

1. The issuer has obtained all agreements, approvals and authorisations required in France for the establishment of the Programme. The Issuer’s Board of Directors, in its resolution No. 2018/275 of 11 July 2018, authorised its Managing Director to set up the EMTN programme, subject to compliance with certain conditions, and to execute the instruments, contracts and amendments necessary for this purpose.

2. There has been no significant change in (a) the tax and budgetary systems, (2) the gross public debt, (c) the trade balance and the balance of payments, (d) foreign exchange reserves, (e) position and financial resources, nor (f) in the Issuer’s income and expenses since 31 December 2017.

3. No material deterioration has affected the Issuer’s outlook since 31 December 2017.

4. The Base Prospectus, any supplement thereto and, as long as Notes are listed for trading on a Regulated Market in accordance with the Prospectus Directive, the applicable Final Terms shall be published on the websites of (a) the AMF (www.amf-france.org) and (b) the Issuer (https://www.iledefrance-mobilites.fr/le-financement-des-transports-publics/) and (c) shall be available for inspection and obtaining copies, free of charge, during normal office hours, on any day (excluding Saturdays, Sundays and public holidays) at the offices of the Fiscal Agent or the Paying Agent or Agents.

5. In the twelve (12) months prior to the date of this Base Prospectus, the Issuer has not been involved in any governmental, legal or arbitration proceedings and is not aware of any such pending proceeding or threat of such a proceeding that could have or has recently had material effects on its financial positions or profitability.

6. To the Issuer’s knowledge, there are no potential conflicts of interest between the duties of Board members to the Issuer and their private interests and/or other duties.

7. An application for acceptance of the Notes for clearing through Euroclear France (66, rue de la Victoire 75009 Paris, France), Euroclear (boulevard du Roi Albert II – 1210 Bruxelles – Belgium) and Clearstream (42 avenue JF Kennedy – 1885 Luxembourg – Grand-Duché de Luxembourg) may be filed. The Common Code and ISIN number (International Securities Identification Number) or the identification number of any other relevant clearing system for each Series of Notes shall be specified in the applicable Final Terms.

8. As long as Notes issued under this Base Prospectus remain outstanding, copies of the following documents shall be available, upon publication, at no cost, during normal office hours, any day of the week (except Saturdays, Sundays and public holidays) at the designated offices of the Fiscal Agent and the Paying Agent or Agents:

   (a) the two (2) most recent initial budgets (as amended, if applicable, by any supplemental budget) and the published financial statements of the Issuer;

   (b) the Fiscal Agency Agreement (which includes the model accounting letter, the Temporary Global Certificates, Physical Notes, Coupons, Receipts and Talons);

   (c) all Final Terms relating to any Notes admitted to trading on Euronext Paris or any other regulated market of the EEA;

   (d) a copy of this Base Prospectus and any supplement to this Base Prospectus; and

138
(e) the documents incorporated by reference into this Base Prospectus; and

(f) all reports, correspondence and other documents, appraisals and statements issued by any expert at the request of the Issuer, any extracts of which, or references to which, are contained in this Base Prospectus relating to any issue of Notes.

9. The price and the amount of the Notes issued under this Programme shall be determined by the Issuer and each of the Dealers concerned at the time of the issue on the basis of market conditions.

10. For any Tranche of Fixed Rate Notes, an indication of the yield on said Notes shall be specified in the applicable Final Terms. The Yield is calculated at the Issue Date of the Notes on the basis of the Issue Price. The specified yield shall be calculated as the yield to maturity on the Issue Date of the Notes and shall not be an indication of future returns.

11. Each of the Dealers and their affiliates may, now or in the future, in the normal conduct of their activities, be in a business relationship or act as a financial advisor to the Issuer in relation to the securities issued by the Issuer. In the normal course of their activities, each of the Dealers and their affiliates may, now or in the future, (i) conduct investment, trading or hedge transactions, including brokerage activities or transactions on derivative products, (ii) act as firm underwriters of financial securities offered by the Issuer, or (iii) act as the Issuer’s financial advisors. In the context of such transactions, each of the Dealers and their affiliates may or will hold financial securities issued by the Issuer, in which case each of the Dealers and their affiliates will receive normal commissions for such transactions. Moreover, the Issuer and each of the Dealers may be involved in transactions relating to an index or derivative products based on or related to the Notes, which could affect the market price, liquidity or value of the Notes, and could have an adverse impact on the interests of Noteholders.

12. In connection with each Tranche, one of the Dealers may act as stabilisation manager (the Stabilisation Manager). The entity acting as Stabilisation Manager shall be specified in the applicable Final Terms. For the purposes of any issue, the Stabilisation Manager (or any person acting on behalf of the Stabilisation Manager) may execute over-allotments of Notes or transactions in order to support the price of the Notes at a level higher than the level they might otherwise reach in the absence of such operations (the Stabilisation Measures). However, such Stabilisation Measures shall not necessarily be taken. Such Stabilisation Measures may commence only after the date on which the final terms of the issue of the relevant Tranche have been made public and, once initiated, they may end at any time and must end no later than the earlier of the following two dates: (a) thirty (30) calendar days after the issue date of the relevant Tranche and (b) sixty (60) calendar days after the date of allotment of the Notes of the Tranche in question. Any Stabilisation Measures taken must comply with all applicable laws and regulations.

13. The amounts due for the Notes can be calculated, primarily by reference to one or more “benchmarks” for the requirements of Regulation (EU) 2016/1011 of the European Parliament and Council of 8 June 2016 (the Regulation on Benchmarks). In this case, a declaration will be inserted in the applicable Final Terms, indicating whether the administrator of the “benchmark” is registered in the register of ESMA administrators pursuant to Article 36 of the Regulation on Benchmarks or whether, to the Issuer’s knowledge, the temporary provisions of Article 51 of the Regulation on Benchmarks shall apply.

14. In this Base Prospectus, unless otherwise provided or required by the context, any reference to “€”, “Euro”, “EUR” and “euro” refers to the legal tender in the Member States of the European Union (the Member States) that have adopted the single currency introduced at the beginning of the third phase of the European economic and monetary union in accordance with the Treaty on the Functioning of the European Union, as amended; any reference to “£”, “pound sterling” and “Sterling” refers to the legal tender in the United Kingdom; any reference to “$”, “USD”, “U.S.
“dollar” and “American dollar” refers to the legal tender of the United States of America, any reference to “¥”, “JPY” and “yen” refers to the legal tender of Japan and any reference to “CHF” and “Swiss francs” refers to the legal tender of Switzerland.
RESPONSIBILITY FOR THE BASE PROSPECTUS

Person assuming responsibility for this Base Prospectus

In the name of the Issuer

I hereby confirm, having taken all reasonable care to this end, that the information contained in this Base Prospectus is, to my knowledge, in accordance with the facts and contains no omission likely to affect its import.

Paris, 6 December 2018

Syndicat des Transports d'Ile-de-France
39bis-41, rue de Châteaudun
75009 Paris,
France

Represented by: Laurent Probst
Managing Director of the Syndicat des Transports d’Ile-de-France

In accordance with Articles L. 412-1 and L. 621-8 of the French Code monétaire et financier and its general regulations, in particular Articles 212-31 to 212-33, the AMF has granted to this Base Prospectus visa No. 18-549 on 6 December 2018. This prospectus was prepared by the Issuer and the signatories assume responsibility for it.

Pursuant to Article L. 621-8-1-I of the French Code monétaire et financier, the visa was granted after the AMF verified that the document is complete and comprehensible, and that the information it contains is coherent. It implies neither approval of the timeliness of the operation nor authentication of the accounting and financial data presented herein.

In accordance with Article 212-32 of the Règlement Général of the AMF, the final terms of any issue or admission to trading of Notes on the basis of this prospectus must be published.
Issuer

Syndicat des Transports d’Ile-de-France
39bis-41, rue de Châteaudun
75009 Paris,
France

Arranger and Dealer

HSBC France
103, avenue des Champs Elysées
75008 Paris
France

Dealers

Crédit Agricole Corporate and Investment Bank
12, place des États-Unis
CS 70052
92547 Montrouge Cedex
France

Natixis
30, avenue Pierre Mendès-France
75013 Paris
France

Société Générale
29, boulevard Haussmann
75009 Paris
France

Fiscal Agent, Principal Paying Agent and Calculation Agent

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