RATP GROUP

FINANCIAL & CSR REPORT

2014

ATTESTATION OF THE PERSONS RESPONSIBLE FOR THE ANNUAL REPORT

We, the undersigned, hereby attest that to the best of our knowledge the financial statements have been prepared in accordance with generally accepted accounting principles and give a true and fair view of the assets, liabilities, financial position and results of operations of the company and of all consolidated companies, and that the management report attached hereto presents a true and fair picture of the financial situation of the company and of all consolidated companies as well as a description of the main risks and contingencies facing them.

Chairman and Chief Executive Officer
Pierre Mongin

Chief Financial Officer
Alain Le Duc

SUMMARY

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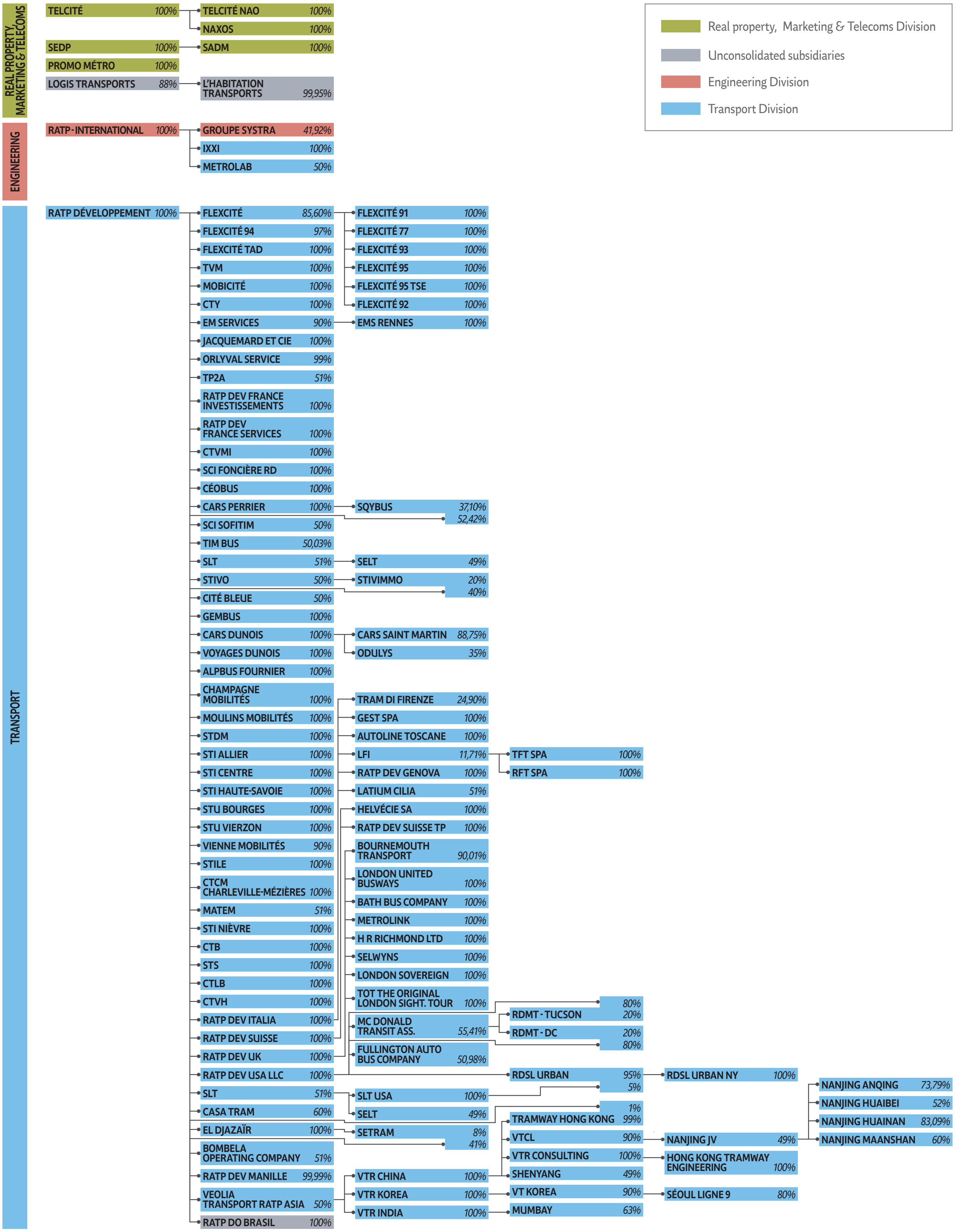
Board of Directors

RATP GROUP ORGANISATION CHART – 31 DECEMBER 2014



RATP group ("the Group") is a major public transport provider in France, operating in towns and suburbs and particularly in the Île-de-France area. The parent company, la Régie autonome des transports parisiens (RATP) is an Industrial and Commercial Public Establishment [Établissement public à caractère industriel et commercial (Epic)] created by the law dated March 21, 1948, equipped with a legal personality, to which the law has granted the status of legal entity governed by law and which is registered in the trade and companies register of Paris. Its registered office is located at 54 quai de la Râpée, 75012 Paris. The aim of RATP is primarily to run public transport service in Île-de-France and its purpose, fixed by law no. 2009-1503 dated December 8, 2009 (ORTF law on the organization and regulation of rail transport), is to manage the network infrastructure assigned to the urban public transportation of passengers.

Financial results

1 • Principal developments in 2014

1.1 Transport

RATP

In 2014, RATP's results improved, in line with the targets of the agreement with the Île-de-France transport authority [Syndicat des transports en Île-de-France (Stif)], despite the difficult economic environment.

RATP's traffic figures were up 3.0% at 3,228 million journeys mainly due to the tramway extension and the subsequent restructuring of the bus lines. However, paid journeys stayed flat, with an increase, below the 1.2% increase provided for in the agreement.

Revenue reported by the RATP parent company increased by €85 million (1.9%), of which €47 million were generated by new services. The index used to revise the Île-de-France transport authority contributions decreased from 1.1% in 2013 to 0.7% in 2014. RATP's EBITDA amounted to €1,203 million, up €59 million or 5.1%. Using the constant method (since January 1, 2014, a part of the design and monitoring costs [FES], previously recognized under the operating account, is now recognized in the balance sheet; this change increased the EBITDA by €33 million, the self-financing capacity [CAF], the income as well as the investment costs, but did not impact the net debt), the EBITDA was up by €26 million mainly as a result of the productivity gains achieved.

This resulted in cash flows from operations of €956 million, up €95 million or 11.1% compared with 2013.

Net income for 2014 (€311 million) was positively impacted by penalties on suppliers of €26 million. Comparatively, 2013 net income amounted to €284 million, of which €(-)12 million in non-recurring items. RATP recorded an increase in the weight of depreciation linked to significant investments made over the last few years.

RATP prepares separate financial statements for infrastructure management and transport operations, in accordance with the provisions of the French law of June 3, 2010. EBITDA, net income and debt were in line with the company's financial targets:
- the infrastructure management generated net income of €79 million and cash flows from operations of €319 million;
- the transport operations generated net income of €232 million and cash flows from operations of €637 million;
- net debt amounted to €2,766 million and €2,231 million for infrastructure management and transport operations, respectively, with total debt of €4,997 million for RATP.

Other developments in France
- Business activity was buoyant in 2014:
  - the full year operations of RATP's information system Billettique by the subsidiary Ixxi (business transferred from the parent company to its subsidiary Ixxi);
  - the increase in the urban network of Cluses in the Haute Savoie region from January 1, 2014;
  - the launch of Urbain de Sedan and the regular Sedan-Charleville services in the third quarter of 2014;
  - a strong organic growth in Île-de-France and the Rhône-Alpes and Switzerland regions.
- The public service delegation contract for the transport of persons with reduced mobility for Seine and Marne was also renewed;
- Finally, at the end of the year, the Group won the bids for operating the Transvilles de Valenciennes network as well as the Aix Les Bains bus network. On the Valenciennes network, RATP Dev continues as operator of the network until the end of the reconsultation.

Other developments outside France
- Business outside France performed even better. The full year effects of the acquisitions made in 2013 in Lazio or Manchester can thus be noted.

Among the new positions for the year, the following may be noted:
– in England, the acquisition of London Sovereign in April, which operates 13 lines and 2 depots, to reinforce its market share in the British capital now with more than 1,000 buses operating;
– in the United States, New York's Open Loop tourist circuit was launched on May 14;
– in England, the acquisition of the major player The Original London Sightseeing Tour locked the group's position in the market.

- In India, the start of line 1 of Mumbai metro in June (12km and 12 stations) as part of the JV with Transdev;
- In the Middle East, RATP Dev and its local partner SAPTCO won the bid for creating, operating and maintaining the future bus network of Riyadh in Saudi Arabia for 10 years. RATP Dev will own a 20% share of this contract worth €1.7 billion and will commence in 2015;
- In Africa (Morocco, South Africa), the Group faced difficulties in implementing the contractual operating conditions. There was a decline in the financial performances of the contracts and discussions with partners and clients are currently underway in order to fix new bases;
- In the Philippines, RATP Dev signed a technical support contract in Manila to support the operation and maintenance of line 1 of the Metro Philippine from 2015 for a period of 30 years;
- In the first six months of the year, the group also optimized its business portfolio with the disposal of non-strategic assets (disposal of the Italian holdings SETA and Dolomiti operating the networks around Modena and Belluno respectively) and the reorganization of the Asian partnership with Transdev (after the exit of Macau in 2013, rationalization of resources finalised at the beginning of 2014 and the takeover of the Hong Kong tramways by RATP Dev).

1.2 Engineering

Systra Group reported an increase in business of more than 18%.

In 2014, the order book grew by more than €632 million in new orders. It exceeded the threshold of one billion in revenues. The following new contracts were significant in 2014: a strategic contract for project management and supervising the execution of phase 1 of the Doha metro, the Jeddah metro design development contract, the Hanoi metro endorsement, the Sydney automatic metro line certification contract or the management assistance for the Grand Paris line 15 system.

The sharp increase in and good performance of the contracts concluded the financial year with a 53% increase in the consolidated net income (of the Systra range).

Systra is recognized in the consolidated financial statements of the RATP group as an Associate.

1.3 Real Property, Marketing & Telecoms

Since January 1, 2014, the new agent contract between RATP and its subsidiary Promométro transferred the monthly payment of all the collections to RATP, which remunerates the Promométro by way of commission. Promométro no longer contributes to the Group's revenue as such, since the revenue is transferred to RATP.

The 4 French operators are included in RATP's 3G/4G coverage project with the signing of Free, which took place in December.

2 • Consolidated results as at December 31, 2014

The comparative analysis of the year 2014 will be done with a 2013 restated under IFRS 11 (mainly the doing away of the method of consolidating companies consolidated proportionally in favour of the equity method). The proforma presented also takes into account the option, taken by the RATP group, of presenting the results of associates at the level of operating income (Ebit).

The consolidated results are reflected in the following financial indicators:

- group revenue, which was up 3.4% from year-end 2013 (proforma). (13.5% for subsidiaries and 1.5% for RATP);
- operating income (EBIT) totalling €516.2 million, down almost €10 million from year-end 2013. The change was entirely generated by RATP;
- net income attributable to owners of the company, which amounted to €298.2 million, was up €5.4 million from year-end 2013;
- equity, up almost €165.4 million compared with year-end 2013;
- and net debt, which decreased by €163.5 million from year-end 2013.

Group capital expenditure amounted to €1,655 million (excluding acquisitions), up compared with 2013. Almost a third of the capital expenditure concerned increases in transport capacity. Expenditure on modernization and maintenance of infrastructure and rolling stock accounted for some 67% of capital expenditure in 2014. Modernization and maintenance of infrastructure were focused on RER and metro infrastructure, adaptation of railway workshops, work on bus centre and administrative buildings, the metro modernization program and traveller information. Capital expenditure on rolling stock intended to increase capacity focused on the tramway and the MP05 train (rolling stock on line 14 tyres) and the reinforcement of lines 2, 5 and 9 in MF01 (railway rolling stock). Modernization and maintenance of transport equipment accounted for 75% of capital expenditure on rolling stock, and concerned the MI09 train (line A), MF01 (lines 5 and 9), MP05 (line 1), the renovation of trains MI79 (line B) and the renovation of MF77, and the acquisition of new buses for various RATP group bus networks.

Finally, the following data on RATP's contribution include the research and development costs incurred by Metrolab* in connection with the "metro of the future".

*Métrolab is presented with Epic RATP

2.1 Consolidated revenue

In millions of euros	12/31/13 (A)	12/31/13 incl. Ifrs 11 (A')	12/31/14 (B)	Change (B-A)	in %	Change (B-A')	in %
TRANSPORTATION	5,093.3	5,033.3	5,209.1	115.8	2.3%	175.8	3.5%
RATP (a)	4,256.4	4,256.5	4,321.5	65.1	1.5%	65.0	1.5%
RATP Development, RATPI and Ixxi	836.9	776.8	887.6	50.7	6.1%	110.8	14.3%
VALUATION OF REAL PROPERTY, MARKETING & TELECOMS	49.4	49.4	47.5	(1.9)	(3.9%)	(1.9)	(3.9%)
• RATP (a): management mandate Promo	na	22.6	21.0	21.0	100.0%	(1.6)	(7.2%)
• Promo Métro	22.9	0.3	0.2	(22.8)	(99.3%)	(0.1)	(42.4%)
• Telecommunications	25.4	25.4	25.5	0.0	0.1%	0.0	0.1%
• Real Property	1.1	1.1	0.8	(0.2)	(19.4%)	(0.2)	(19.4%)
Group RATP (b)	5,142.7	5,082.7	5,256.6	113.9	2.2%	173.9	3.4%
Contribution of Subsidiaries (b-a)	886.3	803.6	914.1	48.8	5.5%	108.8	13.5%
Contribution of Subsidiaries in %	17.2%	15.8%	17.4%				

Group revenue increased €173.9 million (3.4%), of which €65 million for RATP and €108.8 million for the subsidiaries.

The improvement in RATP's business in 2014 was driven increase in the contribution from the Île-de-France transport authority and the reinforcement of the offer.

The subsidiaries' contribution increased €108.8 million, which is over 13.5%. Their relative share of revenue was up from 15.8% at year-end 2013 to 17.4% at year-end 2014.

The strong performance was rooted mainly in the full-year effect of activities set up in 2013. Noteworthy among the most significant, are the interurban activity and transport at the request of Selwyns to the North-West of the UK, the urban, tourist and school lines of Cilia (51%) in Lazio or the operation of the Oran and Constantine tramways in Algeria. In France, the impact of the acquisitions made to reinforce positions in Nièvre, Cher and Allier is particularly notable.

Growth in subsidiaries' revenue arose more particularly from new growth operations carried out in 2014: the takeover of the operating subsidiary Hong Kong Tramway, the launch of tourist activities in New-York, the acquisition of businesses of London Sovereign to reinforce positions on the London market and the year-end acquisition of The Original Tour, historical players in the London tourist circuits.

No significant changes were recorded in the valuation.

2.2 Operating income (Ebit)

In millions of euros	12/31/13 (A)	12/31/13 incl. Ifrs 11 (A')	12/31/14 (B)	Change (B-A)	Change (B-A')
TRANSPORTATION	508.8	512.9	500.6	(8.2)	(12.3)
RATP (a)	489.2	489.2	478.4	(10.8)	(10.8)
RATP Development, RATPI and Ixxi	19.6	23.7	22.3	2.7	(1.5)
ENGINEERING (Systra Group)	0.0	3.0	5.5	5.5	2.5
VALUATION OF REAL PROPERTY, MARKETING & TELECOMS	10.3	10.3	10.1	(0.2)	(0.2)
• Promo Métro	1.4	1.4	1.7	0.2	0.2
• Telecommunications	8.0	8.0	8.1	0.1	0.1
• Real Property	0.8	0.8	0.4	(0.5)	(0.5)
Group RATP (b)	519.1	526.2	516.2	(2.8)	(10.0)
Contribution of Subsidiaries (b-a)	29.9	37.0	37.9	8.0	0.8

Of which profit from equity-accounted entities over 12/31/2013 incl. Ifrs11 and 12/31/2014.

Operating income was down by €10 million. The contribution to this change came mainly from RATP in the amount of €(-)10.8 million and from the subsidiaries in the amount of €0.8 million.

RATP generated a productivity of 1.6% in 2014. RATP's operating income was positively impacted by the change in the methods of incorporating fixed internal costs (FES) and also by non-recurring factors in the amount of €26 million (supplier penalties). Finally, following the rationale of its recent, major investments in rolling stock and line extensions or creation of the tramway network, the operating income was impacted by a consequent increase in amortizations.

RATP Dev's development cycle was less favourable in 2014 (intensification of offers, year-end developments, fewer support contracts and launch of tourist activities in New York). However, Ratp Dev recorded an overall improvement in its portfolio of contracts and benefited from the disposal of the Italian assets. The contribution of Systra doubled.

The Real Property, Marketing and Telecom subsidiaries saw a slight decline compared to 2013.

2.3 Net income

In millions of euros	12/31/13 (A)	12/31/14 (B)	Change (B-A)
TRANSPORTATION	**282.8**	**285.6**	**2.8**
RATP (a)	269.8	276.4	6.6
RATP Development, RATPI and Ixxi	13.1	9.2	(3.8)
ENGINEERING (Systra Group)	**3.0**	**5.5**	**2.5**
VALUATION OF REAL PROPERTY, MARKETING & TELECOMS	**7.0**	**7.1**	**0.1**
• Promo Métro	1.1	1.2	0.1
• Telecommunications	5.4	5.6	0.2
• Real Property	0.5	0.2	(0.3)
Group RATP (b)	**292.8**	**298.2**	**5.4**
Contribution of Subsidiaries (b-a)	**23.1**	**21.8**	**(1.3)**

Net income attributable to owners of the company amounted to €298.2 million at December 31, 2014, up €5.4 million from €292.8 million at December 31, 2013.

RATP's contribution totalled €276.4 million as at December 31, 2014, up €6.6 million from €269.8 million as at December 31, 2013. RATP recorded a decline in its borrowing costs.

The subsidiaries' contribution stood at €21.8 million as at December 31, 2014, down €1.3 million. The improvement reflected a €(-)3.8 million increase for transport business, €2.5 million for engineering, and €0.1 million for real property, marketing & telecoms. The borrowings of the transport business weighed down the financial costs.

2.4 Consolidated equity

Changes in consolidated equity between December 31, 2013 and December 31, 2014 were as follows:

In millions of euros	12/31/13 (A)	12/31/13 incl. Ifrs 11 (A')	12/31/14 (B)	Change (B-A)	Change (B-A')
TRANSPORTATION	**2,903.6**	**2,903.6**	**3,064.2**	**160.5**	**160.5**
RATP (a)	2,887.7	2,887.7	3,041.9	154.1	154.1
RATP Development, RATPI and Ixxi	15.9	15.9	22.3	6.4	6.4
ENGINEERING (Systra Group)	**41.4**	**41.4**	**45.2**	**3.7**	**3.7**
VALUATION OF REAL PROPERTY, MARKETING & TELECOMS	**27.0**	**27.0**	**28.1**	**1.2**	**1.2**
• Promo Métro	2.0	2.0	1.2	(0.8)	(0.8)
• Telecommunications	22.5	22.5	24.6	2.1	2.1
• Real Property	2.5	2.5	2.3	(0.2)	(0.2)
Group RATP (b)	**2,972.0**	**2,972.0**	**3,137.5**	**165.4**	**165.4**
Contribution of Subsidiaries (b-a)	**84.3**	**84.3**	**95.6**	**11.3**	**11.3**

Consolidated equity increased €165 million from €2,972 million to €3,137 million. RATP accounted for €154.1 million of the increase and the subsidiaries accounted for €11.3 million.

The change in RATP's equity resulted particularly from the annual result (€276.4 million) and the impact of the decline in discount rate used for calculating long-term employee benefit obligations (€ (-)117 million).

For the subsidiaries, significant items included:
- €6.6 million increase for the transport division, relating to income for the financial year after the distribution of dividends;
- €3.7 million increase for engineering, relating to the income for the period after the distribution of dividends;
- €1.2 million increase for the Real Property, Marketing & Telecoms division, relating to the income for the period after the distribution of dividends.

2.5 Consolidated net debt

Changes in consolidated net debt between December 31, 2013 and December 31, 2014 were as follows:

In millions of euros	12/31/13 (A)	12/31/14 (B)	Change (B-A)
Net corporate debt	5,238.8	4,997.0	(241.8)
RATP leases and miscellaneous	(0.8)	2.1	2.9
Impact of IAS 39	(49.3)	(46.4)	2.9
Net debt Epic RATP (incl. lease)	**5,188.7**	**4,952.6**	**(236.1)**
Net debt of Transportation subsidiaries	24.9	95.2	70.3
Net debt - Transportation	5,213.6	5,047.8	(165.8)
Net debt - Engineering	0.0	0.0	0.0
Net debt - Valuation of Real Property, Marketing & Telecoms	(30.1)	(27.9)	2.2
Consolidated net debt - RATP group	**5,183.5**	**5,019.9**	**(163.5)**
Net debt of subsidiaries	**(5.2)**	**67.3**	**72.5**

Consolidated net debt decreased by €163.5 million between December 31, 2013 and December 31, 2014. RATP accounted for almost €(-)236.1 million of the decrease, which was reduced by €72.5 million due to the deleveraging of the subsidiaries.

RATP's debt decreased slightly considering the healthy self-financing capacity, proper execution of projects resulting in savings and favourable working capital requirements at year-end. The 2012-2015 agreement with the Île-de-France transport authority set out a four-year investment plan to match resources with uses. The upward trend in RATP's net debt should slow over the period, before reversing to the 2011 debt levels by 2015.

The Real Property, Marketing & Telecoms division posted a decline in net cash at -€27.9 million due to the effects of working capital requirements.

However, the Transport division increased net debt by €70.3 million year-on-year. RATP Dev's debt increased in 2014 due solely to the acquisitions made in the financial year.

2.6 Capital expenditure

The RATP group's capital expenditure amounted to €1,655 million (excluding acquisitions).

Aggregate capital expenditure of RATP Epic amounted to €1,580 million, comprising:
- €470 million to increase transport capacity (compared with €453 million in 2013);
- €1,110 million for modernization and maintenance (compared with €1,060 million in 2013).

To increase transport capacity, the Group invested €470 million. We highlight the following:
- €297 million for infrastructure relating to the State and regional contractual plan and projects. In financial year 2014, extension work to metro lines 4 and 12, the sharp increase in the extension work load of line 14 up to the Saint-Ouen townhall, tramways T8 and T6, (inaugurated during the year), the preliminary studies of line T3 to Porte d'Asnières as well as the finalization of the T1, T2, T3 to the East, T7 and T5 lines, which are already in service;
- €173 million in capital expenditure for rolling stock to increase transport capacity, tramway rolling stock, MP05 trains for line 14 and renovation of 12 MF01 for lines 2, 5 and 9.

Capital expenditure to modernize and maintain infrastructure and rolling stock (excluding rolling stock for operations to extend network services) amounted to €1,110 million, comprising:
- €584 million for modernization and maintenance;
- €526 million for rolling stock, primarily reflecting purchases of equipment and trains (MI09 for line A of the regional express service, MF01 for metro lines 5 and 9, and MP05 for metro line 1), and the refurbishment of rolling stock (MI79 for line B and MF77). New buses were also acquired.

3 • outlook

Business should remain buoyant. The Group will continue implementing plans to develop and improve productivity in order to boost economic performance, while actively undertaking its ambitious investment program. Financial year 2015 will be marked by the implementation of new acquisitions made in 2014 and Group expansion through tenders for increasingly complex contracts and profitability of new services or acquisitions.

4 • risk management

4.1 Company objectives and policy in terms of financial risk management

RATP uses all available financial instruments to optimize the cost of debt and hedge its exposure to changes in interest rates, exchange rates and commodity prices, while applying strict management rules and complying with hedge accounting criteria:

- RATP systematically hedges all exchange rate risk on its foreign currency debt or deposits using cross currency swaps;
- RATP regularly hedges its exposure to interest rate movements on future bond issues using swaps and swaption collars;
- RATP uses all interest rate instruments (swaps, caps, floors and swaptions) to optimize its financial expense, while complying with the micro-hedging rules set forth by French accounting principles:
  - all interest rate derivative instruments are matched to a specific underlying financial liability, with a shorter or equal maturity to the underlying;
  - RATP backs fixed-rate financial liabilities with interest rate swaps to receive a fixed rate and pay a floating rate indexed to euro yield curves.
- RATP may cover its exposure to commodity price movements by using financial instruments indexed exactly to the physical delivery terms agreed with suppliers.

RATP uses a commercial paper facility of €2 billion to manage cash and liquidity exposure. It invests surplus cash on a daily basis in funds that comply with IFRS 7 criteria for classification as cash equivalents.
Counterparty risk is limited through the systematic use of guarantee clauses in all framework agreements on financial instruments.

4.2 Company policy on risk control and internal control system

In section I, the Chairman's report outlines the principles of governance in place in RATP. The risk management and internal control systems are presented in section II of the report.

5 • other disclosures

5.1 Consolidated net income since 2010

Year	Net income, Group share
2010	186.2
2011	337.3
2012	284.8
2013	292.8
2014	298.2

5.2 Breakdown of trade payables by maturity date

In compliance with decree 2008-1492, information on the breakdown of outstanding trade payables by maturity date is provided below:

In euros	2013	2014
Invoices due	**39,866,095**	**10,788,654**
> 60 days	3,239,095	4,791,954
31 to 60 days	11,570,822	1,392,661
1 to 30 days	25,056,178	4,604,039
Invoices not yet due	**182,174,760**	**147,127,016**
0 to 30 days	130,795,899	128,669,106
31 to 60 days	42,601,404	11,630,856
> 60 days	8,777,456	6,827,054

workforce, environmental and social information

Foreword
In its second reporting year, the RATP group has revised its consolidation scope and has chosen to include the parent company and sixteen RATP Dev subsidiaries operating in France, Europe or elsewhere in the world that are representative of the Group's core business. Bearing in mind that in 2013, only eleven subsidiaries were included in the scope of consolidation, most of the changes simply stem from the addition of five further subsidiaries: two in the United States (Fullington Autobus Company and the Austin, Texas subsidiary), one in the United Kingdom (Yellow Buses in Bournemouth), one in Asia (Hong Kong Tramways) and one in Algeria (Setram).

We intend to extend the reporting scope gradually in the future.

WORKFORCE INFORMATION

Making workforce performance a strong driver of wealth creation is a key pillar of our *Vision 2020* strategic plan. Workforce performance goes hand-in-hand with financial performance. The two dimensions feed each other and form the foundations of our growth model.
In 2014, for the fourth straight year, the parent company obtained Top Employers Institute certification, which recognises French companies for excellence in human resources policies, programmes and practices.

1 • Employment

1.1 Total headcount and breakdown by gender, age and geographical area

Total Group headcount (parent + relevant subsidiaries)	12/31/13	12/31/14
Full time equivalents (FTE)	49,463	54,014
Physical headcount	50,007	54,790

The reporting system covers 93.69% of the Group in terms of revenue and 16 subsidiaries compared with 11 the previous year.

In 2014, the parent company hired 2,200 new employees, including 800 on government-subsidised youth employment schemes.

Breakdown by age (% of physical headcount)	12/31/13	12/31/14
Under 26	4.73%	4.41%
26-35	27.41%	27.85%
36-45	33.74%	32.54%
46-55	29.20%	28.98%
56+	4.92%	6.21%

Breakdown by geographical area (% of physical headcount)	12/31/13	12/31/14
France	90.97%	83.39%
Europe excluding France	6.48%	7%
Rest of world	2.56%	9.61%

Europe is based on a geographical definition and therefore includes Switzerland. The increased percentage for rest of the world is due to the addition of five more international subsidiaries to the reporting scope.

Breakdown by gender (% of physical headcount)	12/31/13	12/31/14
Women	19.57%	19.08%
Men	80.43%	80.92%

Policies aiming to increase the proportion of women employees are described in the section on equality.

Breakdown by gender and geographical area	Men		Women	
	12/31/13	12/31/14	12/31/13	12/31/14
France	36,314	36,404	9,176	9,284
Europe excluding France	2,930	3,427	309	411
Rest of world	977	4,506	301	758

1.2 Compensation and trends

Compensation	12/31/13	12/31/14
Group's total gross payroll (in € 000s)	1,978,059	2,057,067
Parent company's average net monthly compensation per employee	2.8%	2.8%

Average net monthly compensation is used to measure the average increase in salary arising from general, individual and category pay mea-

sures for employees present during the review period. It is used to assess the real change in purchasing power and provides a benchmark for comparison with other companies. It rose by 2.8% for the parent company in 2014. In the parent company, there is an agreement providing for a purchasing power preservation allowance to cater for situations where the salary of some employees has not risen as fast as inflation over a four-year reference period. This mechanism concerned about 570 people in 2014.
On 19 March 2014, RATP management (parent company) and all the representative trade unions signed a collective agreement on additional incapacity, disability and death benefits for RATP employees. As of 1 January 2015, this agreement will introduce a mandatory group system of protection benefits in addition to those paid by the Social Security or the special RATP regime, providing consistent, identical benefits for all employees, whether contractual or statutory, managers or non-managers.
It will improve the material living standards of employees or their close family if a serious accident occurs, and offers two levels of benefits:
- a mandatory level, entirely paid by the company;
- a discretionary level, giving employees the option to increase their benefits at their expense.

1.3 Joiners and leavers

Joiners and leavers (in whole numbers = absolute value)	12/31/13	12/31/14
Joiners	3,394	4,005
Leavers	2,741	3,312
• retirement	1,051	1,040
• resignation	543	892
• dismissal	611	802
• other*	536	578

*Other includes death, contractually agreed termination and end of fixed-term contract.

The number of joiners and leavers is basically dictated by the number of employees retiring, new transport services and development of our subsidiaries. In the next five years, more than 20% of the parent company's workforce will be replaced.
As regards joiners, we have to satisfy two key requirements. The first involves replacing skills, which not only means identifying tomorrow's jobs and the skills required (in infrastructure, engineering, etc.) but also making sure that we have the critical and strategic skills needed to maintain our expertise (railway skills in particular).
The second issue involves providing job opportunities for young people according to the social and urban environment. Hiring and training young people on work-study contracts is a therefore strong marker in our employment policy. In 2014, almost 800 people without employment or qualifications benefited from this policy through various government-subsidised employment support schemes and vocational training contracts. The parent company met its pledge to provide 400 jobs under the French government's "*emplois d'avenir*" employment support scheme, half in 2013 and half in 2014 in the Île-de-France region. 550 young people aged under 26 were also hired directly on open-ended contracts after passing selection tests.

In 2014, the cross-generation contract signed with all the representative trade unions on 11 December 2013 came into effect, pursuant to the law of 1 March 2013. The contract contains quantitative undertakings in terms of hiring young people and keeping seniors in employment. It also sets out the arrangements for hiring and integrating new employees, providing mentoring under inclusion and training schemes, and taking better account of working conditions for employees nearing the end of their career.

2 • Organisation of working time

2.1 Organisation of working time

Part-time employees (physical headcount)	12/31/13	12/31/14
Proportion in the Group	3.30%	3.45%

More than 96% of Group employees work full time. The parent company offers part-time opportunities for employees seeking a better work-life balance.
Due to the specific working practices and organisation in certain RATP Dev subsidiaries, some employees are contractually employed on a part-time basis, for example school bus drivers.

2.2 Absenteeism

Absenteeism (number of days absence per employee)	12/31/13	12/31/14
All reasons combined*	12.57	12.59

*Except for maternity leave.

Sick leave, including long-term, represents more than three quarters of absenteeism.
Absenteeism levels remain relatively high in some areas of our business, prompting us to implement an increasingly vigilant prevention and support policy.
Information on accidents at work is provided in the section on health and safety.
Reducing absenteeism generally remains a key issue for the company in terms of workforce performance.

3 • Employee relations

3.1 Management-employee dialogue: consultation and collective bargaining

During 2014, elections were held for the employee representatives on the parent company's Board of Directors and for the staff representatives and members of the local works councils. There was very little change in the overall trade union structure following these elections.

Since 2007, industrial conflict has declined at the parent company and is now below the sector average, public and private sector combined. The "social alarm" system plays an active role in preventing conflict with employees, as just 6% of alarms were followed by strike notification in 2014, an improvement on the 8% recorded in 2013.
The industrial conflict rate declined further in 2014, reaching 0.42 days of strike action per RATP employee versus 0.54 days in 2013.
The UK subsidiaries have a highly structured management-employee dialogue and a centralised system for the prevention of conflict. Manchester set up a complaints resolution procedure in 2014. In Italy, prevention of conflicts is mandatory and in the event of persistent disagreement, a mediation service is provided by the *prefetto* of the province.

3.2 Collective agreements

Collective agreements signed in 2014	2013	2014
Number of agreements signed during the year	59	79

For the parent company, new structural transversal agreements were signed to complete those signed in 2013. They cover job development (technical skills and qualification for maintenance work); career and mobility support; health in the workplace (introduction of special medical-related leave); managerial compensation and skills development; and the introduction of a group protection plan. In addition, many local agreements cover working conditions (paid leave arrangements, service arrangements, mentoring, etc.).
Management-employee dialogue is decentralised within the Group. The French subsidiaries have their own dialogue cycles for all issues that fall within the framework of compulsory annual negotiations and on more specific matters (profit-sharing, cross-generation agreement, etc.). As regards compensation, discussions took place in all French subsidiaries that are not covered by the provisions governing compulsory annual negotiations.
In Algeria, RATP El Djazaïr signed a three-year agreement in 2014 on compensation, career development, prevention of conflict and exercise of the right to strike.

4 • Health and safety

4.1 Health and safety at work

Our strategic plan sets out our aim of being an exemplar in working conditions and occupational health. In terms of prevention, the parent company is supported by an independent occupational health department employing thirty-three occupational health officers.
In addition, the parent company provides a totally free healthcare service for all its employees, available through several medical centres.
Health and workplace safety conditions concern all subsidiaries, both French and international. Preventing occupational accidents is a key concern and an increasing number of subsidiaries are calling on external expertise, such as occupational physicians and psychologists, ergonomics experts and osteopaths, to support the work of their dedicated internal services.

4.2 Health and safety agreements

At the end of 2011, the parent company signed a five-year agreement on the prevention of psychosocial risks. Since then, an advice and support platform has been set up, which can be used by managers, trade union representatives, occupational health officers or employees themselves (under a "request for attention" procedure).
In France, a number of subsidiaries running intercity lines (e.g. Société des Transports départementaux de la Marne, Cars Dunois) have revised their night time driving conditions (for example, introduction of a double crew). Many of them have signed cross-generation agreements. In Annemasse, the Labour Inspection Authority (Inspection du Travail) found that the results of the TP2A cross-generation agreement were of exemplary quality. These agreements take age into account for allocating long shifts. STI Centre has signed an agreement to extend the top-up health insurance plan to cover school bus drivers (fixed-term contract workers).

4.3 Work-related accidents (frequency, severity, occupational illness)

Work-related accidents	12/31/13	12/31/14
Number of lost-time work accidents	2,649	2,740
Number of days leave	134,850	156,679
Number of hours worked	68,818,164	79,192,723
Frequency	38.49	34.60
Severity	1.96	1.98

The main causes of accidents vary little and are mainly travel-related, falls on uneven surfaces, and assault.
For the parent company, frequency continues to fall, but lost time due to work and travel accidents is increasing, indicating an increase in severity. Since 2012, the parent company's work on accident prevention has focused on strengthening the Risk Prevention and Health Protection units set up at departmental level and making them more professional, in association with the human resources departments.
In 2013, the parent company also forged a partnership with the French national health monitoring institute (Institut national de veille sanitaire) with the aim of setting up an epidemiological monitoring system to better identify potential factors of risk to employee health.

Action is being taken to share and standardise best risk prevention and assessment practices across RATP Dev's French subsidiaries. For example, a single standard model document has been drawn up to facilitate the subsidiaries' work and improve the company's approach to these issues.

The UK subsidiaries comply with the Occupational Health and Safety Assessment Series standards (OHSAS 1800). In Manchester, Metrolink drew up a Safety Plan in 2014, with quantified targets for reducing occupational accidents, and also organised a first forum on these issues involving many stakeholders.
In South Africa, these issues are governed by the Occupational Health and Safety Act and supplemented by on-site audits. In Algeria, RATP El Djazaïr has an occupational risk prevention plan and in 2014 improved the working conditions of employees in exposed jobs (reduction in working time and in the number of consecutive nights worked).

In Italy, Gest provides training in workplace safety and analyses occupational accidents with the Health & Safety Committee, occupational health officers and safety officers. Hong Kong Tramways is developing training in wellbeing in the workplace.

5 • Training

5.1 Policies

Training is a structural long-term driver of our performance both on a workforce, human and economic level. In the parent company:
- three in every four employees receive training each year;
- the 2014 training budget represented about 7% of total gross payroll, including 2% for induction training, which is well above the legal minimum of 1.6% (until end-December 2014).

Two agreements set out the parent company's commitments in terms of training: the continuing professional development agreement of 10 January 2013 and the three-year vocational training guidelines.
RATP group has set up a University that aims to spread and share a common culture.
The University provides cross-disciplinary training (particularly in management) for all Group employees regardless of grade, background or job. It has a training centre called the Campus in Noisiel (Seine-et-Marne *département*), which is more specifically dedicated to induction and professional development support.
The parent company offers employees development opportunities throughout their career and training is an essential pillar in this approach.

In all the French subsidiaries that operate urban and intercity lines or specialised services (transport-on-demand or reduced mobility transport), the priority is placed on driver training. Cars Dunois even won an award for the quality of its training. Over and above the legal requirements, training in prevention of conflict and emergency situation management is frequently provided. Training in disability access has also been introduced across all RATP networks in France. An officer in each subsidiary has been trained to help the teams gain a better understanding of issues related to multiple disabilities.
Still in France, a training programme has been devised for employees working on developing our service offers and on improving passenger relations.

Our international subsidiaries are taking many initiatives and harnessing synergies to satisfy the substantial training needs related to hiring employees to operate their networks.
In the UK, Metrolink has launched its own training college in response to the needs of its 100 tram drivers hired since 2010. An innovative driving simulator enables the individual training time to be reduced, while meeting the needs of 99% of drivers. In Algeria, Setram opened the first section of its urban rail transport training institute in May 2014 (see section on social information).
In Mumbai, one of the biggest challenges prior to opening the first metro line was training the 600 newly recruited drivers. Metro One Operation (70%-owned by the joint venture between RATP and Transdev) called upon the expertise of RATP Dev's networks in Seoul and Nanjing, going as far as importing a driving simulator.
In the United States, RATP Dev McDonald Transit introduced a joint training program for employees hired for the Tucson Arizona tramway in July 2014 and the Washington tramway at the year end. The teams pooled their technical training courses and worked together to study developments in safety procedures.
In Manila, the technical expertise agreement signed by RATP Dev (with the Light Rail Manila consortium) includes a section on local staff training, particularly with a view to the line extension. The same will apply in Riyadh in Saudi Arabia.

5.2 Total number of training hours

Training	2013	2014
Number of training hours	2,076,386	2,131,115

6 • Equality

6.1 Gender equality

The agreement on workplace gender equality signed by the parent company has been extended until August 2015. It focuses on three areas: pay, with the aim of reducing pay inequality by 10%; recruitment, with a drive to increase the proportion of women in departments currently below the 10% threshold; and increasing the number of women managers.
In 2014, strong action continued to combat stereotyping (particularly in how jobs are perceived), foster professional and wage equality practices, and promote a good work-life balance.

In 2014, more than 41% of all managers recruited by the parent company were women. The rate was 22% for operatives. These results enabled us to reach our target of increasing the proportion of women operatives, which is now 20.1%.

RATP Dev's French subsidiaries also have gender equality agreements and are working on increasing the proportion of women in the workforce. For example, STI Allier has adopted measures to facilitate work-life balance particularly for mothers. STI Centre has signed gender diversity agreements to give women better access to jobs and careers with us. Two subsidiaries stand out for their high proportion of female employees: 21% for Cars Jacquemard and 30% for CeoBus, which has also launched an information campaign for recruitments.

Gender equality	12/31/13	12/31/14
Proportion of women in the total physical headcount	19.57%	19.08%
Proportion of women among senior executives	33.23%	30.42%

Lastly, about 30% of RATP's new Board of Directors appointed in July 2014 are women.

6.2 Disability employment and inclusion

Disability employment and inclusion (France scope)	12/31/13	12/31/14
Number of people with disabilities hired	41	52
Total number of people with disabilities	1,439	1,493

These figures only apply to France (parent company and French subsidiaries in the scope).
The extension of the reporting scope has had no influence on this indicator.

The latest agreement on disability employment, signed in 2011, is the sixth of its kind for the parent company. It aims to hire at least 120 people with disabilities from 2012 to 2015, across a broad variety of jobs ranging from operatives to managers. In the space of three years, some one hundred employees with disabilities have already been recruited.

The agreement combines inclusion and re-inclusion measures (particularly as regards training) with provisions for adapting workstations, and aims to take better account of all aspects of employee life, particularly in terms of environment.
The French subsidiaries also take measures in favour of disability employment and inclusion. Cars Dunois won an award in the Loiret and Eure-et-Loir *départements* for its professional training contracts for employees registered as disabled. STI Centre won a regional award during the disability employment week (rate of 16% at one of its sites). In November 2014, a disability awareness week took place at RATP Dev's headquarters. This initiative will be rolled out to all French subsidiaries in 2015.

6.3 Anti-discrimination policy

The Group publishes its annual Global Compact report in line with the commitment made when it first signed up to the United Nations Global Compact in 2003. It has committed to comply with the Global Compact's ten principles in the areas of human rights, labour, the environment and anti-corruption.

Our code of conduct states that diversity, equal opportunity, openness and solidarity are fundamental underlying principles.

The parent company has defined four priority areas for action: disability (since 1994), social inclusion (since 1996), gender equality (since 2003) and age management (since 2009). Each of these issues is dealt with in a company agreement that sets out specific targets and indicators for monitoring the actions taken.
These agreements are in keeping with other major initiatives, such as the Diversity Charter endorsed by the parent company in 2004 and the adoption of an anonymous CV procedure in 2007. In the Île-de-France region, the parent company has a proactive policy to support employment in disadvantaged urban areas.

In 2013, the parent company published a practical guide for managers on secularism and neutrality in the workplace. The principle of neutrality has been included in the Internal Regulations of each company. An adapted version of the guide, published in 2014 for the Group's French subsidiaries (treatment of religion in the RATP group's French subsidiaries) sets out the principles and laws applicable in the subsidiaries, whether or not they provide a public service.

RATP is one of the large French companies to provide its managers with such a guide, which is based on practical advice sheets for dealing with the various situations that are likely to occur in the workplace.
All subsidiaries, French and international, abide by the same principles for combating discrimination and promoting equal treatment, in accordance with their national legislation. In France, the Annemasse subsidiary was the first company in the Haute-Savoie to sign the *Diversity Charter*. The Haute-Savoie subsidiaries use the recruitment by simulation method, which "*gives everyone a chance*", to quote the French National Employment Agency.

In the English-speaking countries, statistics on diversity are disclosed to the transport authorities, in accordance with the legislation. In South Africa, all forms of discrimination in the workplace are prohibited under the 1998 Employment Equity Act 55. BOC, the South African subsidiary, has a dedicated compliance committee in this area and has implemented a specific plan supported by statistical diversity reporting.

7 • Promoting and observing the International Labour Organisation (ILO) conventions

In 2011, we published a code of conduct based on the six values common to the Group: people, dedication to the general interest, respect, professional approach to customer service, a taste for challenges and openness. This code is intended for all managers and supervisory staff and is in keeping with the commitments already made by the parent company. In 2003, the Group endorsed the United Nations Global Compact and its ten universal principles in the area of human rights.
The code of conduct sets out fundamental principles such as respect for commitments by Group employees and vigilance in ensuring that they are not passively complicit in any form of forced labour involving adults or children, including at suppliers. Eliminating discrimination in employment and in the workplace is a separate policy (see above). The code of conduct is available on the Group Intranet in French and English. An e-learning module provides implementation guidance (details are provided in the social information section).

In addition, we have a targeted programme for auditing our suppliers' compliance with ILO conventions (see social information section).

For many years, all subsidiaries in the United Kingdom and the United States have abided by ILO principles, which are set out in national or federal legislation.

All suppliers must comply with the Ethical Trading Initiative Code, an international benchmark for best labour practices as recognised by the ILO. Similarly, in South Africa a code of conduct governs the procurement function. In Italy suppliers complete a specific form included in tender documents to prove that they comply with legal requirements.

ENVIRONMENTAL INFORMATION

1 • General environmental policy

Striving for environmental excellence is one of the RATP group's ambitions, with the aim of becoming a leading player in developing sustainable travel solutions. Since 2009, the parent company has built its environmental policy around four core commitments: developing sustainable travel solutions, saving energy and combating climate change, acting to protect the health of passengers and local residents, and achieving exemplary professional practices. In energy, there are four action plans, covering bus traction, rail traction, stations and property, which aim to reduce energy consumption and greenhouse gas emissions by 15% per passenger kilometre between 2004 and 2020. In health, the parent company has pledged to take action to improve the air quality across its entire transport network, to combat noise and vibration, and to keep a close eye on emerging or as yet poorly understood risks, such as electromagnetic fields. Lastly, eco-design projects, responsible purchasing and environmental management of industrial sites all form a core pillar of our exemplary practices policy.
The Group aims to be the world leader in clean buses by 2025, with an 80% electric 20% biofuel bus fleet in the Île-de-France region. The parent company recently embarked on a forward-looking reflection with local elected representatives and experts on the future of bus travel in 2025: the Bus 2025 project. This strong commitment in support of the energy transition is also reflected at international level, with the Group endorsing the UITP Charter ahead of the 2015 Climate Change Conference in Paris (COP21).

1.1 Environmental practices

Number of certified industrial sites	12/31/13	12/31/14
Number	69	72

Industrial sites with an environmental management system	12/31/13	12/31/14
Number	90	95

In 2009, we set out our environmental priorities in a risk/opportunity analysis after consultation with its stakeholders.
Our environmental policy is based on the following factors:
- externally, keeping track of French and European Union standards and regulations;
- internally, environmental expertise, staff training, coordination of a Group network of environmental officers and spreading best practices among the environmental officers.

The parent company continues to improve its environmental practices while preparing to roll out environmental management system at new industrial sites. 76% of the parent company's industrial sites are ISO 14001 certified.

Some subsidiaries have taken concrete measures to prevent and mitigate the main environmental risks and pollution caused by their operations. Two of them (Metrolink in Manchester and BOC-Gautrain in South Africa) are ISO 14001 certified. Gest in Florence is ISO 9001 certified. In Morocco, Casa Tram has recruited an Environmental Health and Safety officer to run an ISO 14001-compliant environmental management system.

1.2 Employee training and awareness in environmental protection

Number of training hours	12/31/13	12/31/14
Number of hours	7,168	7,480

In 2014, 7,480 hours were devoted to employee training and awareness in the parent company and involved 1,112 employees.
For several years now, the parent company has been taking forceful action through:
- specialised training;
- ongoing internal communications available to all employees;
- publishing practical guides;
- RATP awards for eco-design projects (since 2012).

1.3 Resources devoted to preventing environmental risk and pollution

Managing and handling environmental risks

The Risk Management Unit supports the departments and subsidiaries in their risk mapping. Officers have been designated to oversee environmental risks that require a high level of technical skill, e.g. electromagnetic fields, air quality and acoustics. Environmental risk mitigation plans and committees have also been put in place.

Electromagnetic fields

An electromagnetic fields committee is responsible for monitoring health, regulatory and technical issues related to electromagnetic waves in our space. Given the widespread rollout of 3G/4G in the Île-de-France region network, rules have been defined with the operators to reduce passenger exposure to a minimum in each station and tunnel.

Underground air quality

Underground air quality is the subject of special attention and an ongoing action programme:
- an air quality monitoring network continuously measures gas and particle data in three metro and RER stations. The weekly metrics and annual report have been posted on our website since 2008. Periodical measurement campaigns are carried out to back up this ongoing supervision;
- the parent company takes part in a survey run by the French agency for food, environmental and occupational health & safety (ANSES) on underground air quality and has conducted research into passenger exposure to air pollution on board buses, as well as an assessment of diesel emissions during underground maintenance or renovation works.

Acoustics

This issue is dealt with in section 2.3 on noise pollution.

Flooding risk

Flooding is a recognised major risk for the Île-de-France underground network. Protecting the underground metro and RER network and its technical installations is absolutely imperative. In 2002, RATP drew up a flood risk protection plan under the supervision of the public authorities. We have appointed a responsible officer and set up a dedicated structure to cope with potential flooding of the Seine and the Marne rivers. Continuous vigilance is exercised and drills carried out regularly.

Resources devoted to preventing environmental risk and pollution
- team of experts in regulations on environmentally classified facilities (ICPE);
- RATP laboratory accredited by the Comité Français d'Accréditation (COFRAC);
- toxicology unit in the occupational health department;
- network of internal ISO 14001 and ISO 9001 auditors;
- safety adviser on the transport of hazardous goods;
- responsible purchasing expert.

The subsidiaries also take strong measures to prevent environmental risks, through a broad array of actions:
- environmental risk prevention plan (RATP El Djazaïr in Algeria);
- risk mapping (Metrolink in Great Britain);
- recruitment of a manager dedicated to environmental risk prevention (Selwyns Travel in the UK) or recourse to expert environmental advisers (Epsom Coaches in the UK and Fullington Auto Bus Company in the United States);
- pollution audits (STI Haute-Savoie Touriscar, Gem'Bus in Geneva);
- research into risks related to workshop pollutants (Compagnie des Transports du Boulonnais – CTB).

1.4 Amount of provisions and guarantees for environmental risk, provided that this disclosure is not likely to seriously harm the company's position in an ongoing lawsuit

Provisions are assessed and set aside for all financial guarantees.

2 • Pollution and waste management

2.1 Measures to prevent, mitigate or remedy environmentally harmful air, water and ground emissions

Improving underground air quality

Underground air quality can be improved by upgrading the rolling stock and improving in-station air circulation through ventilation units or more powerful air extraction units.
In 2014, major efforts were made to upgrade the rolling stock, replacing trains with mechanical braking systems by trains with high-performance electrodynamic braking devices. On the RER A line, trains with the highest emissions are gradually being replaced by double-decker rolling stock with high-performance electrodynamic braking devices.
Since 2005, RATP has been working on an ambitious programme to improve and upgrade the ventilation in its underground networks (metro and RER). The entire network is equipped with more than 300 ventilation units working around the clock. The progress plan involved replacing 53 units, upgrading 61 units and adding 40 units (over the period 2005-2014).

Preservation of urban air quality

RATP has made an undertaking to Stif to reduce its particle emissions by 50% by mid-2016.
At 31 December 2014, the parent company operated 4,483 buses, more than half of which (57%) are already Euro 5 standard compliant or better (Euro 5-EEV, Euro 6 or electric vehicles) in terms of polluting emissions. The current fleet includes 46 hybrid vehicles and 12 electric vehicles. 213 hybrid vehicles have been ordered under contracts signed in April and May 2014 and will be delivered in the second half of 2015.
RATP has made two further pledges as regards the preservation of urban air quality: launch of the Bus2025 project, a forward-looking reflection about the future of urban bus travel, and the signature of step 3 of the Paris Climate Action Charter. See section 3-3 on page 18 and section 4-1 on page 11.

A number of subsidiaries are gradually renewing their rolling stock fleet. Half of the Bourges subsidiary's vehicle fleet is natural gas powered and the other half is Euro 5 compliant.
London United has abandoned the entire Euro 2 fleet and reduced its NOx (nitrogen oxide) emissions by fitting selective catalytic reduction systems on old vehicles. Its hybrid vehicle fleet has thus increased from 82 vehicles in 2013 to 110 in 2014 (of a total fleet of 885). It also has four electric vehicles. Subsidiary London Sovereign's fleet (140 vehicles) comprises 115 Euro 3 vehicles, 23 hybrid vehicles and 1 Euro 6 vehicle. The final Euro 2 vehicle will be withdrawn from service in 2015. In 2014, 20% of Epsom Coaches' fleet was replaced with Euro 6 vehicles, with a target of 100% by 2020. The Bath Bus Company subsidiary uses low-emission vehicles that run on biodiesel.
In the United States, Fullington Auto Bus Company is also progressively renewing its bus fleet with more energy efficient vehicles. McDonald Transit Associates has fitted part of its fleet with diesel particle filters in accordance with the circular issued by the Environmental Protection Agency (EPA) on air quality.

Water quality

Sites equipped with a water recycling system	12/31/13	12/31/14
Number	43	50

Since 2012, the parent company's new storage and maintenance sidings have all been equipped with a recycling system that considerably reduces their water consumption. To ensure that waste discharged into the sewerage system is compliant, the parent company has equipped most of its industrial sites with a used industrial water treatment plant. Tram washing machines have been equipped with a water recycling system since 2012 (T2, T3b, T5 and T7 line maintenance sites since 2013). These systems are now

standard in new projects. Water recycling systems were installed in the T6 and T8 tramway storage and maintenance workshops in 2014.
All industrial sites now analyse and self-monitor their industrial waste water.

Many subsidiaries have invested in measures to prevent ground and water pollution and have installed wastewater retention and decanting tanks. The subsidiaries (CTY in La Roche-sur-Yon, FlexCité in Île-de-France region, Metrolink in Manchester and London United in London) also have a water reprocessing plant. STI Centre uses biodegradable vegetable-based products for cleaning its coach interiors. FlexCité 91 has a waterless vehicle washing system. In Manchester, trams are washed in a specific washing area to avoid pollution. The South African subsidiary BOC-Gautrain recovers washing water using a pollutant filtering system. In Algeria, RATP El Djazaïr has installed a high-pressure liquid aspiration system to avoid calcite waste.

2.2 Measures for preventing, recycling and eliminating waste

Office and industrial premises involved in selective waste sorting	12/31/13	12/31/14
Number	116	135

Small entities not considered representative in terms of tertiary activity are not included.

Non-hazardous waste (total quantity) *excluding site works*	12/31/13	12/31/14
Tonnes	17,076	21,520

Hazardous waste (total quantity) *excluding site works*	12/31/13	12/31/14
Tonnes	4,849	4,275

In 2014, the parent company treated 18,507 tonnes of non-hazardous waste through its various contracts.

The parent company has set new targets for recycling and reducing waste for the period 2013-2020:
- 5% reduction in waste production;
- 10% increase in recycling.

Selective waste sorting has been in place at the industrial and office sites for several years with the aim of achieving better control over all waste products.

In 2012, RATP pledged to take part in the local waste prevention plan for the city of Paris. As part of this commitment, it has embarked on a prevention campaign at the Jules Vallès tertiary site with the target of reducing waste production by 10% over a period of two years. In early 2014, various indicators were introduced as part of a quarterly reporting system in order to draw up the overall results of this campaign by 2016.
Following the introduction of decree no. 2011-828 of 11 July 2011 in the French Environmental Code, a campaign for sorting and dehydrating restaurant food waste was introduced at the head office in 2014. The bio-waste produced is collected by a specialised service provider.
In 2014, the parent company embarked on a vast campaign to renew the workwear of employees in contact with the public and entered into an innovative three-year agreement with the association Relais d'Emmaüs France for the collection and recycling of old workwear.

Many French and international subsidiaries have implemented industrial waste sorting and processing systems (sludge, used oil, hydrocarbons, filters, etc. They have acquired specific equipment such as mud and oil separators, pre-discharge fuel separators and recovery systems for polluting materials (oil, batteries, etc.).
In France, the STI Centre subsidiary has signed a tyre maintenance contract for recycling used tyres. In Switzerland, the TPCH subsidiary purchases supplies made from recycled materials and sub-contracts to a company specialising in waste recovery (paper, plastic, etc.).
In the United Kingdom, London United has installed protective screens over the diesel oil and antifreeze reservoirs. London Sovereign recycles lubricants, oil and metals (batteries, aerosols, etc.) and uses recycled fabrics for maintenance. For air emissions, Gest in Florence has installed a smoke aspiration filter for welding operations.
In the United States, the McDonald Transit Associates subsidiary recycles maintenance fluids and reports to customers annually. In South Africa, BOC-Gautrain recycles industrial materials (aluminium, glass, metals). In Algeria, RATP El Djazaïr has purchased used oil and grease collection trays as well as oil storage containers.

2.3 Noise and other forms of business specific pollution

Stakeholder complaints about noise and vibrations	12/31/13	12/31/14
Number	416	624

Persons exposed to noise levels above the maximum limit specified by European Directive 2002/49/EC	12/31/13	12/31/14
Number	7,128	21,782

This indicator concerns the Europe scope. It is calculated regardless of index used and threshold by transport mode (road, rail).

In the Île-de-France region, we have an active policy of preventing conflicts with local residents by dealing with the noise and vibration issues caused by our construction projects around our infrastructure.

"Local resident" complaints: identifying and monitoring complaints

The number of local resident complaints has increased in the last twenty years, reflecting greater sensitivity to noise issues. The parent company follows up all complaints made by local residents in the Île-de-France region with an analysis of the infrastructure and sometimes even by measures to reduce the noise and/or vibration at the person's home.

In 2014, 150 more complaints were recorded than in 2013. However, this significant increase was not due to any major deterioration in the quality of our infrastructure but rather reflects greater sensitivity on the part of local residents (multiple exposure, accumulated levels during a day, socio-cultural effect, deterioration in living conditions, move towards the city centre, etc.).

Noise reduction

Various measures are taken by the parent company to mitigate the impact of its activities on the quality of life of residents in the Île-de-France region:
- mapping of critical zones in its 143 km of overground railways;
- upgrading the rail rolling stock and tightening up technical requirements for noise inside the carriages and outside noise from overground trains, by adopting the European Technical Specifications for Interoperability (TSI);
- starting work in 2013 on noise "black spots", mainly involving treating façades or building acoustic noise barriers;
- adopting preventive measures:
  – increasing the number of machined track kilometres: 116 km of tracks are now machined each year (all networks combined);
  – optimising sound systems in overground stations.

In 2014, the number of people exposed to noise pollution tripled, due to two factors:
- increase in the number of subsidiaries covered by the 2014 reporting scope;
- more detailed reporting for local and departmental roads, in the case of road travel.

This significant increase does not reflect the RATP group's involvement in eliminating noise black spots over the past three years under an agreement between the Ademe environmental agency and RATP for the parent company scope (treating façades, 75 people concerned) or the impact of replacing rolling stock on line 5 of the Paris metro (93 people concerned). The same is true as regards the reduction in the number of people exposed outside the Île-de-France region, where local authority efforts in terms of road replacement, single pricing, car sharing, speed reduction, installation of acoustic noise barriers, etc. are not particularly visible in the indicator.

3 • Sustainable use of resources

3.1 Water consumption and water supply according to local constraints

Total water consumption supplied through a public network *(regardless of use)*	12/31/13	12/31/14
M³	920,531	1,207,034

In 2014, the parent company's known water consumption at 27/01/2015 was 836,756 m³ based on invoices received.
The El Djazaïr subsidiary in Algeria introduced a water meter monitoring system in 2014.

3.2 Consumption of commodities and measures taken to use them more efficiently

Including environmental considerations in projects

The parent company takes an eco-design approach for all its infrastructure, public area and rolling stock projects in order to optimise the use of resources. It has a set of procedures and processes for including sustainable development considerations in its projects.

Paper policy

After a 26% fall in consumption from 2009 to 2012, the parent company has set a new target of 15% reduction in paper consumption by 2020.

Most French and international subsidiaries also take concrete measures to reduce their paper consumption: examples include shared or limited speed printers (Gest in Florence), use of recycled paper (London and Bournemouth in the United Kingdom and Fullington Auto Bus Company in the United States), use of Forest Stewardship Council (FSC) certified paper (London United) and encouraging the use of electronic mail (McDonald Transit Associates in the United States).

3.3 Energy consumption, measures taken to improve energy efficiency and use of renewable energy

Total energy consumption	12/31/13	12/31/14
Ktoe (thousand tonnes of oil equivalent)	256.55	259.12

Breakdown of energy consumption by use (%)	12/31/13	12/31/14
Rail traction	36.7%	37.5%
Bus traction	39.5%	40.7%
Buildings	23.8%	21.8%

Under the Group's *Vision 2020* strategic plan, RATP pledged to reduce the parent company's greenhouse gas emissions and energy consumption by 15% per passenger-kilometre over the period 2004-2020.
An active energy performance policy is also implemented during tertiary site renovation projects and/or the creation of new maintenance and storage sites for the Île-de-France region trams. The main examples are:
- reduction of more than 60% in energy consumption at the Group's head office (56,000 m²) from 2007 to 2013. This building was identified as being one of the heaviest energy consumers of all the company's tertiary sites (see details in section on property assets);
- installation of a heat pump at a tram maintenance and storage site, covering 90% of the site's heating requirements (3,000 m²).

The Group's subsidiaries also taken part in this dynamic approach, implementing a series of measures to reduce fossil fuel consumption (diesel, petrol, gas, fuel oil).
La Compagnie des Transports du Boulonnais (CTM) has set up bonus and penalty systems for energy consumption. At Roche-sur-Yon (CTY/Réseau

Impulsyon), audits have been carried out on drivers in real-life conditions. In the United Kingdom, the Bournemouth subsidiary signed the government's Energy Saving Opportunity Scheme, a pledge to reduce energy consumption over the period 2015-2023.
In Morocco, Casa Tram has introduced indicators to manage and control its electricity consumption.

Overall energy efficiency of our transport facilities

Bus2025: a reflection on the future of bus travel
The parent company launched the Bus2025 project in 2014. Bus2025 is a general reflection about the future of bus travel in 2025, involving the key players in urban travel (Stif, local representatives and transport, environmental and urban planning experts in the Île-de-France region).

The project is based on three pillars:
- supporting change in travel consistently with regional planning and development by 2025;
- anticipating future expectations of the local regions and passengers to provide them with the bus system of tomorrow together with innovative services;
- roll out the ecological and energy transition over the next few decades by replacing the bus fleet with electric and bio-NGV buses and through the use of innovative alternative soft transport methods.

Under the financing agreement, Stif and RATP have already signed off the order for 400 new hybrid buses for delivery by mid-2016. Meanwhile, some lines will experiment with 100% electric buses between 2015 and 2017 with a view to launching tender invitations for electric buses as of 2017 for massive delivery as of 2019.
In 2014, RATP signed a three-year partnership with EDF to include 100% electric large-capacity buses in the operating fleet. The agreement provides for trials and tests on the various electric traction drives, batteries, charging systems and their impact on the electricity grids.
Under the Ellisup joint venture project (lithium battery super-capacity electric bus) conducted under the aegis of the Ademe environmental and energy control agency with other partners (EDF, Michelin and Iveco Bus) a quick battery recharge test has been conducted at the Porte de Saint-Ouen terminus in Paris.

Modernising the rolling stock
In 2014, we continued our programme to upgrade the rolling stock on the RER A and B lines and metro lines 2, 5 and 9.
Readings on lines 2 and 5 confirm that energy consumption has decreased following the introduction of the new MF01 rolling stock.
Compared with the old rolling stock, consumption on a train-kilometre basis has fallen by about 25% for line 5 and 35% for line 2 (the variance is due to differences in the line profile, distance between stations and passenger load). On line 9, where MF01 trains are in the delivery phase, energy savings are expected to be about 30%.
In Manchester, the subsidiary has acquired a fleet of more efficient trams in terms of electricity consumption, with 120 M5000 high-capacity carriages replacing the T68 carriages, which were taken out of service in April 2014.

Improvement in bus performance on the existing network
We continuously seek solutions to reduce the fuel consumption of our bus fleets, optimise passenger comfort and reduce environmental impacts (pollution and noise).
In France, the STI Centre subsidiary uses a lubricant for its bus engines that, among other things, improves energy performance and reduces polluting emissions.
Two other types of measures have been taken to improve the energy efficiency of transport:
- training drivers in energy efficient driving (most French subsidiaries, the UK and RATP El Djazaïr). Three subsidiaries (in Switzerland and Haute-Savoie) have acquired and are pooling energy-efficient driving equipment and are preparing to introduce a system of real time visual indicators for drivers;
- use of telematics (on-board vehicle systems): in France, Cars Perrier has deployed an individual monitoring and recording system for all driving data across the entire fleet. In London, debriefings systematically take place with London United drivers.

Tramway development
We promote the development of low CO_2 emission transport systems and particularly the tramway, which is the most energy efficient mode of transport. In 2014, RATP put two new tramway lines into service, lines T6 and T8. The tram system operated by RATP now spans 95 kilometres in the Île-de-France region: its emissions are 3.7 g CO_2 per passenger kilometre.

Stations
The parent company has embarked on a massive programme to install LED lighting in all its stations from 2013 to 2015, i.e. almost 250,000 lighting units. In 2016, the entire RER and metro network, representing 369 stations spread over 1.3 million m^2 in the Île-de-France region, will be equipped with 50 million LED lighting units. Lighting energy savings should reach 50%.

Property portfolio
On 9 December 2013, the RATP group signed the Energy Renovation Charter for public and private office buildings drawn up by Plan Bâtiment Durable. The Charter anticipates the 2020 requirement to improve energy efficiency of existing tertiary use buildings or buildings in which a public service is operated.
The parent company manages a portfolio of about one million m^2, including 69 tertiary premises and 73 industrial sites. RATP has drawn up an energy blueprint for managing its property assets, setting out a several-year plan for investing in energy management. Since 2010, some fifty energy audits have been performed on the tertiary buildings and industrial sites. Tertiary building energy consumption has fallen by 24% compared with 2007. RATP has initiated a major programme to reduce energy consumption at its head office through a series of complementary measures, including installation of LED lighting with occupancy sensors, replacing heating and ventilation systems, installing a temperature regulation system and a new cooling system for the technical premises. As a result of these measures, energy consumption has decreased by more than 60% from 2007 to 2013.

In the United Kingdom, the buildings occupied by the Manchester, Surrey and Bournemouth subsidiaries have been equipped with LED lighting, occupancy sensors, automatic light switches, monitoring systems and heating programming systems. The Florence subsidiary has installed a heating system with optimised operating hours in all buildings and automatic light switches in all offices. In France, a TechniWatt energy saver has been installed in the buildings occupied by the Vienne Mobilités subsidiary.

Developing sustainable travel solutions

The Group focuses on three main areas for development:

- offering additional travel services to provide door-to-door service continuity;
- making it easier to use transport services by organising areas to facilitate connections and providing multi-modal information services;
- incorporating eco-travel considerations in its infrastructure development programmes.

As part of its policy to promote intermodality, RATP provides its railway passengers with freely accessible covered bike racks with total capacity for 1,600 bikes at 94 stations. A 430-space secure bike shelter – "L'îlot Vélos" – has been opened at an RER A line station (accessible by subscription, Navigo pass or dedicated card).

3.4 Ground use

The parent company is one of the last industrial companies in Paris to conduct operating and maintenance activities in the city centre. RATP's land use policy has two objectives: develop its production facilities and optimise the land used by its industrial sites by making them an integral part of the city and offering a mix of uses to combine housing, continued industrial employment and improved infrastructure. Land use mix is a fundamental component of RATP's property policy. The parent company has embarked on an approach in association with the city of Paris to upgrade the urban fabric and revitalise the local districts.

Conversion of the old bus depot at Lagny-Pyrénées in Paris began in 2012 to make way for the construction of a property complex including an underground repair and storage centre for RATP buses and ten office buildings. The freed up space will be used to set up a childcare facility and a school. Completion of the works is scheduled for 2017. RATP won an award for best international urban renewal project from the Canadian Urban Institute for this scheme.

A similar urban development scheme (Jourdan-Montrouge) is currently in progress at Porte d'Orléans, for the renovation of the bus centre and maintenance workshop. The need to increase capacity has led RATP to transform and upgrade its facilities while creating value through a large property project that includes the construction of 650 social housing units.

4 • climate change

4.1 Greenhouse gas emissions

Greenhouse gas emissions from buildings	12/31/13	12/31/14
Tonnes of CO_2 equivalent	91,631	92,577

Greenhouse gas emissions from transport services (rail and bus)	12/31/13	12/31/14
Tonnes of CO_2 equivalent	480,855	522,081

Group indicator, excluding the OrlyVal Service and Metrolink subsidiaries.

The parent company's energy and climate policy aims to continue improving energy efficiency and reduce its carbon footprint.

The parent company conducts an audit of its greenhouse gas emissions every three years. The indicators reveal a 6% decrease in greenhouse gas emissions related to energy consumption over the period 2004-2012, on a comparable scope.

In October 2014, RATP signed step 3 of the Paris Action Climate Charter alongside the city of Paris. As a partner to the Paris Climate Energy Plan, RATP has committed to the following targets by 2020 (compared with 2004):

- 15% reduction in greenhouse gas emissions (per passenger-kilometre);
- 15% reduction in energy consumption (per passenger-kilometre);
- 40% reduction in energy consumption of buildings.

The reduction in greenhouse gas emissions is a strategic commitment for all subsidiaries through:

- use of biodiesel and/or testing various biofuels (in the UK and particularly Bath Bus Company);
- gradual replacement of the fleet with hybrid or Euro 6 compliant vehicles (see section 3.3);
- in Manchester, an initiative has been taken to include environmental criteria relating to greenhouse gas emission reductions in future contracts with the Manchester transport authority, Transport for Greater Manchester (TFGM). The Surrey subsidiary, Epsom Coaches, has installed on-board control systems with the aim of reducing fuel consumption by at least 4%, coupled with the use of biodiesel. The introduction of on-board telematics systems on buses reduced fuel consumption by 3.5% in 2013 and savings are forecast to reach 4% a year.

Creation of Efficacity institute for energy transition

The Efficacity institute for energy transition was set up by the government in 2013 as part of the national and European commitments to reducing energy consumption and greenhouse gas emissions by 20% by 2020. Its purpose is to lead research work on improving the energy efficiency and carbon footprint of the city at its various urban levels (buildings, districts, city). RATP is one of its 35 partners. Among the institute's programmes, RATP leads the "station energy hub" programme.

European "Ticket to Kyoto" research project

"Ticket to Kyoto" is a European innovation partnership that aimed to debate and experiment with solutions to limit the CO_2 emissions from public transport facilities. Launched in 2011 and completed in May 2014, the project brought together five partners, including four operators – STIB in Brussels, RET in Rotterdam, moBiel in Bielefeld and TfGM in Manchester – and RATP.

4.2 Adapting to the impacts of climate change

The parent company's infrastructure is broadly not particularly sensitive to climate change, except for major flood risk (see section 1.2). The risk of a 100-year flood of the Seine is dealt with in the section on measures to prevent environmental risk.

The parent company has adapted its rolling stock in anticipation of greater variations in climate (e.g. tinted windows for buses, air conditioning for rolling stock).

Adapting to severe weather conditions

Measures taken by the subsidiaries to withstand severe weather conditions constitute a first step in planning for the impacts of climate change.
These measures include the availability of special snow equipment (gritters, snow blowers, etc. in Haute-Savoie and Geneva), but the most important measure is the increased rollout of prevention plans for severe, extreme weather events. A large number of subsidiaries have drawn up special winter transport plans, climate prevention plans or bad weather plans (France, Switzerland, Italy and Morocco). Manchester has drawn up a set of procedures under a climate plan, which includes heavy snow, heatwaves and flooding that can affect rolling stock and infrastructure. In 2014, the Climate Plan procedures were improved with the implementation of a specific warning system and driver training in bad weather conditions.
In the United States, McDonald Transit Associates' climate prevention plan includes evacuation arrangements for extreme weather events (tornado, hurricane). The Hong Kong Tramway subsidiary has also drawn up an instruction and prevention guide for severe weather events (typhoon).

5 • Protecting biodiversity

Measures taken to preserve or develop biodiversity

Efforts to protect biodiversity mainly involving planting vegetation around the networks and infrastructure and respecting local biodiversity. In the Île-de-France region, the parent company focuses on planting vegetation on the new tramway platforms and is experimenting with green roofs on some industrial and office buildings (52% of the head office roof is grassed).
In the United Kingdom, the Manchester, Bournemouth and London subsidiaries have begun to plant vegetation in their operations centres and/or stations (a central tram station in Manchester).
In Florence, a large part of the tramway platform is also covered with sedum. Casa Tram has begun to plant palm trees along the tramway line and plans to build a nursery to protect biodiversity along the line and at the maintenance and operations centre. In South Africa, the plant species around the sites are all native to the area. Non-native plants are being replaced by local plants adapted to the environment in line with the national environmental governance policy set out by the Environmental Management Project (EMP).

SOCIAL INFORMATION

1 • Regional, economic and social impact of the business

Developing and improving public transport contributes effectively to the economic and social development of a region, by making it more attractive to business, retail and tourism. Every euro invested in public transport generates four euros in the rest of the economy (source: International Association of Public Transport (UITP) figures).

1.1 Impact on employment and regional development

According to the UITP, public transport operators are often among the top five employers in a local area. This is true for the RATP group, in the Île-de-France region, in France and internationally (the number of direct jobs created is shown in the section on workforce information).

Infrastructure construction also creates indirect jobs, particularly in the supply chain. The €2,173 million of invoiced purchases made by the parent company in 2014 indirectly created some 25,000 FTE (full-time equivalent) jobs. This figure is slightly down on 2013, mainly due to the slowdown in deliveries of rail and bus rolling stock deliveries over the period (€157 million less than in 2013). The ratio is therefore 11.5 FTEs per million euros of purchases.

Number of indirect jobs (in FTE)	2013	2014
Indirect jobs created by suppliers, including:	28,000	25,000
• Indirect jobs created by main contractors	9,700	9,650
• Indirect jobs created by their sub-contractors	18,300	15,350

The RATP group Foundation also contributes to the economic and social dynamics of the regions by supporting associations that work to promote equal opportunity, access to culture and education, community and outreach projects. In the Île-de-France region, the Foundation has a programme of specific initiatives called *espritTram* to accompany the creation of new and the extension of existing tramway lines put into service from 2012 to 2014, which are important social drivers. The programme has several key areas of focus:
- access to culture in partnership with cultural institutions, such as the Parc de la Villette for districts served by lines T1, T2, T3, T5, T6 and T8;
- access to education through a programme of grants;
- support for associations that work to promote community involvement and outreach, and equal opportunity. For example, the Foundation has supported a photography project with the "second chance school" in Sarcelles;
- programme to support micro-credit with the ADIE (*Association pour le droit à l'initiative économique*) as part of the partnership signed in 2012.

This programme has helped 105 micro-entrepreneurs in the districts served by the T1 tramway line in the Île-de-France region, as well as

Charleville-Mézières and Boulogne-sur-Mer. In Roche-sur-Yon, CTY has taken part in campaigns led by the ADIE, as has Vierzon, where STU has lent ADIE a bus for travelling community work.

1.2 Impact on neighbouring and local populations

In 2014, the parent company signed a memorandum of agreement with the city of Paris to build 2,000 new homes in Paris by 2024, including at least 50% social housing, as part of a redevelopment plan for its industrial sites. For more than 20 years, RATP has pursued a forceful policy in housing development. More than 4,000 homes, including 2,000 social housing units, have been created in the Île-de-France region between 1994 and 2014. In Paris, over the same period, RATP's commitment has led to the construction of 2,200 homes, including 1,330 social housing units.

The Foundation runs programmes that take action in the districts where the Group operates. In 2014, 214 projects were supported involving 33,569 direct beneficiaries. The "*destination associations*" programme has supported 70 associations and 30,401 beneficiaries. Projects supported are most often run through structures created by the local residents. For example, the Entraide association in the 19th arrondissement of Paris helps 400 people living in a particular group of residential buildings through various actions including school support, cooking classes, leisure trips and summer activities, which help to build a community spirit.

2 • Relations with stakeholders in the company's activity

2.1 Dialogue with stakeholders

2.1.1 INSTITUTIONAL RELATIONS

Relations with institutions, and particularly the transport authorities, are an inherent part of a transport company's business. We pay close attention to this issue in our countries and regions of operation. The parent company has created six regional development agencies in the Île-de-France region, which dialogue and cooperate permanently with the institutions.

The parent company's relations with Stif, the transport authority in the Île-de-France region, are governed by a four-year contract containing a number of quantitative targets in terms of service level and offer, with a bonus/penalty system.
For RATP Dev, the nature of the institutional relationship depends on the terms of the contract, which vary from one country to another, particularly as regards who is responsible for industrial and commercial risks.

Relationships with the transport authorities go further than contractual undertakings. At the end of 2014, the parent company chose to involve the key institutions in its Bus 2025 project, a general reflection about the future of bus travel in 2025, by creating a working group comprising Stif and experts in transport, the environment and urban planning from the Île-de-France region. Between now and 2025, many factors will combine to provide an opportunity to develop bus travel in the Île-de-France region, including the evolving institutional landscape, the commissioning of part of the Grand Paris Express and the planned energy transition for buses.

RATP Dev develops partnerships with local authorities enabling it to contribute to transport issues and maintain a dynamic relationship with all the decision-making bodies rather than just its customers. Partnerships with the association Ville de France and the Association des Directeurs Généraux des Communautés de France enable us to stay in contact with all French local authority issues, in the context of the regional reform currently in progress.

2.1.2 PASSENGER ASSOCIATIONS

Dialogue with passenger associations is a key priority for us. In the Île-de-France region, a consultation agreement signed in 1996 and amended in 2005 governs the method of dialogue with 17 national consumer and transport user organisations. Consultation is run by a dedicated manager, who also acts as mediator. In 2014, discussions covered cleanliness in metro and RER stations, air quality in the metro, real-time passenger information and information during periods of disrupted service, reorganisation of the commercial policy, and the extension of line 14. A quarterly newsletter and annual report are also sent out to the associations. Two association representatives have a seat on RATP's Board of Directors.

The subsidiaries in the United Kingdom maintain close relations with passenger associations in London, Manchester and Bournemouth, often under the wing of the transport authorities or the chamber of commerce. In Florence, Gest consults the passenger associations in partnership with the transport authority.
All the French subsidiaries handle passenger relations either directly with the relevant associations (supported by the local authorities in the case of STU Bourges and TimBus in the Val d'Oise département) or via user committees (Boulogne-sur-Mer and FlexCité 77). Thanks to this dialogue, TP2A in Annemasse has increased traffic on its network by more than 10% over the past four years.

The Group also has contact with the passenger community through the social media. In the Île-de-France region, all metro, RER and tramway lines operated by RATP have had a dedicated Twitter account since 2014. A Twitter account dedicated to customer service was opened in November 2014 and completes the digital arrangements.

2.1.3 ENVIRONMENTAL PROTECTION ASSOCIATIONS

The parent company continues its partnership with two associations in the Île-de-France region: Airparif, an association accredited by the French Ministry of Ecology, Sustainable Development and Energy, in charge of monitoring air quality in the Île-de-France, and Bruitparif, an equivalent association for noise. Apart from its relations with associations, the parent company also works with the French environmental and energy control agency (Ademe). In 2014, it signed an amendment to the 2010 agreement on eliminating noise black spots in the towns of Arcueil, Cachan and Gentilly. Its experts are in direct contact with local residents affected by noise or vibration. The parent company is also bound by four-way agreements (Region, Department and Municipalities) to promote sustainable travel in the Île-de-France region.

The subsidiaries in the United Kingdom, United States and South Africa maintain regular exchange and discussion. In the French subsidiaries, an example is the cooperation agreement between the Société du téléphérique du Salève with the Nature et Montagne associations.

2.1.4 ASSOCIATIONS REPRESENTING PEOPLE WITH DISABILITIES OR REDUCED MOBILITY

In accordance with the 2005 French law on "equal rights and opportunities, participation and citizenship of people with disabilities", we continue to make our French network increasingly disability friendly, save for the Paris metro, which is recognised as an exception by the legislator.

We remain committed to our proactive policy to facilitate equal access to transport services, developed with the associations in the Île-de-France region. Since 2009, practices and procedures have been set out in a consultation protocol between the parent company and nine associations representing people with disabilities or reduced mobility. Apart from monthly meetings, an accessibility advisory committee meets twice a year and is attended by the Chairman and Chief Executive Officer of the RATP group.

Since 1993, in partnership with SNCF, an association called "Les Compagnons du Voyage" ("Travel Companions") has offered a "door-to-door" service to help people who have difficulty getting around. Specially trained staff are available to assist these people, half of whom are disabled adults, one quarter are elderly and one quarter are disabled minors.

In 2014, we also developed learning methods to encourage vulnerable people or people with reduced mobility to use public transport services:

- in the Île-de-France region, the "École de la mobilité urbaine" programme has produced three educational animated videos in cooperation with the associations;
- Roche-sur-Yon provides specific mobility workshops and people taking their first bus ride are assisted by a hostess.

Other subsidiaries are working on disability awareness, including awareness days in the presence of local elected representatives (Annemasse, Bourges and Centre region, for example) and the organisation of sports events bringing together both healthy and disabled. Subsidiaries that offer dedicated services (Charleville-Mézières, Moulins and the FlexCité subsidiaries in the Île-de-France region) are forging more and more partnerships to improve their services and more closely meet the needs of people with disabilities. For example, the Val d'Oise subsidiary is working with some thirty social and medical centres.

This approach is echoed in our international subsidiaries. In the United Kingdom, London United works with the Royal National Institute for the Blind, Epsom Coaches works with associations for seniors and Metrolink, which operates the Manchester tramway system, is improving its services through its partnership with the Disability Design Reference Group. In China, Hong Kong Tramways works with some twenty official departments responsible for assisting people with disabilities. This has enabled us to take tangible measures to make travel easier for the visually impaired.

2.1.5 ASSOCIATIONS PROMOTING INCLUSION

The parent company works closely with associations or other organisations that promote professional inclusion. For example, it recruits young people with few qualifications under the government-sponsored "Emplois d'avenir" employment support scheme, through the local offices of the French national employment agency (see section on workforce information). In the same vein, it has taken part in some sixty employment forums in partnership with the local authorities. It has also developed an educational approach called the "Ateliers de mobilité" to teach socially vulnerable people how to use transport systems (reading maps, understanding the various transport alternatives) and thereby facilitating their inclusion, particularly in seeking jobs. In 2014, its employees ran 192 mobility workshops for 1,970 participants. In addition, a further fifty workshops were held by AGIR ABCD and the Fondation Agir Contre l'Exclusion (FACE) under an outsourcing agreement.

The RATP group Foundation also entered into some ten local partnerships in 2014, all working to promote professional inclusion. Some, thanks to support from working people, help young graduates from disadvantaged neighbourhoods to find jobs (e.g. Mozaïk RH, Nos quartiers ont des talents). Others help young people who have dropped out of school ("second chance school") or women who are experiencing difficulty in finding a job (e.g. Femmes dignes, Force Femmes).

The Foundation also supports several recycling depots, which re-sell recycled goods, run by people who are unable to get jobs in the mainstream employment market.

RATP Dev's subsidiaries also help inclusion associations targeting populations that have difficulties in finding jobs. In France, the Vierzon subsidiary, a partner to the French national employment agency, offers free transport in the first month at work after a spell of unemployment. Moulins Mobilité and Sqybus in the Yvelines *département* work with the "second chance school" and recruit young people with few qualifications on the government-sponsored Emplois d'avenir employment support schemes. FlexCité 92 focuses on recruiting people living on income support. In the United States, Fullington Auto Bus Company takes a close interest in veterans.

In addition, the parent company has an active policy of assisting homeless people sheltering in the underground or railway networks in the Île-de-France region. A dedicated operating entity called "*Recueil Social*" contacts these people and helps them find accommodation if they wish. In 2014, the parent company took other measures to round out its arrangements. In July, it signed an agreement with Emmaüs Solidarité on the experimental opening of a day centre in Charenton-le-Pont (Val-de-Marne) for the most needy. In February, in partnership with the town hall of the 18th arrondissement of Paris, it signed an agreement with the association Coordination Toxicomanies to address the recurring problem of drug addicts found in certain metro stations by guiding them towards organisations or centres specialising in addiction treatment programmes.

2.1.6 RELATIONSHIPS WITH EDUCATIONAL INSTITUTIONS

We have a long tradition of partnerships with educational institutions. In the Île-de-France region, customised educational programmes are devised with schools located close to our new tramway lines. To support the arrival of the T8 tramway line in Seine-Saint-Denis and the T6 line between Châtillon and Vélizy-Villacoublay, 4,500 pupils attended awareness sessions on tram safety and how to use the tram, given by parent company employees. As part of its "*Restons civils sur toute la ligne*" (Be civil right along the line) campaigns, the parent company runs a programme to prevent anti-social behaviour, which includes actions in schools run by employee ambassadors. In partnership with the Rectorat de l'Académie de Paris, it has also devised an educational kit for teachers called "*La civilité ça change la ville*" (Civility improves city life).

The French and international subsidiaries work with educational institutions on various topics:

- awareness about the use of public transport for junior and senior school pupils (Bournemouth in the United Kingdom and Boulogne-sur-Mer in France);
- road safety and accident prevention, major topical issues addressed for example by Casa Tram in Morocco. In France, this topic is often supplemented by coach evacuation drills, particularly on its school routes;
- respect for rules on and prevention of dangerous behaviour (STU Bourges, Boulogne-sur-Mer, Cars Dunois);
- opening up jobs in the transport business to pupils in difficulties (Metrolink in Manchester) or for those in the technological streams (STI Centre and Fullington Auto Bus Company in the United States);
- working with universities: Bournemouth signed a partnership with its university in 2014. Manchester hosts students from the University of Leeds. RATP El Djazaïr has set up a partnership with the École polytechnique d'architecture et d'urbanisme in Algiers and the University of Grenada in Spain for research work.

The RATP group Foundation is also highly active in the area of education. Through its "Trajets d'avenir" programme, created in 2009, it provides educational scholarships for talented students from poor backgrounds to enable them to access long-term study or the top educational institutions. This financial aid is supplemented by collective support or support from qualified mentors, all of whom are managers of the RATP group working on a voluntary basis. Meetings with Group managers, co-ordinated by the Foundation, provide a bridge to the working world for young people selected through partnerships with the University of Cergy-Pontoise, Telecom ParisTech and Telecom SudParis, HEC and INSA Centre Val de Loire in Bourges. 69 students benefited from this programme in 2014.
The Foundation has also become a member of the Alliance des Mécènes pour l'Éducation, a collective philanthropy project dedicated to the fight against school dropout. 1,200 senior school pupils were involved during the 2013/2014 school year.

2.2 Partnerships

In the Île-de-France region, the parent company aims to promote culture through partnership. RATP's cultural policy is to make the passenger journey more agreeable and to contribute to urban culture.
In 2014, the communications and brands department forged over one hundred partnerships with key municipal players and large cultural institutions.

- 78 cultural partnerships are dedicated more specifically to music, literature and heritage. Since 2013, RATP has made photography the new spearhead of its cultural policy, based around an ambitious programme enabling its passengers to discover contemporary photographic work;
- 14 sports partnerships, including "les Mercredis du Handball", which aim to promote diversity and open up transport jobs to young girls from disadvantaged neighbourhoods in the Île-de-France region. RATP is still very involved with rugby, a sport that embodies the Group's values. As part of its partnership with the French rugby federation, 400 schoolchildren took part in the 2014 edition of the "Mercredis du rugby";
- 17 institutional partnerships (international environmental film festival, sustainable mobility week, sustainable development week, etc.).

In addition, the parent company has developed a scientific partnership with the Institut du Cerveau et de la Moelle Épinière (ICM) to contribute to research on walking difficulties affecting people suffering from brain disorders. In this way, RATP can collect knowledge and information about the disorders that can make it difficult, or even discourage, older people with these disorders (Parkinsons in particular) from using public transport. RATP's support helps fund research work.

The subsidiaries also run a variety of events within partnerships or philanthropy initiatives:

- cultural partnerships: in the United Kingdom and Italy, subsidiaries invest in local events (e.g. "artists in residence" for Yellow Buses). In Algeria, RATP El Djazaïr has held musical events at the Grande Poste station for the first time, in association with the ministry of culture. Oran launched a contest (Setram's Got Talent) to reward the artistic talents of its employees, with a closing photography exhibition. Casa Tram in Morocco has sponsored a book about the tramway and organised a reading week on the Casablanca tramway system;
- sports partnerships: Metrolink supports a football club, STI Centre subsidise the Bourges ladies' basketball team, the Yvelines subsidiaries are partners to football, athletics or canoeing clubs, Vienne Mobilités is partner to a rugby club. Most of the subsidiaries have an involvement with local clubs (AlpBus, Cars Dunois, STI Nièvre);
- humanitarian partnerships: in Algiers, Setram works with children's associations and a special event was organised on 1 June 2014 to celebrate International Children's Day. Constantine organised a three-day blood donation drive in the company, in association with the hospital centre. In France, some subsidiaries offer free transport for charity events: in Annemasse, TP2A worked with the Restos du Coeur and Sqybus provided Christmas buses in partnership with the Foundation to collect and redistribute toys to needy children.

Lastly, RATP Dev worked more closely with the RATP group Foundation to offer partnerships in new regions served by the Group. In 2014, at the time of the Valenciennes bid, RATP Dev worked closely with the RATP group Foundation on the social component of its proposal. This enabled us to present the variety of projects we support, the attention we pay to local issues and the use, wherever possible, of volunteer staff.
This type of co-operation also took place when we won the Washington contract. When DC Street Car was set up, employees of this US subsidiary, in association with the Foundation, identified an academic support association (Horton's Kids) which will receive funding from the Foundation in 2015, as well as employee volunteer work.

3 • sub-contracting and suppliers

For our second year of reporting, information on sub-contracting and suppliers only covers the parent company. For RATP Dev, purchasing volumes other than energy are extremely low and the local contexts in which it operates extremely varied. The contribution of our subsidiaries is therefore limited to qualitative information.
The parent company's responsible purchasing policy is based on incorporating sustainability considerations in purchasing practices, reducing its environmental impact, developing socially responsible purchases, building and maintaining balanced relationships with suppliers and involving suppliers in a CSR approach. The policy is drilled down throughout the purchasing process and in the internal manuals and tools available to buyers (buying guide, practical information sheets, etc.).

In 2014, we continued to train our buyers in responsible purchasing, the aim of which is to identify the issues, acquire a common base of skills and share best practices. This module is now part of the Purchasing Academy training course, which is compulsory for all buyers.

Training	2013	2014
Number of buyers trained (since 2012)	113	133
Percentage of buyers trained	70%	83%

In 2014, the magazine *Décision Achats* awarded two prizes to the parent company for its exemplary CSR approach in two areas: its action in favour of SMEs and its work on the inclusion of people who have difficulties in finding a job.

3.1 Integration of social issues in the purchasing policy

The parent company continued to develop socially responsible purchasing from excluded populations, through two mechanisms: inclusion clauses in some contracts and purchasing from the sheltered sector.
Inclusion clauses are incorporated in contracts for tramway construction or extension works (civil engineering, electricity, heating and climate control, metalwork, etc.) and maintenance workshop contracts (49% of contracts in progress). The requirement for inclusion hours also forms part of our cleaning, electrical maintenance and track re-coating contracts.
In 2014, we began to think about how to go beyond simple contractual provisions and engage in a more qualitative approach to promote effective inclusion mechanisms. This led to the definition of a process for implementing inclusion clauses and the systematic use of facilitators.

Purchasing from the sheltered sector declined in 2014 for one-off reasons related to contract renewal procedures. These results do not reflect our commitment to purchasing from the disabled sector and the actions taken in 2014 will begin to bear fruit in 2015.

Buyers keep a close eye on supplier working conditions (see section on fair business practices).

Inclusion	2013	2014
Number of inclusion hours achieved (clauses and sub-contracting)	140,000	290,000
Number of beneficiaries of inclusion mechanisms	320	536
Number of contracts with an inclusion clause (in progress)	83	90
Amount of purchases from the sheltered sector (invoice amounts excluding taxes)	€630,000	€472,000

In Manchester, the Transport for Greater Manchester authority published a corporate social responsibility statement in February 2014. In this context, Metrolink has signed a responsible procurement charter, which requires its suppliers to commit to socially responsible practices, particularly in the field of fair treatment and inclusion of people in need. In Italy, suppliers must include a specific document about their social responsibility commitment in their tender documents. In South Africa, BOC has a purchasing code of conduct.

3.2 Importance of sub-contracting and making CSR a consideration in supplier and sub-contractor relations

For the parent company's 4,724 suppliers in 2014, the results were as follows:

Suppliers	2013	2014
Number of (direct) suppliers to the parent company	4,524	4,724
Proportion of suppliers based in France	95.8%	95.8%
Proportion of SMEs among direct suppliers	63%*	64%
Total purchases from SMEs (in €m)	343*	361
Proportion of purchases from SMEs to total purchases (27.8% excluding energy and rolling stock)	14.8%	16.6%

*Data adjusted for methodology adopted in 2014

The parent company has an active policy of supporting SMEs and innovation. We make it easier for them to win our contracts through several mechanisms, including contract division and allotment, simpler procedures and the option of forming consortia. As early as mid-2014, we adopted and applied the provisions of the new European directive on public contracts lowering the minimum financial capacity requirements.
Each year, Pacte PME carries out a survey for RATP among its SME suppliers, to define the customer-supplier relationship and identify areas for improvement. The results of the survey are presented to SMEs and buyers, providing an excellent opportunity for discussion and exchange.
In November 2014, RATP organised its first SME forum on the theme of industrial design to facilitate meetings and exchanges between some twenty SMEs and buyers of large companies or influential public bodies.

4 • Fair business practices

4.1 Actions taken to prevent bribery and corruption and actions taken to promote human rights

Purchasing and ethics are among the cross-functional risks monitored by the risk management department and included in the internal control arrangements (see Chairman's report).
The Group's code of ethics covers three areas, business ethics, employer's ethics and citizenship ethics. All parent company managers were trained using e-learning techniques in 2014. The training programmes have been adapted and are being rolled out in RATP Dev's subsidiaries.
Specific arrangements apply as part of the purchasing and supplier relations policy. A code of conduct and ethics governs supplier relations (General Instruction 499b). Social audits are performed for clothing contracts. The results of these audits, which are assigned to an independent firm, dic-

tate the awarding of contracts and corrective measures can be demanded of suppliers.

Audits	2013	2014
Number of social audits conducted during the year (clothing)	10	7
Total number of audits since 2000	55	62
Total number of audited sites rejected since 2000	4	5

4.2 Passenger safety measures

Railway safety is an absolute priority for us. It requires a global vision as it involves all business areas: engineering, maintenance and operations. A dedicated railway safety unit was created in July 2012 and reports directly to the Chairman and Chief Executive. At the end of 2014, the parent company re-introduced a training cycle to raise the awareness of maintenance sector managers about railway safety, particularly as regards the fundamental risk control elements and the importance of procedures.

This systemic approach underpins our recognised expertise, particularly internationally. In South Africa, BOC works with the public authorities through the Railway Safety Regulator, which has set up an accreditation and quality management system. These procedures are completed by audits by the Transport Education and Training Authority.
In Algeria, Setram opened the first section of its urban rail transport training institute in 2014, which provides continuous professional training to help promote the transfer of know-how and a culture of operating a public railway system in Algeria. In the United States, to prepare for opening the Tucson tramway system and raise local awareness, safety messages have been broadcast on the new Tucson Streetcar service's website. They include educational videos explaining the specific safety issues involving in sharing the roads.

Note on extra-financial reporting methodology Exercice 2014

General framework

French decree no. 2012-557 on social and environmental reporting implementing the Grenelle II law was published on 24 April 2012. It requires workforce, environmental and social information to be reported by all listed companies as of 2012 and by companies exceeding certain headcount or revenue thresholds as of 2012 or later depending on the relevant thresholds.

The RATP group is not strictly subject to this reporting requirement. However, it wished to plan ahead and adopt the same rules as private sector companies by having its workforce, environmental and social information audited by one of its Statutory Auditors.

Scope of consolidation

For its second year of reporting, the scope chosen by the RATP group includes the parent company and sixteen RATP Dev subsidiaries based in France, Europe or the rest of the world, which are representative of the Group's core business. The reporting scope will be gradually extended in future years.

The exact reporting scope for each indicator is specified in the information provided.

It is identical for all data, except the following:

Workforce information
- "Compensation and trends": the concept of average net compensation per employee can only be applied to the parent company;
- "Disability employment and inclusion": only the Group's French scope is covered due to national legislation.

Environmental information
- "Persons exposed to noise levels above the maximum limit": this relates to European directive 2002/49/EC on noise pollution and therefore only covers the European scope;
- "Employee training and awareness in environmental protection", "Amount of provisions and guarantees for environmental risk" and "Ground use": information is not available for the subsidiaries;
- "Water consumption and water supply according to local constraints": information is not available in Morocco or South Africa.

Social information
Quantitative data for the two purchasing disclosures, "Integration of social issues in the purchasing policy" and "Importance of sub-contracting and making CSR a consideration in supplier and sub-contractor relations", is provided only for the parent company scope given RATP Dev's low purchasing volumes.

Methodological limitations

There are methodological limitations on reporting workforce, environmental and social information for several reasons: lack of harmonisation of definitions and national or international legislation, qualitative nature of certain information or different interpretations of standards between the parent company and RATP Dev subsidiaries.

In the workforce reporting section, an adjustment mechanism has been applied to the indicators on absenteeism and severity to reconcile the results of the parent company with those of the RATP Dev subsidiaries.

In the environmental reporting section, the 2013 data for five of the environmental indicators (number of certified sites; number of sites with an environmental management system; number of hours training for the parent company; sites equipped with a water recycling system; and tertiary and industrial sites involved in selective sorting) have been adjusted.

The parent company's total water consumption is subject to an uncertainty inherent in the invoices that have been received at the year end.

The noise indicator "Persons exposed to noise levels above the maximum limit specified by European Directive 2002/49/EC" is calculated without regard to the index used or threshold by transport mode. The limits defined by the directive are:
- rail: 73 dB(A) for the Lden index (24h day) and 65 dB(A) for the Ln (night) index;
- road: 68 dB(A) for the Lden index (24h day) and 62 dB(A) for the Ln (night) index.

Note that the United Kingdom prefers to identify Noise Black Spots using the LAeq 18h index, rather than Lden.

Reporting schedule

In order to include the extra-financial information in the company's financial report, the CSR reporting schedule has been brought into line with the financial reporting schedule and covers the 2014 financial year. Workforce, environmental and social information is reported for the full calendar year, i.e. 1 January 2014 to 31 December 2014 (twelve months).

Workforce information
The Finance and Human Resources departments agreed that the quantitative workforce information provided would be the raw data taken from the various information systems at 31 December 2014. There may be slight imprecisions, but tests show that they can be considered as not material.

Environmental information
For environmental data calculated on the basis of meter readings or invoices not available at the year-end (e.g. water and energy other than electricity), the missing information is estimated on the following basis:
- "closest possible approximation" to actual consumption based on documented sources (invoices, meter readings) for the first ten months of the year;
- a projection for the missing months, i.e. the two final months of the year (November and December).

Data collection and internal responsibilities

Three reporting protocols govern the data collection process and set out internal responsibilities.

Data collection
The Group's quantitative data is collected and compiled at two intermediate levels:
1- **For the parent company:** Human Resources (GIS) and the Innovation and Sustainable Development Unit (DIT/IDD) are responsible for compiling and verifying the raw data reported by the parent company with a network of internal correspondents.
2- **For RATP Dev:** the subsidiary compiles and verifies the raw data reported by its subsidiaries save for data on greenhouse gas emissions and noise, which are collected by RATP Dev but compiled and verified by IDD using dedicated methods and tools.

Final consolidation of Group data is done by the Finance department. Qualitative information is reported via discussions and/or questionnaires. Reporting is the responsibility of the Communications department and is overseen jointly by the Group's Finance, Communications and Corporate Secretary's departments.

Reporting tools for quantitative data:
1- **For the parent company:** data is retrieved from existing information systems and tools.
Workforce data are aggregated and/or converted by GIS using specific HR applications (Rhapsodie, Acciline).
Environmental data on energy and water consumption and greenhouse gas emissions are aggregated and/or converted by IDD based on existing tools (Ademe's Base carbone® for greenhouse gas emissions). Noise data are compiled using acoustic simulation software.
2- **For RATP Dev:** the subsidiary has a Hyperion database, which automatically collects and processes data reported by the subsidiaries, save for data on greenhouse gas emissions and noise.

Internal control
Each department, unit or subsidiary in charge of the data is responsible for the information produced and must be able to provide supporting documentation. The final control is performed during consolidation.

Report by one of the statutory Auditors

Report by one of the Statutory Auditors on the consolidated workforce, environmental and social information presented in the management report.

For the year ended 31 December 2014

In our capacity as Statutory Auditor of RATP (the "Company" or "RATP") and at the request of RATP, we hereby report to you, in accordance with Article L.225-102-1 of the French Commercial Code (Code de commerce), on the consolidated workforce, environmental and social information for the year ended 31 December 2014 which RATP has chosen to present in its management report (hereinafter the "CSR Information").

Responsibility of the Company

The Board of Directors is responsible for preparing a management report which, as part of a voluntary process by RATP, includes the CSR Information referred to in Article R.225-105-1 of the French Commercial Code, prepared in accordance with the RATP group's entire 2014 Environmental Reporting Protocol and the 2014 Workforce and Social Reporting Protocol (hereinafter the "Guidelines"), summarised in the management report in the section entitled "*Note on extra-financial reporting methodology*" and available on request from the company's Communications Department.

Independence and quality control

Our independence is defined by regulatory texts, the French code of ethics governing the audit profession and the provisions of Article L.822-11 of the French Commercial Code. We have also implemented a quality control system comprising documented policies and procedures for ensuring compliance with the codes of ethics, professional auditing standards and applicable legal and regulatory texts.

Responsibility of the Statutory Auditor

On the basis of our work, it is our responsibility to:
- attest that the CSR Information referred to in Article R.225-105-1 of the French Commercial Code is presented in the management report or, in the event of omission, that an explanation is provided in accordance with Article R.225-105, paragraph 3 of the French Commercial Code (Statement of completeness of CSR Information);
- express limited assurance that the CSR Information, taken as a whole, is presented fairly, in all material respects, in accordance with the Guidelines (Reasoned opinion on the fairness of the CSR Information).

Our work was performed by a team of five people between November 2014 and February 2015 and took around ten weeks. We were assisted in our work by our specialists in corporate social responsibility.

We performed the work described below in accordance with the professional auditing standards applicable in France for this type of engagement (NEP 9090) and with the decree of 13 May 2013 determining the manner in which the independent third party performs its engagement and, with regard to the reasoned fairness opinion, with international standard ISAE 3000[1].

1. Statement of completeness of CSR Information

Based on interviews with the heads of the relevant departments, we reviewed the Company's sustainable development strategy with regard to the social and environmental impact of its activities and its social commitments and, where applicable, any initiatives or programmes it has implemented as a result.
We compared the CSR Information presented in the management report with the list provided in Article R.225-105-1 of the French Commercial Code.
For any consolidated information that was not disclosed, we verified that explanations were provided in accordance with the provisions of Article R.225-105, paragraph 3 of the French Commercial Code.
We verified that the CSR Information covered the scope of consolidation, i.e., the company, its subsidiaries as defined by Article L.233-1 and the entities it controls as defined by Article L.233-3 of the French Commercial Code, subject to the limitations set out in the Note on extra-financial reporting methodology in the RATP group's management report.
Based on these procedures and given the limitations mentioned above, we attest that the required CSR Information has been disclosed in the management report.

2. Reasoned opinion on the fairness of the CSR Information

Nature and scope of our work

We conducted around thirty interviews with the people responsible for preparing the CSR Information in the departments charged with collecting the information and, where appropriate, the people responsible for the internal control and risk management procedures, in order to:
- assess the suitability of the Guidelines in terms of their relevance, completeness, reliability, impartiality and comprehensibility, taking into account industry best practice, where relevant;
- verify that a data-collection, compilation, processing and control procedure has been implemented to ensure the completeness and consistency of the CSR Information, and review the internal control and risk management procedures used to prepare the CSR Information.

We determined the nature and scope of our tests and controls according to the nature and importance of the CSR Information having regard to the

1 ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

nature of the company, the social and environmental impact of its activities, its sustainable development policy and industry best practice.

With regard to the CSR Information that we considered to be the most important:[2]

- at RATP parent entity level, we consulted documentary sources and conducted interviews to substantiate the qualitative information (organisation, policy, action), we performed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and the consolidation of the data. We also verified the consistency of the data by cross-checking it with other information in the management report;
- at the level of a representative sample of entities selected by us on the basis of their activity, contribution to the consolidated indicators, location and a risk analysis,[3] we conducted interviews to verify that the procedures were followed correctly and to identify any undisclosed data and we performed substantive tests, using sampling techniques, to verify the calculations made and reconcile the data with the supporting documents. The selected sample represents on average 89% of headcount and 88% of the contribution to environmental information.

2 The most important CSR information is listed in the appendix to this report.

3 The entities selected for the audit were RATP parent company, Cars Dunois, London United, Metrolink and RATP El Djazaïr.

For the other consolidated CSR information, we assessed its consistency based on our understanding of the company.

We also assessed the relevance of explanations given for any information that was not disclosed, either in whole or in part.

We believe that the sampling methods and sample sizes used, in our professional judgement, were sufficient to allow us to express limited assurance; a higher level of assurance would have required us to carry out more extensive work. Due to the use of sampling techniques and other limitations inherent in any information and internal control system, we cannot completely rule out the possibility that a material irregularity has not been detected.

Conclusion

Based on our work, we did not identify any material irregularities likely to call into question the fact that the CSR Information, taken as a whole, is presented fairly, in accordance with the Guidelines.

Neuilly-sur-Seine, 16 March 2015

One of the Statutory Auditors
PricewaterhouseCoopers Audit

Gérard Morin
Partner

Sylvain Lambert
Partner in charge of the Sustainable Development Department

Appendix
Important information selected for review

Quantitative workforce information
- Total headcount and breakdown by age, gender and geographical region
- Compensation and trends: gross payroll and average net monthly compensation per employee
- Joiners and leavers (including breakdown by reason)
- Percentage of part-time employees
- Absenteeism
- Collective bargaining agreements
- Work-related accidents (frequency and severity)
- Total number of training hours
- Percentage of women senior executives
- Total number of employees with disabilities and new recruits

Qualitative workforce information
- Organisation of dialogue between management and employees
- Health and safety at work
- Training policy
- Anti-discrimination policy

Quantitative environmental information
- Certified industrial sites and industrial sites with an environmental management system
- Total production of hazardous and non-hazardous waste
- Complaints from stakeholders about noise and vibration; people exposed to noise levels above the limits set out in Directive 2002/49/EC
- Total water consumption supplied through a public network
- Total energy consumption and breakdown by usage
- Greenhouse gas emissions (traction and buildings)

Qualitative environmental information
- Water quality
- Overall energy efficiency of transport facilities

Social information
- Regional, economic and social impact of the company's activity on local populations in terms of employment and regional development
- Responsible purchasing policy
- Fair business practices
- Railway safety

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President's Report

Introduction

The purpose of this document is to report on the preparation and organization of the work of the Board of Directors and on the internal control procedures implemented by RATP, in accordance with the provisions of Article L.225-37 of the French Commercial Code.

Internal control or *business control*, means *control of business activities*. Internal control is the system set up by the company to ensure the control of the business, in particular:
- compliance with current laws and regulations;
- implementation of the instructions and guidelines issued by executive management;
- smooth running of the company's internal processes, particularly those used to safeguard assets;
- reliability of financial information.

The content of this report is based on the framework for internal control reporting set out by the French securities market regulator (AMF) and published in January 2007 to assist French companies that are required to prepare this type of report.

As stated in the AMF's Reference Framework, "by contributing to the prevention and management of risks that can hinder the company in achieving its objectives, the internal control system plays a key role in the manner in which the company's business activities are conducted and managed. However, internal control cannot provide absolute assurance that the company's objectives will be met".

As the Board of Directors is the governance body that ensures that the internal control system is appropriate for the company, the first part of this report describes the way the system works and the significant work performed during 2014. The second part provides an overview of the organization of the risk management and internal control system, and the third part explains how control and monitoring activities contribute to ensuring reliable accounting and financial reporting.

This report was presented to the Audit Committee at its meeting on March 2, 2015. Pursuant to legislation effective as of 2008, it was approved by decision of the company's Board of Directors at their meeting[1] on March 13, 2015.

1 • The Board of Directors

1.1 Organization principles and role

In terms of Corporate Governance, RATP complies with the rules set forth by the State Equity Investment Agency.

RATP's Board of Directors comprises 27 members pursuant to Government decree no. 84276 of April 13, 1984 (details are provided in Appendix 1). The Board has adopted internal rules in accordance with Article 6-12 of decree no. 59-1091 of September 23, 1959 on the legal form of RATP. These rules are frequently updated on the basis of the Board's governance.

1 French Law 2008-649 of July 3, 2008 introducing provisions and amendments in French corporate law from EU law, Articles 26 and 29 (Official Gazette July 4, 2008).

The Board of Directors is chaired by Mr Pierre Mongin, who was reappointed President and Chief Executive Officer of RATP by the decree of July 24, 2014 for the 2014-2019 period.

The Board of Directors is responsible for all the company's strategic decision-making on key economic, financial and technological issues. These include matters relating to the company's State-regional contractual plans, business plan and the contractual agreement with the Île-de-France transport authority (Syndicat des Transports d'Île-de-France – Stif). Decisions are taken on the basis of input from three standing committees, one of which deals with matters concerning technical and technological modernization and development, the second, economic and strategic issues and the third, innovation and customer service.

The role of the Audit Committee, comprising six Board members, is to advise the Board on the financial statements, particularly with regard to the reliability of the information systems used to prepare them, financial management, accounting and management principles, risk management and financial reporting.

The Board approves contracts exceeding €60 million, upon the advice of the Technical and Technological Modernization Committee, which exerts an evocation power for contracts between €5 million and €60 million.

The Board empowers the Chief Executive Officer to purchase, extend or dispose of investments of a nominal value below €2 million, and to reclassify securities between RATP and its majority-owned subsidiaries.

The Board has set the threshold below which the Chief Executive Officer is authorized to purchase or dispose of all real property at €2 million, in accordance with Article 8d of the Government decree of September 23, 1959 on the legal status of RATP.

During the summer and year end recess of the Board, the Board empowers the Chief Executive Officer to enter into contracts for work and supplies on its behalf and to purchase and dispose of real property or investments, on condition that such matters are reported at the following ordinary meeting of the Board.

Directors that represent the State or employees are unpaid. However, the expense that they incur in the performance of their duties is reimbursed by RATP. For qualified persons, if the Board decides to pay directors' fees in addition to reimbursing their travel expenses, such fees are subject to the approval of the Transport Minister and the Minister for the Economy and Finance.

The Board, subject to ministerial approval pursuant to Article 7 of decree no. 591091 of September 23, 1959, sets the directors' fees for qualified persons. These are paid to directors present at Board meetings and at meetings of the Board's two standing committees. They are set at €148 per Board meeting and €74 per Committee, Commission or Working Group meeting, as of January 1, 2007.

1.2 Significant Work by the Board in 2014

1.2.1 APPOINTMENT OF THE CHIEF EXECUTIVE OFFICER FOR THE 2014/2019 PERIOD

The 2009-2014 period ended in July and a new five-year period began which will continue until July 2019. The Board was therefore convened for an extraordinary session on July 23, 2014 for the purpose of proposing the appointment of the President and Chief Executive Officer.

The Board proposed to the Government that Mr. Pierre Mongin, the sitting President and Chief Executive Officer, continues in his powers and duties of CEO. Mr. Mongin was appointed President and Chief Executive Officer of the RATP by decree of July 24, 2014.

Mr. Mongin had previously received the unanimous vote of the competent Commissions of the French National Assembly and Senate on July 15 and 16, 2014.

1.2.2 NETWORKS DEVELOPMENT AND MODERNIZATION POLICY

The meeting of January 31 discussed the decisions of the Île-de-France transport authority concerning the extensions of the lines managed by the RATP, increasing the number of coaches and strengthening the line 1 offering on March 1 (reducing the interval between two trains at peak hours for like-for-like rolling stock to 85 seconds).

As such, the Board was able to subsequently approve:
- in October, the preliminary projects related to the extension of the T1 from Bobigny to Val de Fontenay and of the T3 to Porte d'Asnières;
- in November, the preliminary project relating to the extension of line 11 to Rosny – Bois-Perrier.

Following the strategic debate in March, the "Bus2025" plan was launched in June. It entails confirming the Company's positioning and integrating significant technological developments to reduce nuisances.

The RATP launched the implementation of PA SACEM on line A in the central section of RER line A and the extension of this automatic train to Noisy-Champs.

The present situation of Orlyval and its growth prospects were also debated in January.

Significant events for rolling stock included:
- the approval in January, of the acquisition of 12 additional MF01 coaches for lines 2, 5 and 9;
- the approval in November of an amendment to the metro MF 2000 coaches supply contracts and related services;
- the allocation of four additional coaches to line 14 to boost capacities;
- the green light given by the Board in March for the supply of 12m standard urban buses with diesel and/or hybrid and/or gas powered engines.

In the area of new technologies, the deployment of 3G/4G on the network, mentioned in January, will provide passengers with high-speed internet on both platforms and trains.

The Board also approved the contract for renewing the infrastructures of the RATP video system and the migration to Telecom services.

1.2.3 INDUSTRIAL AND ENGINEERING POLICY IN THE GREATER PARIS REGION

The Board Meeting of January 31 debated the strategic issues of the RATP and the Greater Paris project. The Management change at SGP was discussed as well as the decisions taken by the Île-de-France transport authority on December 11, 2013 which have an impact on the RATP. The Île-de-France transport authority recalled the context for exercising the RATP's project management mandate with respect to the extension works on line 14.

Ongoing projects on lines 15, 16, 17 and 18 must be closely monitored. Indeed, the Île-de-France transport authority has already expressed its opinion on the features of new rolling stock that will impact operating performance as well as passenger comfort. For line 18, the Île-de-France transport authority stipulated that Orlyval should continuing running until at least until the opening date of line 14 to service Orly.

In terms of security, the Regional Prefect and the Police Prefect chaired a steering committee on safety in Greater Paris in January during which a decision was made to pool the RATP Security Control Room with the gendarmerie and the SNCF services.

In 2014, Systra was awarded with respect to Greater Paris procurement contracts, significant contracts such as project management for the Vitry infrastructures maintenance site, infrastructure management for line 16 and the Noisy-Champs – Le Bourget sections as well as the project management for the common tunnel for lines 16 & 17 between Bourget and Saint-Denis – Pleyel.

It should be noted that several project contracts concerning the extension of line 14 were approved during the year.

The President kept directors informed of new developments in railway industrial policy.

1.2.4 SOCIAL ENVIRONMENT

In January, there was an assessment of employee-management relations in the company in 2013. All the commitments of the 2013 social agenda had been met. The 2014 training plan was adopted.

The Labour Minister, Mr. Sapin, sponsored the two-hundredth "emploi d'avenir" contract with the company. During the year, initiatives were taken around three major priorities: the company's developments and changes, employee-management relations tools, remuneration, careers and work conditions, forward planning of human resources and skills development.

In March, the Board approved the company's supplementary social protection plan.

In May, the financial statements of the CCAS were approved; its forward budget was approved in November.

Alongside these actions, the RATP continued in 2014 its social housing policy through its subsidiary Logis Transports.

The Board approved the company's social housing policy in November.

1.2.5 CONTROL OVER THE COMPANY'S FINANCIAL INFORMATION AND COMPETITIVENESS

At its March 14 meeting, the Board approved the 2013 financial statements, then reviewed and approved the income statement for the six-month period ended June 30 and the consolidated financial statements on that same date.

In November, the parent company's budgets and investment programs were adopted.

CSR (corporate social responsibility) issues were debated in 2014 at meetings of the audit committees, economic and strategic commission and at the Board meeting. Anticipating the obligation for social, environmental and societal reporting, a management report presenting the financial results and CSR results was presented for the first time at the Board meeting in March. As a reminder, in 2013, the activity and sustainable development report was approved.

Furthermore, the RATP group also decided to anticipate the obligation requiring the verification of CSR information by statutory auditors. This should be effective starting from 2016.

The CSR reporting scope for the year concerns first RATP, and second, following a trial run performed with subsidiaries, 11 entities which were selected for this first fiscal year, including four in France and seven abroad, chosen from among the most representative of our activity. Reporting accounts for 90.3% of the Group's revenue based on the 2013 revenue. This is a consolidated report. The Group decided to adopt one indicator per information, which restates the data reported by the parent company and by the subsidiaries.

In terms of method, this reporting is made by the Communications department. Joint oversight is shared by the financial department since it includes the management report, and by the Group general secretary, for governance-related issues.

With respect to tools and the control method used, RATP used different existing information systems to transmit information about environmental and social indicators.

In October, directors received information about the organization of procurement in the company, on the new tools used (e-Procurement) and on results for the first six-month period.

1.2.6 ATTENTION TO DEVELOPMENT POLICY

The Board's Economic Strategy Committee oversees the development and strategy activities of subsidiaries. Specifically, it conducts regular in-depth reviews of the annual and half-yearly financial statements, the budget, the medium-term business plan and the quarterly reports of RATP Développement, the most significant subsidiary in terms of revenue.

Throughout the year, the President kept directors informed of progress in RATP's development and of business wins by RATP Dev in France and internationally.

The Board is informed about Outlook for Subsidiaries

The Budget as well as the consolidated financial statements of the RATP group are also presented to the Board.

1.2.7 CLOSE MONITORING OF QUALITY OF SERVICE

Numerous actions were undertaken in 2014 to improve quality of service. In October, there was an assessment of the deployment of RATPService and presentation of the 2013 passenger and staff security report.

In October, the Board studied the characterization of RATP traffic by customers in 2013.

The challenges linked to open data policies were discussed in November.

1.2.8 RISK MANAGEMENT AND RAILWAY SECURITY

The Board discussed risk management in June. The process entailing the definition of a framework, risk mapping, the implementation of treatment plans and actions were stressed.

The report on railway security was presented to the Board in May. Each of the networks was analysed.

1.2.9 BOARD GOVERNANCE EVALUATION MISSION

In May, the Board had the opportunity to debate the results of the Board governance evaluation mission performed by the Leader Trusts firm.

1.2.10 PRESIDENT'S STRATEGIC GUIDELINES

In accordance with Article 1 paragraph 3 of the Board of Directors' Internal Regulations, the Board met to debate the major guidelines proposed by the President & CEO (Board meeting of October 17, 2014).

1.2.11 INSTITUTIONAL RELATIONS

The President regularly reported to Board members on his meetings with the company's institutional partners and elected regional (Île-de-France) and national representatives, and on his hearings, particularly before the Board of Directors of the Île-de-France transport authority. He also regularly reported to the Board on the initiatives and action undertaken with the Government in Brussels to stabilize the European transport framework.

2 • Risk management and internal control

Internal control is an integral part of risk management, all an integral part of the overall corporate governance process.

Risk management and internal control play a complementary role in controlling the company's activities[2]:

- "The risk management system aims to identify and analyse the company's main risks; risks that exceed acceptable levels set by the company are

2 AMF Reference Framework, revised in July 2010.

dealt with and, as the case may be, subject to action plans; these plans may call for the implementation of controls, a transfer of the financial consequences (through insurance or an equivalent mechanism) or an adaptation of the organizational structure; the controls to be implemented are part of the internal control system; In this way the internal control system contributes to the management of the risks incurred in the company's activities;
- the internal control system relies on the risk management system to identify the main risks that need to be controlled;
- the risk management system needs to include controls that are part of the internal control system and aimed at ensuring the proper functioning of the risk management system."

In addition, the risk management and internal control systems are continuously monitored to assess the quality of their performance. Oversight is implemented by the Internal Audit function, one of the roles of which is "to evaluate the effectiveness and contribute to the improvement of risk management processes", as set forth in IIA standard[3] 2120 .

The objective of this part of the report is to present: first, the main risks facing RATP group along with the processes that enable them to be controlled; and secondly, the various components of the internal control system.

First of all, we recall that in 2008, the RATP implemented a General Instruction on delegations of authority and signature, prepared and drafted by the company's Legal department and subsequently approved by the President and Chief Executive Officer. This instruction states the general rules and principles applicable to the delegations which the company must comply with, and sets the organization for monitoring these delegations to allow their update and archiving. The delegation correspondents in the various departments ensure that changes in the needs of each department in terms of delegations (change of delegate, new organizations, etc.) are incorporated into these updates. The Legal department is responsible for checking the legal aspects of the delegations, and the SDG department for their publication.

2.1 Risk Identification and Management

2.1.1 THE ROLE OF THE RISK MANAGER

The role of the Risk Manager, who operates at RATP group level and reports to the General Secretary, is to oversee comprehensive corporate risk management systems to ensure that all Group risk is monitored.

A general instruction defines the risk management system and the company policies to be implemented by all managers. These methods are based on three processes:
- defining formal procedures for the risk framework, risk assessment and drafting of the risk mapping considered as a priority; risks are broken down according to the strategic/commercial nature, human/social, financial/economic, regulatory resources;
- the development of plans to deal with situations identified as major threats on the map, in order to characterize the effectiveness of existing prevention and protection barriers, whatever the technical, organizational, legal, commercial, communications nature, etc.; the output data for this process is the acceptability or not of the risk as is, and if not, the introduction of an action plan aimed at enhancing risk control;
- the monitoring of ongoing actions as defined at the end of coping plans.

This method is applied at all levels of the company, Group, Epic departments, major subsidiaries and since 2013, less significant subsidiaries of RATP Dev. It allows a shared vision of the Group's different entities, and ultimately to highlight the best practices that must be circulated.

Group or corporate mapping presents threatening events at Group level; these are company-wide risks, still referred to as "Comex" risks, because each of these risks is placed under the responsibility of an Executive Committee member depending on its nature.

In addition, risks that require a cross-functional approach involving several departments are dealt with specifically through work headed by the Risk Manager.

A network of Risk Management correspondents manage risk processes at department and subsidiary level and effectively relay risk management procedures at their level.

The system was initiated in 2010. It has enabled a comprehensive analysis and inventory of the risks facing RATP group along with the associated prevention and protection strategies. Status updates are performed periodically.

2.1.2 DEPLOYMENT OF THE RISK MANAGEMENT PROCESS IN THE GROUP

RATP group's risk management framework and mapping system were reviewed and updated mid-2012.

At year end 2014, all RATP departments updated their mapping, and all the Group's major subsidiaries either updated their existing maps or prepared their first map.

RATP Dev is actively involved in working groups on company-wide risk. Its professionals actively contribute their expertise on both risk matters and the subsidiary's business environment (competitive environment, geographic scope, etc.). The risk management framework was updated in 2014 and the company's risk map, the first version of which was prepared in 2011, is currently being updated.

Implementation in the less significant subsidiaries of RATP Dev began in 2013 and concerned some twenty or more subsidiaries at year end 2014. Risk mapping enables the risk specific to each entity to be identified alongside risk affecting all subsidiaries, RATP Dev and the parent company. The process is therefore cascaded to all Group levels, from the corporate level to operational entities and customer service, with genuine mutual benefits.

3 IIA: Institute of Internal Auditors.

2.1.3 CONTROL OVER COMPANY-WIDE RISK

At year end 2014, the specific mapping of threatening events for each of the identified company-wide risks in the Group's mapping was being finalized to become operational by the end of the first three months of 2015.

Company-wide risks, 18 in all, are risks identified as major at RATP group level, in each of the areas:

- strategy/commercial, in the context of the Group's development and competition;
- operational, linked to the risks of all kinds of accidents in the RATP's core business as provider of railway and road transportation services;
- human/social resources of a Group employing more than 55,000 people (labour-management conflicts, professional risks);
- economic and financial, in connection with the Group's development on an international scale.

Based on these maps, there are ongoing efforts to define formal procedures for coping with these threatening events identified as highly critical, for each of the company-wide risks. The challenge of this analysis is to clearly identify potential vulnerabilities (insufficient control in terms of prevention or risk coverage) and propose, as applicable, action plans to reduce them.

It is recalled that this method is obviously applied within departments and subsidiaries for each of the risks identified as the most critical in these entities.

2.1.3.1 Development Risk

The Group's development entails a particularly high risk. Expert working groups have conducted in-depth analyses of the most sensitive issues for the RATP.

Security and health risks for RATP group employees who contribute to the Group's development as missionaries or expatriates, were thoroughly analysed in 2014.

2.1.3.2 Ethical risks

RATP has strong ethical values, which are reflected in its commitment to institutional charters such as the Charter of the International Association of Public Transport (UITP – 1999), the United Nations Global Compact (2003), the National Accessibility Charter (2003), and the Company Diversity Charter (2004).

The target risks include risks regarding the corruption to which RATP group may be exposed, either because it is the prime contractor (buyer) or because it is the tenderer (supplier).

In November 2011, the Group adopted a code of ethics setting out the role of each employee with regard to professional ethics and integrity. Training is being provided through an e-learning platform for all those who play a managerial role. Set up at the beginning of September 2013, its purpose is to enable each person to fully understand the ethical principles, rights and duties applicable in this area. This training was implemented in all RATP departments in 2014 and its extension to subsidiaries was studied for implementation early 2015.

2.1.3.3 Cyber crime Risks

The RATP commissioned a detailed study of all technical, organizational, legal aspects of the potential vulnerabilities of its information systems (IS) in 2014. The study covered the typologies of the different systems and representatives of RATP's IT system as a whole (enterprise network access, transport industrial systems, ticketing system, support functions systems). The purpose of the study was to propose actions to reduce cyber risk, and determine the suitability of contracting a specific insurance policy to cover it. Its findings will be available early 2015.

2.1.3.4 Legal Risks

The company's legal department provides advice and analysis, draws up contracts, and handles claims and disputes for all the company's business activities. It prepares for change, monitors legal developments (other than those relating to technical matters), disseminates information on best practice, assesses risk - in close collaboration with RATP’s Risk Manager - and sets up insurance coverage.

The department's permanent primary objective, particularly as it provides support to all levels of the company, is to ensure that the legal aspects of all the projects and operations undertaken by the company are secure and compliant.

In 2014, as in the previous year, the legal affairs department devoted a considerable amount of time to developments in the following areas:

- the adaptation of regulation 1370/2007 of October 23, 2007 on the passenger transport public services (especially in the context of the 4th railway package) and the handling of issues related to community law and related competition laws (EU pilot procedure initiated by the European Commission, Guidelines, etc.);
- the development then the transposition of directives on public procurement and concessions in line with other public companies (establishing and defending a common position);
- participating in the Greater Paris transport project, in which RATP should continue to play a key role;
- setting-up and implementing various types of partnership agreements with other transport industry players;
- safeguarding the company’s interests in terms of contract performance, particularly when suppliers encounter difficulties;
- monitoring relations with the Île-de-France transport authority (legal dimension of various common issues arising from the first year application of the RATP-Stif agreement for 2012-2015, particularly those relating to asset ownership and management);
- assistance to subsidiaries in their development and in their operation through participation in task forces (for example the insurance group) or through a targeted competition (in labour law, intellectual ownership and potentially other areas if necessary);
- financing and hedging company risk;
- the legal aspect of economic relations, social and societal (advice and labour law and criminal law disputes).

2.1.3.5 Financial Risk

The management control function is shared by the central management control department (hereinafter the CGF department) and the company’ departments represented by the network of management controllers, who report to the department directors.

Management control is implemented through an annual process known as the management cycle, the purpose of which is to monitor operating and capital expenditure budgets and the structural phases of business management (such as the Île-de-France transport authority agreement and department contractual objectives).

It is based on ongoing discussions between the CGF department and all lines of business at various process stages (multi-annual forecasting, budgeting, reviewing forecasts for the current year and analysis of results).

These processes use technical tools shared by central management control and department management control, which ensure homogeneity and traceability.

The management cycle is used to steer business performance.

The operating management cycle is divided into three major sub-processes:
- the four-year medium term performance plan (current year and the three following years): the objective is to manage financial risk and medium-term performance by projections relating to productivity, management developments and new services; ensuring consistency with the business plan is the priority of analyses at this stage;
- the budget has a one-year framework: the key focus of analysis at this stage is ensuring consistency with each department's contract objectives. Verification is also performed to ensure that departments' aggregate budgets comply with company targets. Analysis of variations from the previous year are performed on major causes, e.g. new services, productivity, management changes or new requirements, inter-department transfers (internal changes in scope), and prices developments. Changes in staffing levels are also reviewed and analysed at this stage;
- reports on production objectives, quality of service, change actions and lastly financial parameters are produced four times a year; the analysis made concerns first, the objectives of the Île-de-France transport authority's contract for the quality of service portion and production, and second, the analysis of the objectives specific to each department; for the financial portion, analysis on major causes (see below) by reference to the balances of the business plan and the contract with the Île-de-France transport authority.

The "capital expenditure" management cycle is also broken down into three major sub-processes:
- updating the capital expenditure master plans: this annual update is performed for a 10-year period with the objective of determining upcoming capital expenditure in line with company strategy;
- the capital expenditure decision-making process: this ensures that each decision to invest is relevant and fully reasoned; it initiates the opening of accounts authorizing the project launch;
- project and project portfolio review: updates and reviews are performed half-yearly. They ensure that projects are executed properly and that deliverables are obtained within the expected deadlines and budgets. The review also enables forecasts and controls of annual expenditure, and the associated impact on debt. The second half-yearly review is used to determine the budget for the following year.

Actions taken in 2014 to improve internal control included:
- the agenda for the half-yearly reviews of project portfolios, focused in 2013 exclusively on annual expenses, included in 2014 changes in project exit points;
- the 2014 cycle of capital expenditure master plans was developed by integrating impact on debt by the end of 2020;
- a "Capital expenditure and engineering" approach was initiated.

Internal financial and accounting control procedures, including controls on subsidiaries, are presented in greater detail in section 3 of this report.

2.1.3.6 Procurement risk

The department in charge of Real Estate, procurement and logistics contributes to controlling procurement risks by:
- providing internal communication on best practice, including regularly updating procurement policies, informing buyers and legal staff of the reservations and observations made after each review by the Procurement Board, and organizing the procurement and logistics network;
- reviewing files relating to purchases in excess of €750,000 and submitting purchases of over €5 million to the Procurement Board;
- preparing monthly, half-yearly and annual reports on procurement for the TTTM committee, and an annual report on the work of the Procurement Board.

During 2014, significant work included:
- selecting the publisher for the future SI-HA and defining the needs shared with the service procurement groups (doctrine);
- the deployment of procurement managers' networks in the departments (first wave comprising two departments) and raising the awareness to the challenges of procurement management and supplier risk control in particular;
- launching the procurement academy and defining the related procedures and content (to respond to the challenges of open competition, new developments in the procurement businesses of tomorrow and skills enhancement);
- updating the mapping of procurement risks;
- the increased recognition of the notion of social corporate responsibility (CSR) (inclusion, disability, SME) in procurement segment policies, tenders, reporting and in data consolidation (indicators, feedback, in particular).

2.1.3.7 Information and telecommunications systems risks

Since 2003, the company has implemented an information security policy, which sets out the principles and rules governing the confidentiality, integrity and continuity of information systems. The policy is enforced by an information systems security manager through a structured functional network of contact persons in each RATP department.

The company applies the information security standard ISO 27002 to implement best practices. It has taken various measures, including:
- defining and establishing a security policy to manage passwords;
- defining and implementing a single, centralized authentication strategy;
- introducing in-depth security mechanisms such as gateways, firewalls, DMZ, key management infrastructure, antivirus, anti-spam applications, etc.;
- promoting awareness of information systems security and training all Information Systems department employees;
- systematically including security and confidentiality clauses in contracts to safeguard information property, thus enabling stringent control over IT development and maintenance activities;

- performing systems and technical audits (intrusion tests, vulnerability audits etc.), along with feedback sessions, exercises, simulations and troubleshooting to verify compliance with security policies;
- implementing incident management processes to ensure that all incidents are reported to the line managers responsible for information systems security.

In addition to implementing best practice, the company has approved a road map to establish information systems security governance and improve the effectiveness of operational information systems management.

2.1.3.8 Human resource risks

These risks can be broken down into three categories.

Psychosocial risks
Significant developments were made in 2014 to complement the services provided by the support and advisory platform:

- increase in the number of "psychosocial risks: understand and take action" training programs for all team managers, heads of human resources, members of HSWCC missions and also for department managers;
- new "safety professionals" fact sheets were created to raise awareness of their role and the assistance they can provide, with practical tips for dealing with certain potentially complex situations;
- validation of the relevance of best practice dialogue peer sessions held between managers;
- implementation of action leads following the creation of a pilot group to support employees through change, as part of Payroll Management and Innovation (PMI) services in order to identify managers' needs and ensure that PMI professionals respond to them appropriately.

Workplace safety risks
In 2014, the update of processes for tracing asbestos exposure and preventing hardships continued as required by regulatory obligations, specifically, the exposure to chemical substances form was replaced by the hardship prevention form. These updates were reported on several occasions to the departments through the HSWC committee presidents and the heads of the Professional Risks Prevention and Safety mission. Useful information and documents were placed online on the UrbanWeb and frequently updated.

Furthermore, the company continued to obtain official recognition for its training programmes, to ensure that employees receive initial and/or on-going training that is both suitable to their activity and associated risks, and compliant with regulations (e.g. regarding asbestos or electrical hazards).

In line with previous years, data on workplace attendance or absence following work-related accidents were presented in a standardized document presented to the Board of Directors, then disseminated quarterly to the departments.

Labour dispute prevention
As implemented in the company since 1996 and required by law since January 1, 2008, all strike notices must be preceded by collective bargaining, initiated by notices to bargain and having ended in disagreement between union and employer representatives.

Notices to bargain may be served at any level of corporate decision-making (core, department or unit) as appropriate in terms of the matter raised and provided that the matter is collective. A meeting is held between management affected by the matter and the union(s) that served the notice to bargain.

If the parties reach an agreement or find solutions to the matter during the meeting, a binding statement of agreement is signed by the parties. If no agreement is reached, a statement of disagreement is drafted.

The statement is then sent to all unions at the level at which the notice to bargain was served.

In accordance with service continuity requirements, RATP has a contractual obligation under the Transport Plan agreed with the Île-de-France transport authority to provide a minimum level of service at all times.

The system fulfils its purpose as a means of preventing labour disputes, as 94% of matters dealt with by collective bargaining did not result in strike action.

2.1.3.9 Corporate risks in the areas of railway safety and fire risks

The objective of General Safety Control (GSC) is to ensure that the processes used to limit risks in all RATP's activities are correctly defined and implemented under the direct responsibility of the relevant departments and units. Its role is also to improve RATP's fire safety measures. At the request of the managers concerned, it may also work for RATP group subsidiaries.

The GSC is assisted in its work by two separate units: the "Corporate Risk Management" (CRM) unit and the "Fire Safety" (FS) unit.

The role of the Corporate Risk Management unit, at the request of executive management or the departments, is to:

- oversee the risk management system;
- conduct methodological studies on safety (potential context and events);
- perform systems reviews, appraisals, risk assessments, determine risks of human error, and gather operational feedback on rail transport matters;
- analyse daily operating reports on guided transport networks;
- run the specific railway safety committees;
- raise awareness of systems risk management policies.

In addition, for corporate risk management purposes, each month the General Safety Control function prepares a dashboard on danger signal alerts, based on data provided by the operating and maintenance departments of the metro, RER and tramway networks. The document reports reasoned recommendations on each identified risk. It is sent to Executive Management and to the departments concerned to produce corrective actions which are then tracked by the Committees of Railway Safety Directors chaired by the head of the Railway Safety Unit.

The Fire Safety unit deals with all aspects of fire safety and evacuation procedures. Its aim is to:

- constantly improve fire safety within the company;
- coordinate emergency fire services with the company's fire safety measures;
- monitor operating premises and projects under construction;

- train employees in fire safety;
- enforce regulatory compliance with fire safety procedures and systems in railway stations, metro stations and buildings, through the work of the Inspectorate General for Fire Safety.

The Fire Safety unit is active at all levels of the company, through the work of the Technical Committee for Fire Safety and its network of local contacts.

The unit performs smoke and fire tests to measure and analyse air movement in underground areas.The results of the tests are used to improve the security of the underground areas, by preparing and updating recommendations for the smoke-clearing systems in tunnels and stations.

The Fire Safety Unit provides technical support to the Inspectorate General for Fire Safety as set out in Article 2 of the Order of December 24, 2007 approving the safety rules governing fire safety and panic risk in stations.

2.1.3.10 Infrastructure risks

The main purpose of the Infrastructure Management Division is to guarantee the global safety (railway security, fire safety and the safety of goods and persons) of equipment used by the operator. The infrastructure management division (GDI) ensures that RATP's infrastructure and equipment are sustainable, reliable, and in working order.

Since its set up on January 1, 2012, the infrastructure management division has assumed the corporate risk management responsibilities applicable to its activity. Risks identified under these procedures are analysed in detail, and action plans are implemented to detect weaknesses and find means of reducing RATP's exposure to such risks. The action plans back up the maintenance systems implemented by the infrastructure management department, providing daily maintenance for equipment used by the transport operator.

Each month, the infrastructure management division issues reports on preventive maintenance performance and equipment availability.

Furthermore, unit and department inspections monitor incidents daily, regardless of the network, and analyse them together with the maintenance agents.

Then, incidents are discussed weekly by the Executive Board.

These discussions provide data for the "quarterly incidents" meetings during which equipment availability indicators are studied (in addition to monthly reviews) and major incidents with an impact on availability or the highest recurrence rate, are raised, studied and all actions are monitored until their full completion.

This meeting is followed by a safety meeting chaired by the department director and held with each of the operating units. All safety indicators are studied (railway, fire, properties and people[4]) and ongoing action plans are reviewed.

4 In 2015, environmental safety (for environmentally-classified facilities (ICPE) and passenger safety (responsibility of GDI/ESO/CPMO) shall be added.

A feedback process is also implemented to track significant incidents requiring specific action. Feedback reports are issued quarterly. The Engineering and Project Development and General Safety Control departments are involved.

When there are regulatory or technical developments concerning equipment, each business line's technical committee reviews them and assesses their impact and feasibility.

In 2014, the risk map drawn up in 2012 was reviewed and amended to incorporate new and previously-addressed issues.

2.1.3.11 Environmental Risks

The Group relies on the following to control environmental and company-wide risks:
- team of experts in regulations on environmentally-classified facilities (ICPE);
- RATP laboratory accredited by the Comité Français d'Accréditation (COFRAC);
- toxicology unit in the occupational health department;
- network of internal ISO 14001 and ISO 9001 auditors;
- an environment network comprised of teams working on the environment and from all departments;
- safety adviser on the transportation of hazardous goods.

Industrial sites

Each industrial site with a significant impact on the environment is ISO 14001 certified or at least equipped with an environmental management system. To ensure control of its critical environmental risks, the RATP has also deployed an environmental management system for all its environmentally-classified sites (ICPE) as defined by French regulation. Currently, nearly 80% of RATP's industrial sites are equipped with an environmental management system.

Air Quality

RATP constantly monitors air quality in its underground networks. The data has been available on RATP's website www.ratp.fr, and in RATP's Open Data forum since summer 2012.

The choice of bus engines is being examined with the Île-de-France transport authority. At the end of 2012, RATP set up a steering committee to look into the risk of employee exposure to diesel emissions. A pilot protocol to measure diesel-emission exposure of RATP personnel was defined and implemented in 2014. The company also studied the possibility of replacing high-emission worksite vehicles with autonomous and/or hybrid vehicles.

Electromagnetic fields

The RATP's Electromagnetic Field Committee monitors technical and regulatory developments on "health and radiofrequencies". It ensures that the company complies with Directive 2014/35/EU on the exposure of workers to the risks arising from physical agents (electromagnetic fields), issued in June 2013, which will be implemented in French law by June 2016 at the latest.

2.1.3.12 Risks and crisis management

Crisis management

The operations room of the Permanent Support Unit processes data received from the four operating networks, in real time, daily, in order to:
- mobilize and coordinate operating, maintenance, safety and emergency services;
- alert internal personnel (e.g. executive management, departments, units and the communication department) and/or external parties (e.g. Île-de-France transport authority and Maritime Transport Board);
- immediate information to the public to limit passenger crowds on the lines affected by the incidents.

The RATP has set up a crisis room and a communications command unit (PC COM) to prepare for the management of specific events or multiple incidents on its networks.

Overall crisis management processes are set out in two general instructions: crisis management and crisis communication. External staff who may be commissioned to work with the Permanent Support Unit in the event of a crisis are trained on the systems used in the Permanent Support Unit's operations room.

To improve its resilience, the RATP has set up a support unit that can be activated at any time and used as the Permanent Support unit operational room, crisis room and communications command unit.

The Permanent Support Unit and other relevant RATP units prepare and conduct exercises with external parties (such as Paris Prefecture's Civil Security Force (SGZDS), prefectures in the departments where RATP operates, the Paris fire brigade, and departmental fire and rescue services).

In addition, to protect passengers and RATP personnel, the company has set up since 1996, a 24/7 control room that allows decision making for swift response to incidents on the networks. This control room comprises two identical rooms, one used by the RATP security department (Safety control room) and the other (Police control room) by the regional transport police railway squad. The close location of the two control rooms facilitates data exchange and smooth working relations between the two teams.

Significant crisis management events in 2014 included:
- implementation of a series of internal training sessions at the Permanent Support Unit. Five internal sessions were held during the year, including:
- installation in November 2014 of the computer application GEXBUS (Management of exceptional BUS events) for the optimized management of events at BUS during snow storms, identifying impracticable road areas under the responsibility of local authorities, accurate traffic reports to ensure timely information to passengers;
- the roll out of SEV in February 2014 (Monitoring of ventilation and smoke extraction equipment in the metro and RER) to give the Permanent Support unit real-time information on the ventilation equipment that can be controlled to activate the smoke extraction process;
- training of permanent staff to deal with major technical incidents affecting traffic emergency control plans, and systems used by rescue services (e.g. *Crisorsec*) by implementing the general instructions issued by the Permanent Support Unit;
- feedback sessions on major incidents.

Updating the company's crisis volunteer pool in January 2014. It allowed the provision of a new crisis assistance module for all Permanent Support Unite professionals. The crisis awareness raising module is currently being revamped and will be distributed to the pools early 2015.

A detailed procedure was prepared for the Permanent Support Unit's facilities at the Championnet site to ensure that permanent staff would take their positions quickly in the event of a crisis. The Permanent Support Unit verifies the proper functioning of its own equipment and the equipment used by the crisis room.

Business Continuity Plans (BCP):
- update of the "flu pandemic" business continuity plan has been in place since March 2012. Management of the Ebola virus should be detailed in an appendix attached to the Business Continuity Plan;
- after the Business Continuity Plan for flooding was validated by all RATP departments, the Flood Prevention Plan Team (PPRI) updated Instruction 493 to provide guidelines on the principles for covering flood risks which are set forth in the Business Continuity Plan for flooding.

Crisis management developments include:
- development of a TETRA feature allowing the Permanent Support Unit to launch a general call to all Transport and Space operating centres (PCC, CRIV, liaison centres, etc.) during an emergency;
- construction of a command and fire safety unit (PCSI) next to the Permanent Support Unit.

Crisis communication

A dedicated team within the Communications department handles crisis communication and communication on sensitive matters. It is involved whenever a crisis arises at RATP group.

In the event of an emergency in one of its operating subsidiaries, RATP Dev may have to set up a crisis organization and implement a crisis communication plan. To do so, it needs access to a special area for the crisis unit, with the appropriate human and technical resources required to handle the situation. In this context, the RATP has given the PC COM room to its subsidiary and will rally whenever necessary the members of the crisis communicators pool.

Communication crisis drills, unique to RATP, are now standardized are performed every six months. Consequently, the system is updated and improved on a regular basis and recorded in a department instruction.

Outside of crisis situations, the crisis communication team continued to prepare and update communication plans for specific crisis scenarios with the input of risk owners.

It also cooperated with the procedures implemented by public authorities (e.g. department prefectures, Paris civil security force) to protect populations against risks of pandemics, storms, flooding, or terrorist attacks. In December 2013, the sensitive communications and crisis unit was mobilized once following the discovery of asbestos fibres in the PCC room of Bourdon which led to the evacuation of four metro lines.

Finally, it assists non-company bodies (e.g. public authorities, industry representatives) with Research & Development on mass transit safety for France or the European Union.

Support for victims

Since February 1, 2008, the mediator has been called the "Victim Support Representative". The system set up for mediation purposes was reinforced in 2010.

RATP set up the Victim Support function in order to translate into action its determination to assist the victims of accidents occurring during normal operations on its network. Questions of responsibility are set aside as the function focuses solely on human concerns.

The active presence of the victim support representative shows victims and their families that the company is by their side. The new approach has led to the implementation of a system adapted to each type of event handled by the Victim Support Representative. The Representative is now systematically informed of any instance of bodily injury. Additionally, the Permanent Support Unit systematically reports all instances in which a vulnerable individual falls in a bus or tramway (e.g. children in strollers or seniors over age 70) to the Victim Support Representative. It may ask the operational unit to provide background to understand the situation, and contact the victim or the victim's family in order to express the company's concern and provide assistance, as appropriate. In return, the Representative informs management of the bus and railway operating units of the seriousness of victims' injuries. Employees involved in accidents, particularly operators, wish to be informed of victims' state of health and progress.

During 2013, the special victim support structure for major events such as fire, derailment and terrorist attacks changed. It now provides two services in the event of a crisis:
- on-site family liaison team staffed with around ten RATP employees;
- a crisis hotline in the Sales department, to provide real-time information to victims, or provide victims' families or other individuals with information on the identities of victims, their condition, and where they have been evacuated. The *Sinus* tool provides this real-time information and is jointly used by the hotline staff and the Prefecture of Paris.

The new system was tested during the major "Nuclear, Radiological, Biological, and Chemical risks" (NRBC) drill organized November 14, 2013 at the Val d'Europe station on regional express line A. It is now part of the response process of the victims victims support unit.

Furthermore, the agreement between the RATP and the Fenvac, the National federation of victims of group attacks and accidents - SOS disasters and terrorism signed in 2013 was renewed in 2014.

In this agreement, the two parties undertake to contribute to the review of crisis management in the event of the occurrence of a group accident or attack, to allow the Fenvac (national federation of victims of group attacks and accidents) to tailor its considerable experience acquired from working with victims of accidents and attacks to the specific sector of public transport.

2.2 The internal control and audit system

The internal control system corresponds to all procedures implemented inside an organization to provide reasonable assurance on risk control and the achievement of the objectives expressed in the company strategy.

This system relies on three major guidelines[5]:
- operational management;
- risk management, financial control, internal control and quality;
- the internal audit function.

RATP group relies on three complementary levels of internal controls existing inside the company:
- on-going (operational) controls, or first level controls, to control the quality of transactions and ensure that procedures and regulations are followed;
- periodic (functional) controls, or second and third level controls, to evaluate major weaknesses in the first level control system and provide reasonable assurance that activities are controlled at the corporate level.

2.2.1 FIRST LEVEL CONTROL: FIRST LINE MANAGERS

At the local level, RATP internal control is under the direct responsibility of managers who exercise first level controls closest to operations. It includes on-going controls by line managers.

Operational managers play a key role. They are responsible for following the instructions and guidelines set by executive management, implementing production processes in compliance with current legislation and policies, performing checks at the local level and providing users with high quality transport services.

Support and control groups are on hand to assist managers in achieving their goals by providing expertise and measuring performance. The management control, human resource, and procurement functions perform these roles.

2.2.2 SECOND LEVEL CONTROL: BUSINESS INSPECTIONS

To the first level controls are added inspection and control structures in the company's various departments, independent from operating departments.

Operational controls at the department or unit level ensure, on a regular basis, that first level controls are in place and effective. They also perform periodic inspections/audits on the different operational units in their home department.

Operational controls mainly include:
- transport and service controls performed per type of control (transport or maintenance inspections);
- specialized audits within each department (e.g. service department and department on multi-modal passenger service areas);
- systems risk management.

These business line inspections contribute to:
- the daily monitoring of incidents and the performance of technical surveys;
- feedback;
- daily monitoring of railway safety indicators;
- inter-department meetings on railway safety.

5 Concept derived from the works of IFAC and AMRAE (Association for corporate risk management and insurance) in 2013 based on the concept of "three lines of defence" created by ECIIA (European Confederation of Institutes of Internal Auditing) and FERMA (Federation of European Risk MAnagement).

Operational controls ensure the decentralized management of operational risks relating to the company's various business activities. The Risk Manager works alongside the departments and units to share knowledge and increase involvement in risk management company-wide.

2.2.3 THIRD LEVEL CONTROL: COMPANY-WIDE STRUCTURES

The Internal Audit department (IA), which reports to the President, is responsible for the following on behalf of Executive Management:
- conducting internal audits to *"provide assurance on the level of control over operations by auditing and assessing the business activities of RATP group"*[6];
- conducting general inspections to provide Executive Management non-biased information on sensitive matters[7];
- providing guidance on change management.

The Internal Audit work is part of an annual plan established on the basis of input from members of the Executive Committee[8] and the main risks identified during RATP group's risk mapping process. When each audit is completed, a written report is sent to the Chief Executive Officer and other members of the Executive Committee, and to the heads and managers of the departments and units directly concerned. The heads and managers of the audited departments and units are asked to draft an action plan within two months of the audit. The action plan is approved by the Head of Internal Audit. Implementation of the plan is monitored by Internal Audit staff and the individual who commissioned the audit.

The Group audit provides input for executive decision-making on company change policy implemented through the Business Plan:
- the audit focuses on the company's major risks (financial and regulatory) and strategic priorities, including economic performance, process efficiency and high quality management;
- the audit responds rapidly to the company's needs and ad-hoc assignments are performed alongside the planned annual work, as required;
- the audit methods are aimed at inciting the audited units to share findings and implement corrective measures (findings are objective and quantified, their analysis is transparent, draft written reports are submitted by the audited units for discussion of audit findings).

In November 2013, the general instruction for the internal audit activity was updated to:
- expand internal audit scope of action through the implementation of flash audit for the evaluation of the status of actions plans;
- ensure the transmission of working plans and the findings of audits/inspections carried out by other audit/inspection units in the company.

Rigorous monitoring of post-audit action plans is implemented by the internal audit staff to measure the percentage of audits that resulted in action plans and the progress made by them.

In addition, the Inspector-General, head of the Internal Audit is responsible for liaising with the audit and internal control business lines on behalf of RATP group. He provides advice and enforces ethics and methods among all department audit and business line inspection structures, and heads the Internal Control network which aims to:
- organize the internal control process within the company;
- implement cooperative relationships and pool work between company audit and inspection teams;
- develop professionalism in the "Audit and Internal Controls" family by imparting a shared methodology, encouraging dialogue on items controlled and progress detected after audits and inspections, and sharing and leveraging best practices;
- draw on work performed, fields of activity, and the members of the internal audit network and their teams to improve skills.

In 2014, four network meetings, a one-day seminar and several work groups were organized with the primary aim of clarifying the internal control system through in particular, enhanced formalization of first-level controls in each department and the development of reporting on key controls linked to the company's major risks.

Lastly, the Head of Internal Audit also plays the role of Inspector General, which is separate from internal audit, intended to inform the President about sensitive topics or issue likely to impact the Group's economic interests.

The **Inspectorate General for Fire Safety**, which reports to the President, is responsible for issuing a formal opinion on:
- compliance with the general provisions of the security rules governing fire safety and the panic risk in public establishments:
  – administrative applications for building permits, construction authorizations and requests to build, renovate or refurbish areas open to or used by the public, such as the train and metro stations operated by RATP;
  – completed building work in public areas such as stations, during the preliminary inspections prior to opening to the public;
  – continued operation of stations, during periodic controls;
- compliance of guided transport infrastructure with basic safety requirements to avoid fire and panic risk and deal with the consequences of accidents.

The following were the main endeavours of the Inspectorate General for Fire Safety in 2014:
- roll out of a specific monitoring process for the performance of four-yearly verifications of electrical installations;
- the arrival in the RER A station of La Défense of the "Marks and Spencer" store;
- arrival on the multi-modal site of Châtelet-les-Halles of automation works on line 1, construction of the new Rambuteau access and the walk-through smoke curtain, improvement of smoke extraction from the RER exchange rooms, the construction of four new stationary stairs between the RER D platform and the exchange room;
- the examination of building permits for six new stations including five on the extensions of metro lines 4, 12, 14 and a new station on the RER B (Arnould platform);
- the issuance of a favourable opinion on the *Symphony* file for the centralized monitoring of fire safety, linked to the works at the Place d'Italie station.

The **Railway Safety Unit (DGSF)** was created on July 1, 2012 and reports to the President. Its role is to monitor railway safety procedures throughout the company. It enforces the railway safety policy, structures and guidelines

6 Instruction 432 D of November 2013, Art. 2.2.

7 Instruction 541 of November 2011.

8 Members of the Executive Committee, department heads and delegates.

set by executive management through a systemic approach, defined by the Chief Executive Officer.

The management and implementation of RATP's railway safety policies have been delegated by the Chief Executive Officer to the Railway Safety Unit. Railway safety policies concern infrastructure, technical installations, vehicles and operating, maintenance and control policies. The Railway Safety Unit sets out the framework to be followed by all of the company's railway safety managers. Responsibility for enforcing the railway safety guidelines issued by the Railway Safety Unit is delegated to the directors of the departments and operating units.

The head of the Railway Safety Unit may request professional advice, as appropriate, from the various departments (e.g. railway engineers, inspectors, general safety controllers). The Unit is sent all surveys, studies and reports conducted on railway safety incidents.

It audits rail security and suggests preventive and corrective measures in conjunction with the departments concerned. These audits take place in accordance with the principles issued by the NF, EN ISO 19011 standard of December 2002.

The Unit is responsible for RATP and its subsidiaries. It is authorized to conduct investigations in all Group entities, and consequently may be involved in the safety aspects of an RATP Dev project or service concession arrangement.

2.3 External audit

As a State-owned company, RATP is subject to French government controls, via:
- the Economic and Financial Control Board for Transport[9];
- the French Procurement Board, set up by the Order of January 11, 1973[10] and chaired by a representative of the National Audit Office.

Furthermore, the statutory auditors (PricewaterhouseCoopers and Ernst & Young) certify the RATP's annual financial statements and the consolidated financial statements and conduct a limited review of the RATP group's condensed consolidated half-yearly accounts.

RATP entered into an agreement with the Île-de-France transport authority (Stif) in 2000. The RATP-Stif agreement has regularly been updated since by riders and amendments. The fourth agreement with the Île-de-France transport authority was signed on March 16, 2012 for the four-year period from January 1, 2012 to December 31, 2015. The Île-de-France transport authority is entitled to perform audits and controls on all matters relating to the agreement.

Improving service quality is a permanent objective for the company. Quality control systems are in place and the company has received quality certification under French and international standards ISO 9001, 14001 and 18001. The certifications, which are issued by independent bodies, relate to both management systems and performance in terms of environmental issues and service quality.

9 As a public service company (Epic), RATP is subject to economic and financial control by the State (Decree no. 20021502 of December 18, 2002).
10 Amended by the Order of March 23, 2005 (Official Gazette of April 13, 2005).

Those involved in internal control procedures (senior management, operational managers and specialized audit and control staff) base their work on professional audit and internal control standards and on the internal control system defined by professional bodies such as the French Audit and Internal Control Institute (IFACI), particularly for the internal audit.

3 • Internal Financial and Accounting Control Procedures

3.1 Compliance with Accounting Principles and Legislation

3.1.1 FRENCH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP)

Due to its legal status as a public service company, RATP applies the same accounting principles as those generally accepted by and legally binding for commercial companies. Consequently, it applies the accounting policies set out by the French national accounting board in CRC regulation no. 99-03 of April 29, 1999. However, it is also required to meet the requirements specific to public service providers.

The financial statements of RATP parent company and are prepared in accordance with French generally accepted accounting principles (GAAP). RATP implements a customized chart of accounts (CoA) as approved by the inter-ministerial order of March 21, 1985. The customized CoA was prepared in accordance with the rules, principles and framework governing the French national chart of accounts.

3.1.2 INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

RATP applies effective IFRS to prepare RATP group's financial statements.

3.1.3 STATUTORY AUDITORS

RATP appoints statutory auditors pursuant to the provisions of Article 30 of Law no. 84-148 of March 1, 1984 on the financial information and audit of industrial and commercial public companies, and the provisions of Article 33 of decree no. 85-295 of March 1, 1985[11].

3.1.4 AUDIT COMMITTEE

The Audit Committee presents its opinion to the Board of Directors on accounting and financial matters, particularly the accounting and estimation methods used by RATP to prepare its financial statements, the Internal Audit program, and risk management policy.

11 Implementing decree of law no. 84-148 of March 1, 1984 on the prevention and out-of-court settlement of corporate difficulties.

3.1.5 CHANGES IN THE REGULATORY FRAMEWORK GOVERNING RATP

The European regulation on public passenger transport services by rail and road was adopted on October 23, 2007 and became effective on December 3, 2009. The regulation limits the duration of the rights granted to public transport operators.

In France, Article 5 of the law of December 8, 2009 on public passenger transport services by rail introduced changes to the regulations governing Île-de-France area passenger transport. The law has entrusted RATP with the role of managing the infrastructure of the metro and RER networks that it operates as of January 1, 2010.

Finally, the law of June 3, 2010 on Greater Paris transport states that infrastructure management activities and public passenger transport service operations should be accounted for separately and an audited annual balance sheet and income statement should be prepared for each as of January 1, 2012. The law also prohibits all direct or indirect cross-subsidies between the two activities.

Since 2012, RATP's consolidated and individual financial statements have incorporated these changes.

3.2 RATP Financial Reporting

3.2.1 FINANCIAL REPORTING SYSTEM

RATP uses version R12 of the Oracle software application (new version rolled out in September 2010) for the parent company financial statements and Business Financial Consolidation for the consolidated financial statements.

Preparation of the Parent Company Financial Statements

Monthly financial data is available after eight working days. This leaves time for a preliminary review of the financial information during which various controls are performed. The monthly data enable management controllers in the various departments to track their level of activity and budget consumption on an ongoing basis. At central corporate management control level, monthly financial reporting makes it possible to manage the risk of budget overruns and make the appropriate adjustments. In order to ensure that reporting deadlines are met, hard-close financial statements are prepared at the end of May and at the end of October, respectively. The hard-close statements are verified by the statutory auditors.

Preparation of the Consolidated Financial Statements

The consolidated financial statements are produced by a section of the company's accounting unit for the whole Group. The role of the section is to ensure that the source information provided by the subsidiaries is consistent, that the consolidated financial statements are prepared in accordance with current standards and regulations and that the information gives a fair presentation of the Group's business and financial position.

The annual and half-yearly financial reports are submitted to the French securities market regulator (AMF).

A description of the procedures used to produce and control the financial information prepared by RATP is presented in Appendix 3.

3.2.2 INTERNAL COMMUNICATION ON BEST PRACTICE

The finance department's intranet provides employees with access to a documentation database on the company's economic performance. A number of subjects are covered: operating performance, investment performance, personnel costs, customers, suppliers, fixed assets, inventories, taxation and cash.

These documents provide both a reference guide to best practice and an informative presentation on matters covered, with forms and fact sheets. They are updated regularly.

3.2.3 INTERNAL ACCOUNTING AUDITS

Internal accounting audits are performed by the Corporate Accounting Unit annually. Reports and action plans are issued after each audit.

Follow-up audits conducted in 2014 concerned the accounting access authorizations [12] *Oasis* (Tool for analysing infringements and statistics) for the management of revenue from fines issued on networks, the expense account processes of the DIT (Territorial innovation development) department.

At year end 2014, a follow-up audit began on the bank accounts opening processes in the financial control (CGF) department, and the Corporate Purchase Solution (CPS) accounting access authorization concerning the treatment of a number of trade payables.

Furthermore, the audit unit conducted several studies for the purpose of improving the accounting treatments of certain flows. The is the case for invoicing processes, and for receipts from the two RATP ticket agents.

Throughout the year, the audit unit monitors the implementation of action plans and ensures that deadlines are met.

The audit unit is responsible for organizing and monitoring the risk management system of the Corporate Accounting Unit, introduced by the Chief Financial Officer in 2012. For 2014, three risks out of the ten identified lead to treatment plans followed by action plans.

3.3 Control of Subsidiaries

Subsidiaries are subject to specific controls by RATP parent company, aimed at managing the risks inherent in development. In addition to RATP's control, the subsidiary RATP Dev exercises management control over its own subsidiaries and equity investments.

12 The Corporate Accounting Unit of the Management and Financial Control department delegates the responsibility for processing certain accounting documents to an external unit until the flows are included in the information system, creating accounting entries.

3.3.1 UPSTREAM CONTROLS

Upstream controls include:
- control of subsidiaries' corporate strategy through medium-term business plans;
- control of significant decision-making issues such as those concerning budgets, the preparation of financial statements, bids on calls for tender, major contracts, capital transactions, equity investments and the founding of subdivisions within subsidiaries.

This control is exercised by the commitments board of the subsidiary concerned. For major subsidiaries, if the issues are significant, decision-making is also controlled by RATP's oversight bodies (State Equity Investment Agency, Economic and Financial Control Board for Transport, Budget Department, and Maritime Transport Board).

The subsidiaries' commitments boards convene prior to Board (or Supervisory Board) meetings, to prepare input and guidance for decision-making.

For RATP Dev and Systra, these controls are performed by the committees set up by supervisory boards in conjunction with RATP Epic's finance department:
- the Investment Committee (RATP Dev) and Commitments Committee (Systra) for bids on calls for tender, contracts and acquisitions;
- the Finance Committee (RATP Dev) and Audit Committee (Systra) for budgets, half-year and annual reporting and medium-term business plans. These committees monitor general compliance with accounting policies, financial reporting to the supervisory boards and risk assessments.

For the other subsidiaries, control over corporate strategy is exercised by a Commitments Board, comprising, for each subsidiary, representatives of the subsidiary's management, RATP's finance department and RATP Epic's executive management.

3.3.2 DOWNSTREAM CONTROLS

Downstream controls include:
- monthly financial reporting on the basis of the accounting information gathered in the consolidation software. The information is presented in the form of an operating report on the subsidiaries, which is sent to RATP parent company's Executive Committee; The software is used for both monthly reporting and consolidation purposes, which guarantees consistent data;
- performance of audits: a complete audit of operations is performed on certain subsidiaries every year.

Upstream controls and monthly financial reporting are performed by the unit of the Finance and Management Control department responsible for Subsidiaries, Financial Transactions and Tax, while audits are performed by Internal Audit staff (see 2.2.3 above).

3.3.3 OTHER CONTROLS

RATP's Board of Directors reviews the financial position of subsidiaries twice a year:
- in March, it reviews the previous year's performance and consolidated financial statements;
- in June it reviews the outlook for the current year.

Since January 2011, a quarterly report on the subsidiary RATP Dev is sent to the Board of Directors. The Board of Directors gives its opinion on the budget and medium-term business plan, on acquisitions and investments exceeding certain thresholds and on certain bids on calls for tender.

The consolidated budget for RATP group is presented to the Board of Directors at year end.

Appendices

Appendice 1.
Board of Directors and committees

1 • The Board of Directors

In accordance with the Government decree no. 84-276 of April 13, 1984, amended by decrees no. 2004-500 of June 7, 2004, and no. 2006-1018 of August 11, 2006, RATP's Board of Directors comprises 27 members, which include:
- nine Government representatives appointed by decree;
- nine qualified persons appointed by decree:
  - two qualified persons selected for their expertise in transport and mobility policy;
  - three qualified persons with a professional background in business;
  - two representatives of public transport users;
  - two local authority representatives from areas directly affected by the company's activities;
- nine employee representatives elected by company employees.

The Board nominates one of the Directors as President and Chief Executive Officer. The appointment is made by decree by the Government Ministers after the Cabinet has heard the report from the Transport Minister.

The Government Commissioner and Head of the Economic and Financial Control Board for Transport are entitled to attend all Board meetings, along with the secretary or representative of the works committee.

The secretary of the Board is nominated by the President, and appointed by the Board of Directors. The secretary is responsible for preparing the reports and minutes of all the meetings of the Board and the standing and ad hoc committees.

The Board convenes at least six times a year, and may also hold extraordinary meetings to renew the mandate of the Board or President.

2 • Board committees

Three standing committees are responsible for preparing the Board's work. Two comprise an equal number of Directors, and the third is composed of the entire Board. The first deals with the company's technical and technological modernization and development, particularly in terms of network development and maintenance, improvement of service quality, research and contracts. The second, the economic and strategic committee, deals with RATP's operating budget and investment plans, financial statements, public and service provision agreements and contracts. It also addresses business and social issues such as training, housing policy, developments outside the RATP-Stif agreement, subsidiaries' activities and the annual report and sustainable development report. The third committee, whose Chairman is employed by RATP, monitors performance of the RATP-Stif agreement and key performance indicators on service quality. It also examines plans for new services.

The Audit Committee, comprising six directors (two elected by employees, one leading business person and three government representatives) is responsible for advising the Board on the parent company and consolidated financial statements and on the reliability of the information systems used to prepare them. It also advises on financial management, management and accounting principles, cost accounting, developments relating to accounting information systems and management control, the internal audit program and the quality of internal audit methods, and risk management policies.

Alongside management decisions, which are voted on by the Board, the President may propose issues for discussion, particularly when medium and long-term policy-making is required.

3 • Subsidiaries and Equity Investments

The President appoints RATP's representative at the shareholders' general meetings and Board meetings of companies in which RATP holds equity interests and informs the Board of the appointment. RATP's Board of Directors hears a report on each of the companies in which it holds a significant stake at least once a year, and gives its opinion on RATP Dev's medium-term business plan.

4 • Annual Report and sustainable Development Report

RATP's annual report and sustainable development report are submitted to the Board for approval.

5 • List of directors as at December 31, 2014 (term of office 2014-2019)

Name		Role	Other positions
GOVERNMENT REPRESENTATIVES			
Ms.	Marie-Anne Bacot	Member of the Environment and Sustainable Development General Council	Director of RFF (SNCF Network), member of the Toulouse Blagnac Supervisory Board.
Mr.	Denis Charissoux	Deputy director of the Budget Department	Director of RFF (SNCF Network), AFITF, SGP, Conservatoire du littoral (French coastal protection agency), Epadesa, ANRV, Ademe and Onema.
Mr.	Jean Daubigny	Prefect of Île-de-France and Prefect of Paris	Director of SNCF, Chairman of the Board of Institut Gustave Roussy, Chairman of the Board of Directors of the Agence de l'eau Seine-Normandie, Chairman of the Supervisory Board of the Agence Régionale de Santé.
Mr.	Augustin De Romanet	President and Chief Executive Officer of Aéroports de Paris	Director and Vice-President of the Board of TAV Havalimanlari Holding AS (Turkey), of TAV Yatirim Holding A.S, of TAV Tepe Akfen Insaat Ve Isletme A.S, Chairman and Director of Média Aéroports de Paris, Board member of Société de distribution aéroportuaire (SDA), Management Board member of Relay@ ADP, first Vice-President of the Executive Board and the Board of Directors of Airport Council International (ACI) Europe.
Mr.	Gilles Leblanc	Regional and interdepartmental director for Île-de-France Infrastructure and Planning	Director ADP, Ports de Paris, AFTRP, EPFIF, Epadesa and Epaorsa.
Ms.	Solenne Lepage	Director of Transport and Audiovisual Equity Investments	Director of SNCF, RFF, Air France-KLM and ADP.
Mr.	Pierre Mongin	President-Chief Executive Officer (President & CEO) of RATP	Chairman of the Supervisory Board of RATP Dev, Chairman of the Supervisory Board of Systra, GDF Suez Director and of CMZ, CGM, Chairman of the "Fer de France" inter-professional organization.
Mr.	Roland Peylet	Member of the Conseil d'Etat	No
Ms.	Catherine Sueur	Deputy Managing Director of Radio France	No
LOCAL AUTHORITY REPRESENTATIVES			
Ms.	Annick Lepetit	Member of Parliament for Paris, Paris Councillor	President of the "Paris Batignolles Aménagement" planning company.
Mr.	Gilles Carrez	Member of Parliament for Val-de-Marne, Mayor of Perreux-sur-Marne	No
REPRESENTATIVES FROM BUSINESS BACKGROUNDS			
Ms.	Michèle Bellon	Former ERDF President	Member of the Supervisory Commission of the Caisse des dépôts et consignations, Board member of the Shanghai Pasteur Institute, member of the RFF corporate strategy board, Board member of Greentech.SA (Greentech Energy System).
Ms.	Chiara Corazza	Deputy Managing Director of Paris - Île-de-France capitale économique	Director of APRIL.
Ms.	Sophie Mahieux	Chief Executive Officer of Crédit Municipal de Paris	Director, representing the CMP, CMP Banque.

Name		Role	Other positions
REPRESENTATIVES OF PUBLIC TRANSPORT USERS			
Mr.	Michel Babut	FNAUT (national federation of transport users)	No
Mr.	Stéphane Bernardelli	Director (committee member) of Unaf (National union of family associations) – in charge of transport matters	Member of the consumers and users advisory board of the SNCF-RATP-RFF, the committee in charge of monitoring the agreement on the operation of trains and balanced territorial development (TET), the high committee on the quality of service in public transports (HCQST), the inter-ministerial observatory on accessibility and universal design, member of the Family High Council, Board member of the Caisse nationale des Allocations familiales (CNAF), Board member of the Caisse d'Assurance Maladie des Travailleurs Salariés (CNAMTS).
TRANSPORT BUSINESS EXPERT			
Mr.	Xavier Girre	President of the executive board of XAnge Private Equity, and of XAnge Capital, subsidiaries of La Banque Postale	President of the Executive Board of Xange Private Equity and Xange Capital, director of Française des Jeux.
Mr.	Patrice Raulin	Former Chairman of Société Lyon-Turin Ferroviaire (rail tunnel)	Volunteer administrator of Foncière du Mouvement Habitat-humanisme, member of the APRR Procurement Board.
EMPLOYEE REPRESENTATIVES			
Mr.	Abdel Halim LaLouani	FO union member	Director of Logis Transports.
Mr.	Didier Le Pahun	UNSA union member	Director of Telcité and Naxos.
Ms.	Laurence De Wilde-Ghikh	UNSA union member	Director of SEDP and the RATP Foundation.
Ms.	Karen Pagnini	SUD union member	No
Mr.	Fabrizio Piras	CGT union member	Director of Logis Transport and the RATP Foundation.
Mr.	Philippe Richaud	CGT union member	No
Mr.	Michel Rizzi	CGT union member	No
Mr.	Gilles Roué	CGT union member	Director employee of the RATP staff pension fund (CRP), Director of Promo Metro and SEDP.
Mr.	Alain Ternois	CFE-CGC union member	Director of Telcité and Naxos.

6 • Changes in the composition of the Board between the 2009-2014 and 2014-2019 periods

Comparison of the current period with the previous period, with respect to membership:

2009-2014 period		2014-2019 period	
GOVERNMENT REPRESENTATIVE			
Mr. Mongin	President and CEO	Mr. Mongin	President and CEO
Mr. Charissoux	Budget	Mr. Charissoux	Budget
Ms. Lepage	APE	Ms. Lepage	APE
Mr. Daubigny	IDF prefect	Mr. Daubigny	IDF prefect
Ms. Bergeal	Conseil d'État	M. Peylet	Conseil d'État
Mr. Graff	Former President & CEO of ADP	Mr. de Romanet	President & CEO of ADP
Mr. Tanguy-Rol	Minister of Ecology, sustainable development and energy	Ms. Bacot	Environment and Sustainable Development General Council
Mr. de Fenoyl	Advisor to the CEO of transport and sea, civil engineer	M. Leblanc	Regional director for Île-de-France Infrastructure and Planning
Mr. Duret	Cour des Comptes (French Court of Auditors)	M. Sueur	Deputy Director of Radio France

2009-2014 period		2014-2019 period	
PERSONS WITH A PROFESSIONAL BACKGROUND IN BUSINESS			
Mr. Bugat	Chairman of Nucadvisor	Ms. Bellon	Former ERDF President
Ms. Deruy	Chief Executive Officer of AEF (press group)	Ms. Corazza	Deputy Managing Director of Paris IDF Capitale
Mr. Samuel-Lajeunesse	Banker	Ms. Mahieux	Chief Executive Officer of Crédit Municipal de Paris
LOCAL AUTHORITY REPRESENTATIVES			
Ms. Debre	Senator and 1st deputy mayor of Vanves	Ms. Lepetit	Member of French Parliament
Mr. Carrez	Member of French Parliament, Mayor of Le Perreux-sur-Marne	Mr. Carrez	Member of French Parliament, Mayor of Le Perreux-sur-Marne
REPRESENTATIVES OF PUBLIC TRANSPORT USERS			
Mr. Bernardelli	Representative of UNAF	Mr. Bernardelli	Representative of Unaf
Mr. Boutry	Representative of FNAUT	M. Babut	Representative of FNAUT
TRANSPORT BUSINESS EXPERT			
Mr. Raulin	Former Chairman of Société Lyon-Turin Ferroviaire (rail tunnel)	Mr. Raulin	Former Chairman of Société Lyon-Turin Ferroviaire (rail tunnel)
Mr. Girre	President of the executive board of XAnge Private Equity and of XAnge Capital	Mr. Girre	President of the executive board of XAnge Private Equity and of XAnge Capital
EMPLOYEE REPRESENTATIVES			
Mr. Gaudot	CGT union member	Mr. Lalouani	FO union member
Mr. Gillard	CGT union member	Mr. Le Pahun	UNSA union member
Ms Gondard	SUD union member	Ms De Wilde-Ghikh	UNSA union member
Mr. Lejault	CFDT/CFTC union member	Ms. Pagnini	SUD union member
Mr. Marius	UNSA (SAT-GATC-UNSA-BUS) union member	Mr. Piras	CGT union member
Mr. Richaud	CGT union member	Mr. Richaud	CGT union member
Mr. Ringuedé	UNSA (SAT-GATC-UNSA-BUS) union member	Mr. Rizzi	CGT union member
Mr. Rizzi	CGT union member	Mr. Roué	CGT union member
Mr. Ternois	CFE-CGC union member	Mr. Ternois	CFE-CGC union member

The composition of the Board of Director's complies with the breakdown stipulated by the 1984 decree.

Changes between the two periods:

Eight qualified persons out of eighteen were reappointed.

Mr. Mongin was reappointed as the President (cf point 1-2-1).

The Government representatives include five new public corporation representatives (ADP as in 2009/2014, Radio France), the Conseil d'État (as in 2009/2014), the Conseil général de l'environnement et du développement durable and the Direction régionale de l'équipement et d'aménagement d'Île-de-France.

The three persons from business backgrounds are new. One of them is Italian, and her background Deputy MD of Paris Île-de-France Capitale, illustrates awareness of development issues at the international level; the energy sector is represented by the former president of ERDF and the social assistance through credit facilities sector is represented by the Chief Executive Officer of Crédit municipal de Paris.

One of the two local authority representatives from areas directly affected by the company's activities was reappointed. A new elected official, both Paris MP and a Paris City Official, was appointed.

One of the two persons representing public transport customers was reappointed. Another person was appointed to represent the FNAUT.

The two persons selected for their expertise in transport and mobility policy were reappointed.

Three employee board members were re-elected for another term. The CGT, UNSA, SUD and CFE-CGC retained the same number of elected officials, the FO union obtained one seat, the CFDT/CFTC got no seat.

There is a noticeable increase in the number of women on the Board, with 33% women on the new Board compared to 18% for the previous period.

Appendice 2.
Board Meetings and work in 2014

Meetings	Number	Business	Number
Board of Directors • January 31 • March 14 • May 22 • June 27 • July 23 • August 28 • October 17 • November 28	8	Discussions	26
		Deliberations	42
Technical and technological transport modernization committee	6	**Of which:**	
		• Contracts > €60 million	5
		• Preliminary projects	5
		• Additional project outlines	0
Economic strategy committee	7		
Innovation and customer service committee	6		
Audit committee	5		
Working groups	1		
Seminar	2		
Total	**35**		

Appendice 3.
RATP Accounting Policies

1 • Preparation of the Financial statements

RATP group issues audited annual parent company and consolidated financial statements and half-yearly consolidated financial statements that are reviewed by the Statutory Auditors. RATP also prepares prospectuses when issuing debt, which are approved by the Statutory Auditors and the French securities market regulator (AMF).

RATP issues bonds linked to the EMTN[1] program. The update of this program, made every year, is reviewed by the auditors who issue a comfort letter.

In general, the accounting information produced by RATP parent company fulfils the requirements of its departments and units in terms of budgeting, forecasting and general management.

As of January 1, 2012, in accordance with the provisions of the French law of June 3, 2010, infrastructure management and public passenger transport service operations have been accounted for separately, with a balance sheet and income statement prepared for each in the notes to the parent company financial statements. On January 1, 2012 a structure dedicated to the accounting treatment of infrastructure management operations was set up.

To prepare the separate balance sheets and income statements, the appropriate amounts have been directly allocated to the corresponding line items or flows. When this is not possible, for instance if the line items or cash flows are managed by one activity and have initially been recognized as such, internal transfers between the two activities have been arranged to bill the activities appropriately, in accordance with general practice. Such agreements govern the scope of the transfers, the valuation principles and the invoicing methods. They are regularly reviewed by both activities.

2 • Control procedures on the preparation of the individual financial statements

2.1 Accounting Policies

RATP ensures the segregation of duties of its accountants (employees who generally work for the management and financial control department), treasurers and the departments authorizing expenditure.

The accountants draw on an array of regulatory, management and accounting texts relating to their function.

1 Euro Medium Term Notes.

RATP's accounting system is designed to ensure that controls take place throughout the process of preparing the financial statements.

2.2 Regular controls

1- The department units and support groups are involved in RATP's accounting operations insofar as they authorize and engage company expenditure and revenue and define their cost accounting systems in line with the company's common accounting rules. This may involve delegated accounting tasks (data entries can be made without involving accountants from the company's central accounting unit) or direct access to accounting information systems to enter data such as external expenses, using local tools connected to the company's accounting information systems.

2- The local accounting offices of the company's central accounting unit are responsible for controlling the entries made in units' management systems on a monthly basis. They make the corrections necessary and record operations not delegated to the units. On January 1, 2012 an accounting office was set up for infrastructure management operations.

In 2014, a subdivision dedicated to capital expenditure and investment was created in the Corporate Accounting Unit. The purpose of the subdivision, which was formed by merging two accounting offices, is to centralize all issues relating to capital expenditure: the accounting treatment for property, plant, equipment and fixed intangible assets; managing capital expenditure policies, and disseminating capital expenditure rules and methods.

Expense account processes monitored by accounting delegations relating to decentralized bank accounts, managed by the company units, are revised regularly throughout the year to ensure that the accounting and administrative procedures governing them are properly applied. The AIRA software application enables controls to be tracked and report to managers of the decentralized bank accounts. In 2014, the Corporate Accounting Unit continued to optimize the expense account process and accordingly shut down five decentralized bank accounts out of the existing 71.

Certain sections of the company have specific accounting delegations. The work initiated in 2012 to set out formal procedures for these authorizations (scope, responsibilities, review process, accounting procedures, etc.) is still under way. In addition to regular monitoring by the accounting offices, periodic reviews must be planned by the company's central accounting unit in order to control use of IT systems and compliance with applicable agreements and procedures.

Ad hoc audits are also performed by the audit office of the company's central accounting unit.

3- All the data is reported to the central departments where summaries are prepared and centralized work is performed: booking of *payables* and *receivables*, payroll receipts and expenses, control of accounting quality, preparation of the financial statements (including the balance sheet, income statement and notes thereto, etc.)

4- Since 2012, these controls have been reorganized in order to adapt to changes in accounting systems and to the constraints of separately accounting for infrastructure management activities and public passenger transport service operations, particularly in terms of access authorizations for accountants from one or other activity.

2.3 Monthly Reporting

The accounts are closed every month, at which time the accounting offices ensure that changes in expenses and income are reasonable, and record closing entries. A central accounting unit performs a cross-company analysis of the results.

Responsibility for balance sheet accounts lies with the unit's various offices, which perform analyses and other analytical procedures on a regular basis. These are reviewed by the central accounting unit, which conducts a global control.

3 • Preparation of the consolidated financial statements of RATP group

The consolidated financial statements are prepared every six months according to a timetable set at the closing of each period by the finance department.

The consolidation of the financial statements is performed using consolidation software comprising an application that implements the accounting policies and rules, which are updated regularly. The majority of the entities' consolidation packages are compiled by the subsidiaries' accountants. Much of the control work is carried out using the consolidation system configured to include numerous and occasionally restrictive controls. The software publisher is responsible for maintenance of the tool.

The consolidated financial statements are produced by a section of the company's accounting unit for the whole Group. The role of the section is to ensure that the source information provided by the subsidiaries is consistent, that the consolidated financial statements are prepared in accordance with current standards and regulations and that the information gives a fair presentation of the Group's business and financial position.

The section is responsible for preparing financial information in compliance with International Financial Reporting Standards for the majority of the subsidiaries and making the consolidation adjustments (harmonization of the financial statements, elimination of inter-company securities and transactions). Changes in shareholders' equity are reviewed for each subsidiary. Reviews of account balances are then made to verify their accuracy.

The information derived from the accounting consolidation is the same as that used by analysts from the Finance and Management Control department's unit responsible for Subsidiaries, Financial Transactions and Tax. As a result, during the closing period, information from subsidiaries is simultaneously analysed and cross-checked against information from previous months and from budgets and forecasts.

statutory auditor's report

Auditors' report on the RATP Chairman's report on internal control and risk management procedures.

Period ending December 31, 2014

In our capacity as statutory auditors of RATP and further to your request, we present our report on the report drawn up by the Chairman of your Board of Directors on internal control and risk management procedures for the period ending December 31, 2014.

It is the Chairman's duty to report on the internal control and risk management procedures in place at RATP and to provide the other disclosures required under article L. 621-18-3 of the Monetary and Financial Code, inter alia on corporate governance arrangements.

It is our duty to impart to you our observations on the disclosures in the Chairman's report concerning internal control and risk management procedures governing the preparation and treatment of accounting and financial reporting.

We have conducted our audit according to the professional standards applicable in France. These standards require us to exercise due care and diligence in assessing the fairness of disclosures concerning internal control and risk management procedures governing the preparation and treatment of accounting and financial reporting in the Chairman's report. In particular, this consists of:

- familiarizing oneself with the internal control and risk management procedures governing the preparation and treatment of the accounting and financial reporting underpinning the disclosures presented in the Chairman's report and in existing documentation;
- understanding the work involved in the preparation of the said disclosures and existing documentation;
- determining whether any major deficiencies we noted in internal control governing the preparation and treatment of the accounting and financial reporting are duly disclosed in the Chairman's report.

On the basis of our work in this respect, we have no comment to make on the disclosures in the Board Chairman's report on the company's internal control and risk management procedures governing the preparation and treatment of the accounting and financial reporting.

Neuilly-sur-Seine and Paris-La Défense, on 16 March 2015
Statutory Auditors

PricewaterhouseCoopers Audit
Gérard Morin

Ernst & Young and others
Jean-François Bélorgey

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consolidated financial statements

statutory auditor's report

On the Consolidated Financial Statements

Period ending December 31, 2014

Further to our engagement as auditors by the minister for the Economy, Industry and Employment, we present our report on the period ending December 31, 2014, on:
- the audit of the consolidated financial statements of the RATP group, as appended hereto;
- the evidence supporting our opinion;
- specific auditing as required by law.

The consolidated financial statements were closed by the Board of Directors. It is our duty to express an opinion on these accounts on the basis of our audit.

1. Opinion on the consolidated financial statements

We have conducted our audit according to the professional standards applicable in France; these standards require us to provide reasonable assurance that the consolidated financial statements do not contain any material misrepresentations. An audit involves checking, using sampling techniques or other methods of selection, to obtain evidence justifying the amounts and information figuring in the consolidated financial statements. It also consists in assessing the accounting policies adopted and evaluating the significant estimates in the financial statements and the overall presentation thereof. We consider that the elements we have collected are appropriate and sufficient for basing our opinion.

We hereby certify that with regard to the IFRS reporting framework as adopted by the European Union, the consolidated financial statements give a true and fair view of the asset base, financial position and earnings of all the reporting entities.

2. Evidence supporting our opinions

In pursuance of article L.823-9 of the Commercial Code regarding the evidence supporting our opinion, we hereby apprise you of the following:

Employee benefits

Note 22 entitled "Provisions for employee benefits" itemizes the post-employment and other long-term benefits for which provisions are recognized in the balance sheet and explains their measurement basis.

We have examined the inventory, valuation and accounting treatment of these commitments and provisions and have ascertained that Notes 2.16 and 22 provide appropriate disclosures thereof.

Value of assets

- For the cash-generating units at the level of public utility company RATP, "Infrastructure Management and Transport Operations" as described in Note 14 "Asset impairment tests", the RATP group has ascertained that there is no indication of impairment liable to adversely affect the recoverable amounts of "Infrastructure Management and Transport Operations" cash-generating units and has examined changes in the main assumptions used in impairment tests in the prior period. Our work consisted in examining the assumptions reviewed by the Group and in ascertaining that Note 14 provides appropriate disclosures thereof;
- For cash-generating units defined at subsidiary level and described in Note 2.9 "Impairment of Assets", the RATP group has run impairment tests on goodwill and intangible assets with indefinite life. Our work consisted in examining these test methods based on discounted future cash flows of the business lines concerned and in assessing the consistency of the underlying assumptions.

The opinions thus expressed are based on our overall audit of the consolidated financial statements as a whole, and therefore form the basis for the opinion stated in the first part of this report.

3. Specific auditing requirements

In accordance with professional standards applicable in France and as required by law, we have also specifically verified the information presented in the Board's operating and financial review of the management of the RATP group management.

In our view, it provides a true and fair view and is consistent with the consolidated financial statements.

Neuilly-sur-Seine and Paris-La Défense, on 16 March 2015
Statutory Auditors

PricewaterhouseCoopers Audit
Gérard Morin

Ernst & Young and others
Jean-François Bélorgey

consolidated statements of comprehensive income

The financial statements are presented in thousands of euros. The comparative information is the data restated following retrospective application of standard IFRS 11 "Partnerships".

1 • income statement

	Notes	12/31/14	12/31/13 Restated
Revenue (of which revenue from financial concession assets €156 million in 2014 and €153 million in 2013)	Note 4	5,256,589	5,082,724
Other income from ordinary activities	Note 4	571,498	445,542
Revenue	**Note 4**	**5,828,088**	**5,528,266**
Cost of sales		(840,171)	(740,682)
Other purchases and external charges		(820,147)	(800,451)
Taxes, duties and similar payments	Note 8	(236,305)	(221,973)
Payroll and payroll-related costs	Note 5	(3,019,363)	(2,877,988)
Other operating expenses		(49,192)	(53,521)
EBITDA		**862,910**	**833,651**
Depreciation and amortization expense		(351,167)	(306,339)
Provisions, net	Note 23	(3,690)	8,895
Gain on disposal of assets	Note 6	(6,550)	(18,578)
Gain on other consolidation scope changes	Note 6	3,431	0
Impairment		(14)	(14)
Other operating income (expenses)		294	261
Income from equity-accounted entities	Note 16	11,011	8,322
Operating income after share of net income from equity-accounted entities		**516,226**	**526,198**
Financial income	Note 7	9,201	11,906
Financial expense	Note 7	(216,420)	(231,454)
Pre-tax income		**309,007**	**306,650**
Income tax	Note 8	(6,150)	(9,251)
Consolidated net income		**302,857**	**297,399**
Net income attributable to owners of the company		**298,191**	**292,827**
Non-controlling interests		4,665	4,572

2 • other comprehensive income

Other items of comprehensive income are shown net of tax		12/31/14	12/31/13 Restated
Net income		**302,857**	**297,399**
Net change in fair value of cash flow hedges		(21,254)	2,872
Foreign currency translation adjustment		8,794	(3,647)
Share from equity-accounted entities of comprehensive income that may be reclassified to profit or loss		4,664	(1,514)
Total other comprehensive income that may be reclassified to profit or loss		(7,795)	(2,288)
Actuarial gains and losses		(121,130)	38,215
Share from equity-accounted entities of comprehensive income that may not be reclassified to profit or loss		(775)	486
Total other comprehensive income that may not be reclassified to profit or loss		(121,905)	38,701
Income and expense recognized under other components of comprehensive income		**(129,700)**	**36,413**
Total comprehensive income for the period		**173,157**	**333,812**
Attributable to:	Owners of the company	165,945	330,240
	Non-controlling interests	7,212	3,572

Taxes only concern subsidiaries. The tax effects of other components of comprehensive income are disclosed in Note 8.

consolidated Balance sheets

Assets	Notes	12/31/14	12/31/13 Restated
Goodwill, net	Note 9	254,520	171,576
Intangible assets	Note 10	605,323	540,266
Property, plant and equipment	Note 11	5,323,994	5,134,386
Equity-accounted investments	Note 16	142,418	157,617
Available-for-sale financial assets	Note 17	7,947	7,929
Derivative financial instruments - non-current	Note 28	275,697	290,986
Financial concession assets - non-current	Note 13	3,771,769	3,548,781
Other financial assets - non-current	Note 18	578,642	651,762
Deferred tax assets	Note 8	23,488	17,754
Non-current assets		**10,983,798**	**10,521,057**
Inventories	Note 19	178,934	168,006
Trade and other receivables	Note 20	770,803	764,753
Tax receivables		14,437	7,563
Derivative financial instruments - current	Note 28	28,436	13,296
Financial concession assets - current	Note 13	269,159	279,334
Other financial assets - current	Note 18	696,669	516,275
Cash and cash equivalents	Note 21	1,317,508	879,668
Assets held for sale		0	12,333
Current assets		**3,275,946**	**2,641,228**
Total assets		**14,259,744**	**13,162,285**

Equity and liabilities	Notes	12/31/14	12/31/13 Restated
Capital stock		433,367	433,367
Reserve for assets allocated to RATP		250,700	250,700
Reserves		2,155,201	1,995,152
Retained earnings		298,191	292,827
Equity attributable to owners of the company		**3,137,459**	**2,972,046**
Non-controlling interests		33,194	17,778
Equity		**3,170,653**	**2,989,824**
Provisions for employee benefits	Note 22	758,796	610,712
Other provisions - non-current	Note 23	151,505	139,337
Loans and borrowings - non-current	Note 24	5,005,813	5,403,339
Derivative financial instruments - non-current	Note 28	41,189	11,432
Deferred tax liabilities	Note 8	28,167	23,896
Other trade creditors		2,810	4,743
Non-current liabilities		**5,988,280**	**6,193,458**
Other provisions - current	Note 23	62,678	55,495
Loans and borrowings - current	Note 24	2,924,510	2,182,371
Derivative financial instruments - current	Note 28	24,470	15,198
Trade payables and related accounts	Note 25	2,084,949	1,717,943
Income tax liabilities		4,204	7,996
Current liabilities		**5,100,811**	**3,979,003**
Total equity and liabilities		**14,259,744**	**13,162,285**

consolidated statements of cash Flows

	Notes	12/31/14	12/31/13 Restated
Consolidated net income		**302,860**	**297,399**
Income from equity-accounted entities		(11,011)	(8,323)
Depreciation and amortization		392,099	313,797
Depreciation and amortization of concession assets	Note 13	308,098	291,093
Gains from asset disposals		3,453	10,998
Elimination of other non-monetary items		(5,917)	7,691
Cash flow from operations after net financial expense and tax		**989,583**	**912,655**
Adjustment of tax expense (income)		6,150	9,251
Change in working capital excluding investments and grants	Note 26	94,282	(109,874)
Income taxes paid		(22,371)	(13,991)
Net cash provided by operating activities		**1,067,644**	**798,042**
Effect of scope changes		(68,458)	(5,113)
Purchase of property, plant, equipment and intangible assets	Notes 10 et 11	(772,122)	(800,345)
Purchase of concession assets		(882,441)	(784,105)
Purchase of other financial assets		0	(41)
Change in loans and advances granted		(10,422)	(153,549)
Change in working capital relating to investments and concession assets		46,893	(17,086)
Investment grants received excluding concession assets	Notes 10 et 11	277,828	322,239
Investment grants received on concession assets		345,562	317,239
Change in investment grants to be received		(7,135)	13,122
Proceeds from disposals of property, plant equipment and intangible assets		182,736	138,241
Dividends received from equity-accounted entities		5,883	7,068
Other net cash used in investing activities		(16,218)	(2,017)
Net cash used in investing activities		**(897,893)**	**(964,346)**
Non-controlling interests - share of proceeds from capital increase		396	895
Proceeds from issuance of borrowings		242,904	498,260
Repayment of borrowings		(507,944)	(503,764)
Change in commercial papers		536,618	10,980
Increase in accrued interest		(3,827)	1,498
Dividends paid to non-controlling interests		(3,718)	(1,998)
Other cash flow from financing activities		9,173	(2,032)
Net cash from financing activities		**273,602**	**3,839**
Effect of changes in the exchange rate		4,741	(1,798)
Net change in cash and cash equivalents		**448,094**	**(164,263)**
Cash and cash equivalents at January 1		781,805	946,068
Cash and cash equivalents at December 31	Note 21	1,229,899	781,805
Net change in cash and cash equivalents		**448,094**	**(164,263)**

The impact of applying IFRS 11 on the comparative data of the cash flow table is not significant.

consolidated statements of changes in Equity

	Share capital	Reserve for assets allocated by the State	Translation reserve	Actuarial gains and losses	Fair value reserve	Cash flow hedging reserve	Other reserves	Owners of the company	Non-controlling interests	Total equity
Balance as at December 31, 2012	**433,367**	**250,700**	**(745)**	**(99,227)**	**1,724**	**(27,776)**	**2,085,142**	**2,643,185**	**12,804**	**2,655,989**
Net income for the period							292,827	292,827	4,572	297,399
Other comprehensive income			(4,059)	38,763		2,707		37,411	(1,000)	36,411
Total comprehensive income for the period	**0**	**0**	**(4,059)**	**38,763**	**0**	**2,707**	**292,827**	**330,239**	**3,572**	**333,811**
Other transactions with owners of the company							40	40	(2,007)	(1,967)
Other changes							(1,418)	(1,418)	3,409	1,990
Balance as at December 31, 2013	**433,367**	**250,700**	**(4,802)**	**(60,464)**	**1,724**	**(25,068)**	**2,376,591**	**2,972,046**	**17,778**	**2,989,824**
Net income for the period							298,191	298,191	4,665	302,857
Other comprehensive income			10,776	(121,878)		(21,145)		(132,247)	2,547	(129,700)
Total comprehensive income for the period	**0**	**0**	**10,776**	**(121,878)**	**0**	**(21,145)**	**298,191**	**165,945**	**7,212**	**173,157**
Other transactions with owners of the company							(1)	(1)	(3,858)	(3,859)
Change in scope									12,120	12,120
Other changes							(531)	(531)	(58)	(588)
Balance as at December 31, 2014	**433,367**	**250,700**	**5,974**	**(182,342)**	**1,724**	**(46,213)**	**2,674,251**	**3,137,459**	**33,194**	**3,170,653**

notes to the consolidated financial statements

Unless otherwise stated, all amounts are presented in thousands of euros.

RATP group ("the Group") is a major public transport provider in France, operating in towns and suburbs and particularly in the Île-de-France area.

The parent company, Régie Autonome des Transports Parisiens (RATP), is a public service company created pursuant to the French law of March 21, 1948 and registered with the Paris Trade and Companies Register (RCS). Its head office is located at 54 quai de la Rapée, 75012, Paris, France.

The aim of RATP is primarily to run public transport service in Île-de-France and its purpose, fixed by law no. 2009-1503 dated December 8, 2009 on the organization and regulation of rail transport (law ORTF), is to manage the network infrastructure assigned to the urban public transportation of passengers. The ORTF law has:

- entrusted RATP with the role of managing the metro and RER network infrastructure (excluding the responsibilities conferred on SNCF Réseau) used for its operations as of January 1, 2010;
- specified that lines created before December 3, 2009 shall continue to be operated under the terms of the agreements effective as at that date and the agreements that shall be negotiated under the new legal framework until December 31, 2024 for bus services, until December 31, 2029 for tramway services and until December 31, 2039 for other transport services (metro and RER). The operating rights granted to RATP are thus limited in duration, with renewal possible under the terms stipulated by law;
- set forth the framework governing the remuneration of RATP for managing the infrastructure and operating the services, ensuring an appropriate return on capital employed.

Since the adoption of French law n°2000-1208 on solidarity and urban renewal, RATP has been authorized to operate public transport networks via its subsidiaries throughout France and abroad.

RATP is a State-owned company and as such the Group's consolidated financial statements are included in the combined financial statements of the latter.

The Group's consolidated financial statements at December 31, 2014 were approved by the Board of Directors on March 13, 2015.

1 • Accounting standards

1.1 Accounting policies

Pursuant to European regulation n°1606/2002 of July 19, 2002, the consolidated financial statements of the Group at and for the year ended December 31, 2013 have been prepared in accordance with the rules on presentation, recognition and evaluation of the International Financial Reporting Standards (IFRS) adopted by the European Union.

Information on these standards is available on the European Union's website at: *http://ec.europa.eu/internal_market/accounting/ias/index_en.htm*

1.2 IFRS developments and accounting changes

1.2.1 STANDARDS, AMENDMENTS AND INTERPRETATIONS MANDATORY FOR THE FIRST TIME IN 2014

- IFRS 10 – Consolidated Financial Statements;
- IFRS 11 – Joint Arrangements;
- IFRS 12 – Disclosure of Interests in Other Entities;
- IAS 28 (revised) – Investments in Associates and Joint Ventures;
- Amendments to standards IFRS 10, IFRS 11 and IFRS 12 concerning transitional provisions;
- Amendment to IAS 32 – Financial Instruments: Offsetting Financial Assets and Financial Liabilities. This amendment has no impact for the Group.

The impacts on the consolidated accounts of the application of IFRS 11 standard are listed in Note 1.2.3. Unless otherwise specified, the comparative information supplied in the annex is data that has been restated following a retrospective application of this standard.

Other standards that were mandatory for the first time in 2014 had no material impact on the consolidated financial statements.

1.2.2 STANDARDS, AMENDMENTS AND INTERPRETATIONS THAT WERE NOT MANDATORY FOR THE PREPARATION OF THE 2014 CONSOLIDATED FINANCIAL STATEMENTS

IFRIC Interpretation 21 - Levies, which will come into effect in the European Union for the financial years following 17 June 2014, has not been applied in advance for the preparation of the financial statements on 31 December 2014. The Group does not expect any significant impact on its financial statements.

The Group has not applied in advance the other standards, amendments and interpretations that are effective for financial years after the year ended December 31, 2014, whether or not adopted by the European Commission.

1.2.3 FIRST APPLICATION OF STANDARDS IFRS 10, IFRS 11 AND IFRS 12

Effect of the application of IFRS 10 "Consolidated financial statements"

Standard IFRS 10 "Consolidated financial statements" replaces standard IAS 27 "Consolidated and individual financial statements" for provisions relating to the consolidated financial statements, as well as the SIC 12 interpretation "Consolidation - ad hoc entities". This standard redefines the notion of control.

The RATP group controls an entity when it holds power over this entity, when it is exposed to or has rights to variable returns because of its links with the entity, and it has the ability to influence the amount of these returns because of the power it exercises over the same.
The application of IFRS 10 has not affected the scope of consolidation.

Impact of the application of IFRS 11 "Joint Arrangements"
Standard IFRS 11 "Joint Arrangements" replaces standard IAS 31 "Interests in joint ventures" and the SIC 13 interpretation "Jointly Controlled Entities – Non-Monetary contributions by venturers". The standard determines the accounting principles of Joint Arrangements held in joint control. It distinguishes two types of partnership: joint control over an entity (joint ventures) and operations performed jointly (joint operations). Joint ventures are henceforth consolidated according to the equity accounting method, while joint operations are accounted for line by line, proportionally to the participants' rights and obligations.
All the Joint Arrangements in which the Group participates are classified as joint ventures and are accounted for using the equity accounting method, except for Metrolab (research and development activity), which is classified as a joint operation.
The proportional consolidation method previously applied to joint ventures has been removed. The amounts restated following the removal of proportional consolidation are now accounted for in "Equity-accounted investments" in the balance sheet on the "Income from equity-accounted entities" line of the income statement. This line, which is presented in the operating income, was previously presented after the "Pre-tax income".

Restatement of the consolidated income statement for the 2013 financial year

	12/31/13 Published	IFRS 11	12/31/13 Restated
Revenue	5,142,722	(59,998)	5,082,724
Other income from ordinary activities	451,059	(5,517)	445,542
Revenue	**5,593,781**	**(65,515)**	**5,528,266**
Cost of sales	(751,738)	11,056	(740,682)
Other purchases and external charges	(819,174)	18,723	(800,451)
Taxes, duties and similar payments	(223,289)	1,316	(221,973)
Payroll and payroll-related costs	(2,906,266)	28,278	(2,877,988)
Other operating expenses	(53,876)	355	(53,521)
EBITDA	**839,438**	**(5,786)**	**833,652**
Depreciation and amortization expense	(308,627)	2,288	(306,339)
Provisions, net	5,842	3,053	8,895
Gain on disposal of assets	(18,812)	232	(18,580)
Gain on other consolidation scope changes	980	(980)	0
Impairment	(14)	0	(14)
Other operating income (expenses)	261	0	261
Income from equity-accounted entities	8,185	138	8,323
Operating income after share of net income from equity-accounted entities	**527,253**	**(1,055)**	**526,198**
Financial income	11,800	0	11,800
Financial expense	(231,832)	484	(231,348)
Pre-tax income	**307,221**	**(571)**	**306,650**
Income tax	(9,822)	571	(9,251)
Consolidated net income	**297,399**	**0**	**297,399**
Net income attributable to owners of the company	**292,827**	**0**	**292,827**
Non-controlling interests	4,572	0	4,572

Restatement of the consolidated balance sheet on December 31, 2013

Assets	12/31/13 Published	IFRS 11	12/31/13 Restated
Goodwill, net	174,272	(2,696)	171,576
Intangible assets	538,695	1,571	540,266
Property, plant and equipment	5,154,173	(19,787)	5,134,386
Equity-accounted investments	151,731	5,886	157,617
Available-for-sale financial assets	8,726	(797)	7,929
Derivative financial instruments - non-current	290,986	0	290,986
Financial concession assets - non-current	3,548,781	0	3,548,781
Other financial assets - non-current	651,832	(70)	651,762
Deferred tax assets	18,196	(442)	17,754
Non-current assets	**10,537,392**	**(16,335)**	**10,521,057**
Inventories	169,095	(1,089)	168,006
Trade and other receivables	778,643	(13,890)	764,753
Tax receivables	7,887	(324)	7,563
Derivative financial instruments - current	13,296	0	13,296
Financial concession assets - current	279,334	0	279,334
Other financial assets - current	516,222	53	516,275
Cash and cash equivalents	889,806	(10,138)	879,668
Assets held for sale	12,333	0	12,333
Current assets	**2,666,617**	**(25,389)**	**2,641,228**
Total assets	**13,204,009**	**(41,724)**	**13,162,285**

Equity and liabilities	12/31/13 Published	IFRS 11	12/31/13 Restated
Capital stock	433,367	0	433,367
Reserve for assets allocated to RATP	250,700	0	250,700
Reserves	1,995,152	0	1,995,152
Retained earnings	292,827	0	292,827
Equity attributable to owners of the company	**2,972,046**	**0**	**2,972,046**
Non-controlling interests	17,778	0	17,778
Equity	**2,989,824**	**0**	**2,989,824**
Provisions for employee benefits	615,310	(4,598)	610,712
Other provisions - non-current	141,067	(1,730)	139,337
Loans and borrowings - non-current	5,409,767	(6,428)	5,403,339
Derivative financial instruments - non-current	11,432	0	11,432
Deferred tax liabilities	24,094	(198)	23,896
Other trade creditors	5,182	(439)	4,743
Non-current liabilities	**6,206,852**	**(13,394)**	**6,193,458**
Other provisions - current	55,496	(1)	55,495
Loans and borrowings - current	2,182,689	(318)	2,182,371
Derivative financial instruments - current	15,198	0	15,198
Trade payables and related accounts	1,745,950	(28,007)	1,717,943
Income tax liabilities	8,001	(5)	7,996
Current liabilities	**4,007,333**	**(28,330)**	**3,979,003**
Total equity and liabilities	**13,204,009**	**(41,724)**	**13,162,285**

Impact of the application of IFRS 12 "Disclosure of Interests in Other Entities"

The IFRS 12 standard prescribes the information to be disclosed for shares held in subsidiaries, Joint Arrangements, associates and/or unconsolidated structured entities, whatever the level of control or influence exercised on the entity. In application of this standard, the information has been modified and/or added in Notes 2.1, 15 and 16.

1.2.4 CHANGE IN ESTIMATE OF INTERNAL COSTS INCORPORATED IN ASSETS

The RATP has modified, as of January 1, 2014, the methods for incorporating internal costs in assets (materials, personnel costs and other external expenses). This change in the estimate stems from the developments in the organisation of the departments concerned, which have allowed for a more accurate allocation of their costs to the projects. The change in the estimate is applied in a prospective manner and its effect is to increase the amount of internal capitalized costs by around €33 M compared to the 2013 financial year.

1.3 Use of estimates and assumptions

The preparation of the consolidated financial statements requires Group management to make estimates and assumptions, as many of the items included in the financial statements cannot be measured accurately. Management revises the estimates if there is a change in the circumstances upon which they were based, or when new facts arise or it obtains a more extensive understanding of the situation. Consequently, actual results may differ significantly from the estimates made at December 31, 2014.

The estimates and assumptions notably concern:

- assets, particularly property, plant and equipment (see Note 2.5), inventories (see Note 2.11), trade and other receivables (Note 2.12), goodwill (Note 2.3) and asset impairment tests (see Notes 2.9 and 14);
- provisions for contingencies, primarily those for decommissioning (Note 23), and items relating to employee benefits (see Note 22);
- measurement to fair value of financial instruments (see Note 29);
- assessment of counterparty risk on deposits connected with leasehold agreements (see Note 12);
- recognition of deferred tax assets (see Note 8);
- recognition of concessions operated by RATP and the subsidiaries (see Note 13);
- business combinations (Note 3).

The accounting principles applied when preparing the consolidated financial statements are set out below in Note 2. Unless otherwise indicated, these methods have been applied permanently to all the periods presented.

The consolidated financial statements have been prepared in accordance with the going concern principle and with the principle on the separation of accounting periods.

1.4 Ownership regime governing assets capitalized by RATP

As of January 1, 2010, the French law on public passenger services by rail (hereinafter "the ORTF law") amended the ownership regime governing assets originally allocated to RATP or created by RATP by defining four asset categories:

- infrastructure assets, which are managed and owned by RATP;
- the rolling stock and related maintenance equipment (returnable assets) belong to Stif, as of January 1, 2010. Stif will take possession of these assets upon expiry of the operating rights. Implementation decree n°2011-320 provides for the purchase by the Île-de-France transport authority of these assets from RATP at their carrying amount net of grants, as reported in the financial statements of Epic RATP. In the consolidated financial statements, the assets are recognized as financial assets in accordance with IFRIC 12 – Service Concession Arrangements (see Notes 2.8 and 13);
- other assets required for operations (reversionary assets), other than those mentioned in the previous two paragraphs, which are fully owned by RATP. Upon expiry of RATP's operating rights, the Île-de-France transport authority has the right to exercise a reversionary option on these assets. These assets were recognized as financial assets and intangible assets in accordance with IFRIC 12 – Service Concession Arrangements (Notes 2.8 and 13);
- real property and other assets that are not allocated to operations but are used by RATP for administrative, social or training purposes, which are fully owned by RATP.

Assets capitalized by RATP are recognized based on their ownership regime as follows:

Type of asset	Infrastructure management Fully-owned assets	Transport operations Returnable assets	Reversionary assets	Fully-owned assets
Nature of assets	Infrastructure assets.	Rolling stock and related maintenance equipment.	Assets required for operations: - bus stations, - equipment.	Assets allocated for administrative, social and training purposes.
Ownership regime	RATP owns these assets.	Stif has owned these assets since January 1, 2010. RATP uses and manages the assets. Stif will take possession of the assets when the operating rights expire.	RATP owns these assets. Stif holds a reversionary option subject to payment of compensation to RATP upon expiry of the agreement.	RATP owns these assets.
Remuneration arrangements during operating period	The remuneration dedicated to Infrastructure Management is received via Transport Operations.	Article 14 of French decree n°2011-320 sets forth the arrangements governing the compensation payable by Stif to RATP for the assets.	The remuneration principles and arrangements apply for the duration of the Stif-RATP agreement 2012-2015.	
Remuneration arrangements upon expiry of operating rights	NA	Article 14 of the French decree n°2011-320 provides for the repurchase of the assets at their carrying amount, net of grants.	The Stif-RATP agreement provides for the reversion of the assets at a value of zero for assets transferred to RATP as at January 1, 2010, or at their carrying amount, net of grants.	NA
Assets eligible under IFRIC 12 – Service Concession Arrangements	No	Yes	Yes	No

2 • Accounting policies

2.1 Consolidation

2.1.1 CONSOLIDATION SCOPE AND METHODS

The consolidated financial statements of RATP group comprise the financial statements of the RATP parent company and those of its subsidiaries, joint ventures and associates. Subsidiaries are all entities over which the Group exercises control.

The subsidiaries are all the entities controlled by the Group. This control was established when the Group had a power to manage the key activities that expose it or give it the right to one or more variable returns, which it has the ability to influence. The financial statements of subsidiaries are fully consolidated, and non-controlling interests are accounted for, based on their ownership interest. Companies are consolidated from the date their controlling interest is transferred to the Group. They are deconsolidated from the date the Group ceases to exercise such control. When the Group loses control of a subsidiary, it recognizes the disposal of assets or liabilities, as well as the non-controlling interests and other equity components, where applicable. The resulting profit or loss is recognized in the income statement. Any retained interest should be measured at the fair value at the moment of loss of control. Variations in the percentage of interest in a subsidiary that do not result in a loss of control are recognized in equity.

Entities that are jointly controlled by the Group and other shareholders and classified as joint ventures are consolidated using equity accounting. Joint ventures are Joint Arrangements in which the partners have rights to the net assets of the jointly-controlled entity. Joint Arrangements classified as joint operations are accounted for line-by-line for the amounts of retained interest in assets, liabilities, income and expenses for the Group. These are Joint Arrangements in which the partners have rights to the assets and obligations due to the liabilities of the jointly-controlled entity. The Group particularly retains in its assessment the fact that the entity's income is mainly destined for Joint Arrangements, as well as the share of the entity's financing by partners compared to external financing. Only the Metrolab partnership (research and development activity) is classified as a joint operation. The other Joint Arrangements are classified as joint ventures.

Entities over which the Group exercises significant influence but not control, are accounted for using the equity method; significant influence is presumed to exist when the Group holds 20% or more voting rights.

The equity-accounted investments will be subject to an impairment test if an indication of impairment appears.

Adjustments are made to the financial statements of consolidated subsidiaries and equity-accounted entities to bring them into compliance with the accounting policies applied by the Group.

Low-cost housing company HLM Logis Transports

Assessing the extent of control over low-cost housing (HLM) companies takes into account the atypical nature of these companies, their specific operational characteristics, and the very strict regulatory constraints imposed upon them.

Consequently, despite the fact that RATP holds an 88% stake, the company was not consolidated because the Group deems it does not have control, pursuant to IFRS 10, for the following reasons:
- the low-cost housing regulations impose financial and statutory constraints (e.g. restrictions on distributable profit and liquidating dividend rights), which limit the rights in variable interests, from which the RATP could benefit;
- the debt of low-cost housing companies, transaction by transaction, is almost always guaranteed by the local government authorities. Consequently, RATP does not bear any repayment risk on the loans made to HLM Logis Transports;
- although RATP exercises influence over certain aspects of HLM Logis Transports' management, its influence cannot be qualified as control. The RATP cannot manage the relevant activities of Logis Transports despite its majority share. The assets of HLM Logis Transport are land and buildings used for social housing. The sale of these assets is restricted (impossible outside the low-cost housing market). They are a source of revenue (rent), which is set and adjusted by the regulator. The use of the assets is subject to certain conditions, such as the quotas for reserving housing set by the prefectures and local authorities. The allocation of housing to RATP employees is carried out by an allocation board in the same way as for external applicants.

The company's shares are recognized in the balance sheet at their acquisition cost.
They are classified as available-for-sale financial assets. The main financial information concerning HLM Logis Transports is presented in Note 17.

2.1.2 BUSINESS COMBINATIONS

Business combinations are accounted for using the acquisition method, which requires that identifiable assets acquired and liabilities assumed are measured at fair value at the acquisition date, which is the date at which control is transferred to the Group.

Goodwill is measured as the excess of (i) the fair value of the consideration transferred, the recognized amount of any non-controlling interests in the acquiree and the fair value of any pre-existing equity interest in the acquiree and (ii) the net recognized amount of the identifiable assets acquired and liabilities assumed at the acquisition date.
Goodwill is measured in the functional currency of the acquiree and accounted for on the consolidated balance sheet. The Group may elect at the acquisition date of each business combination to measure any non-controlling interest at fair value (the "full goodwill method") or at its proportionate interest in the recognized amount of the identifiable net assets of the acquiree. The latter method is more frequently applied by the Group.
Transaction costs in connection with a business combination are expensed as incurred.

2.1.3 COMMITMENTS TO PURCHASE NON-CONTROLLING INTERESTS

Financial liabilities include the puts issued by the Group on non-controlling interests.
The Group has adopted the following accounting treatment:
- at inception of the puts, the present value of the exercise price is recognized as a financial liability offset through a reduction in non-controlling interests, with the remaining balance recognized in equity;
- at each reporting date, the financial liability is re-measured and changes in the liability are recognized in equity attributable to owners of the company.

Puts with variable exercise prices are measured at the reporting date on the basis of estimates and the most recent data available (either exercise price based on fair value or using a formula).

2.2 Foreign currency translation

2.2.1 FUNCTIONAL CURRENCY AND REPORTING CURRENCY

The consolidated financial statements are presented in euros, which is the Group's reporting currency. The items included in the financial statements of each Group entity are measured in the functional currency, which is the legal tender of the primary economic environment in which the entity operates.

2.2.2 FINANCIAL STATEMENTS OF FOREIGN OPERATIONS

Subsidiaries' financial statements prepared using a functional currency different to the Group's reporting currency, have been converted into euros as follows:
- balance sheet entries, using the exchange rate effective at the reporting date;
- income statement entries, using the average exchange rate over the period.

Gains and losses from foreign currency translation are recognized directly as other comprehensive income under "Currency translation reserves" for those relating to the Group, and under "Non-controlling interests" for those relating to non-controlling interests. When a foreign operation is sold, the associated currency translation gains and losses recognized under other comprehensive income are transferred to profit and loss.

2.2.3 CONVERSION OF FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are converted into the functional currency at the exchange rate effective on the date of the transaction.
At each reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate effective at the reporting date. Foreign currency translation adjustments are recorded in the income statement for the period or as a separate component of equity if they relate to net foreign investments or cash flow hedges.

2.3 Goodwill

Subsequent to initial measurement, goodwill is shown in the balance sheet at cost less any impairment losses. Goodwill is not amortized but is tested for impairment at least once a year and when there is an indication of impairment.
In the event of loss of control over an associate, the gains or losses recognized take into account the carrying amount of goodwill of the divested business.

2.4 Intangible assets

2.4.1 RESEARCH AND DEVELOPMENT EXPENSES

Internal development costs are capitalized under intangible assets if they meet all criteria set forth by IAS 38 and can be measured reliably. The costs are capitalized from the date management makes the investment decision, if there is proof that the asset will generate sufficient future economic benefits. Internal procedures ensure that records are available on the date management takes the investment decision.
Development costs are amortized based on the useful life periods applied to the associated assets.

2.4.2 INTANGIBLE CONCESSION ASSETS AND OTHER INTANGIBLE ASSETS

Other intangible assets are recorded in the balance sheet at their historical value. They are systematically amortized over their useful life.
This item essentially comprises the intangible concession assets reflecting the reversionary assets relating to transport operations, recognized in accordance with IFRIC 12 – Service Concession Arrangements (see Notes 1.4 and 13).
Other intangible assets also comprise software that is amortized on a straight-line basis over three to ten years. Only specific development costs and configuration costs specific to the management systems deployed throughout RATP's public service business are amortized over ten years.

2.5 Property, plant and equipment

As stated in Note 1.4, only RATP parent company's fully-owned assets and subsidiaries' property, plant and equipment are recorded in the consolidated balance sheet. They are measured at acquisition or production cost, or at their fair value when first consolidated.

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

Given the current contractual remuneration arrangement between RATP and the Stif (Île-de-France transport authority), the C2 contribution covers the costs of loans to finance investments (Note 2.19). Consequently, the RATP does not capitalize interest.

Certain assets are funded by investment grants (Note 2.6).

For assets subject to decommissioning obligations, the estimated cost of the obligation is included in the acquisition cost of the asset and provisioned (see Notes 2.15 and 23).

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

Categories	Method	Duration
Railway infrastructure major asset	Straight-line	70 to 140 years
Railway infrastructure component asset	Straight-line	15 to 60 years
Buildings structural works	Straight-line	70 to 100 years
Buildings finishings and fittings	Straight-line	6.66 to 30 years
Rails	Straight-line	12.5 to 50 years
Signalling of rails and train driver assistance systems	Straight-line	5 to 35 years
Rail rolling stock	Straight-line	15 to 40 years
Road rolling stock	Straight-line	4 to 10 years
Plant, property, machinery and equipment	Straight-line	5 to 50 years
Other property, plant and equipment	Straight-line	3 to 15 years

The useful life of property, plant and equipment is reviewed annually if there are significant changes.

2.6 Investment grants

Grants are recognized if there is reasonable assurance that the Group will meet grant conditions and the grant will be received.

Grants are allocated to particular assets and are presented as a deduction in those assets. They are transferred to the income statement over the useful life of the assets as asset depreciation is recorded.
The special interest rate obtained on loans granted by the Île-de-France region is presented in the same way as other investment grants.

2.7 Leases

2.7.1 OPERATING LEASES

Operating lease payments are expensed in the income statement on a straight-line basis over the duration of the lease.

2.7.2 FINANCE LEASES

Leases are classified as finance leases when in substance the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. Assets held under finance leases are initially recognized as assets, with an offsetting entry under liabilities, at their fair value or, if lower, at the present value of the future minimum lease payments. Subsequently, the lease payments are accounted for as repayments of the liability and are broken down into:
- repayment of principal;
- interest based on the rate specified in the lease or the discount rate used to measure the outstanding liability.

The Group mainly uses finance leases for buildings. Lease payments are indexed to the French cost of construction index.
Details of the assets recorded under property plant and equipment for finance leases are provided in Note 11 and the associated liability in Note 24.

2.8 Service concession arrangements

Service concession arrangements fall within the scope of IFRIC 12 – Service Concession Arrangements if the use of concession assets is controlled by the grantor. The grantor effectively controls these assets if the following two conditions are met:

- the grantor controls or regulates which services must be provided thanks to the concession assets, and determines to whom these services must be provided and at what price;
- the grantor controls the concession assets, which means having the right to any residual interest in these assets at the end of the arrangement.

Under IFRIC 12, the concession assets used may not be recognized as property, plant and equipment by the operator, but as an intangible asset (intangible asset model) and/or as a financial asset (financial asset model), depending on the remuneration agreed with the grantor.

Financial asset model
For service concessions, a financial asset is recognized when the operator has an unconditional contractual right to receive a determined amount from the grantor. Financial assets arising from the application of IFRIC 12 are recognized under "Financial concession assets" in the consolidated balance sheet. They are recognized at amortized cost. The consideration receivable is recognized in revenue.

Intangible asset model
The intangible asset model applies if the operator has the right to charge users of a public service.

Hybrid model
When only part of the investment is subject to a payment commitment from the grantor, the amount guaranteed by the grantor is recognized as a financial asset and the remaining value is recognized as an intangible asset according to the hybrid model.

Based on its analysis, RATP group applies IFRIC 12 to account for RATP's transport operation arrangements in Île-de-France and certain contracts entered into by RATP Dev's transport subsidiaries, according to the principles described in Note 13.

2.9 Asset impairment

2.9.1 IMPAIRMENT OF CASH-GENERATING UNITS (CGUS)

The assets to be tested for impairment are combined in Cash-Generating Units.
A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The CGUs defined at the level of the Epic RATP following the accounting separation of businesses as of the 2012 financial year are for Infrastructure Management (IM) and Transport Operations (TO).
The other CGUs are defined at the level of subsidiaries in terms of the business or geographical area: France/Switzerland, Italy, USA, United Kingdom and Asia.

A depreciation test is carried out:

- annually on all CGUs containing goodwill or other intangible assets with indefinite useful lives, or
- when there is an indication of impairment.

For impairment testing, the carrying amount of the asset is compared to its recoverable value. RATP group calculates the recoverable value of an asset as the higher of an asset's fair value less costs to sell and its value in use. In the event of impairment, an impairment loss is recognized in operating income. Impairment losses on goodwill cannot be reversed.

Value in use is determined by discounting the CGU's expected future cash flows using an appropriate discount rate based on the nature of the business, and taking into consideration its residual value.

2.9.2 IMPAIRMENT OF OTHER ASSETS

For all non-financial assets, impairment testing is performed whenever there is an indication of impairment, the carrying amount of the non-financial asset is compared to its recoverable value, which is defined as the higher of selling price less costs to sell and its value in use.

2.10 Financial assets

The Group's financial assets are classified in one of the three following categories: available-for-sale financial assets, loans and receivables (other financial assets) and financial assets at fair value through profit and loss (derivative financial instruments and financial assets designated as fair value hedges). When initially recognized, financial assets are measured at their acquisition cost on the transaction date, including any transaction costs, which is deemed to reflect their fair value.

2.10.1 AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available-for-sale (AFS) financial assets primarily consist of unconsolidated investments or shares in UCIT funds, which are not defined as cash and cash equivalents, and assets that do not meet the definition of other financial assets.
They are measured at fair value. Subsequent changes in fair value are recognized in other comprehensive income under equity until their disposal. However, if there is an indication of a significant or lasting impairment of an AFS asset, the accumulated impairment loss is recognized in the income statement. If there is an improvement in the value following an impairment loss and it relates to equity instruments, it is recognized under other comprehensive income.

If fair value cannot be determined reliably, the available-for-sale financial assets are stated at cost less any impairment losses.

2.10.2 LOANS AND RECEIVABLES (OTHER FINANCIAL ASSETS)

Other financial assets mainly consist of receivables relating to subsidiaries and affiliated companies, loans and security deposits.
These financial assets are initially measured at fair value, then at amortized cost using the effective interest rate method. If there is an indication of impairment, the assets are tested for impairment.
An impairment loss is recognized in the income statement if the carrying amount of the asset exceeds the estimated recoverable amount. Impairment is recorded in the income statement.

2.10.3 DERIVATIVE FINANCIAL INSTRUMENTS

The Group uses interest rate, currency and commodity (fuel) forwards and financial instruments such as swaps, caps, floors and swaptions to manage its exposure to interest rate, exchange rate and diesel price escalation risk. These instruments are only used for risk management purposes. The Group's risk management is centralized by the treasury department at head office, with limits set by the Group's Finance Department.

2.10.3.1 Recognition of derivative financial instruments in the balance sheet

Derivative financial instruments are recognized in the balance sheet under financial assets and liabilities.

Derivative instruments are measured at their fair value when initially recognized, then subsequently re-measured at each reporting date until maturity. At each reporting date, the fair value of the derivative financial instruments is calculated on the basis of market values using the valuation models and methods commonly used on the markets or using external valuations provided by counterparties (Note 2.20).

The method of accounting for derivative financial instruments varies according to whether they are designated as fair value hedges, cash flow hedges or are not qualified as hedging instruments.

2.10.3.2 Hedging instruments

For hedging transactions, the Group applies the following arrangements: derivative financial instruments are recorded in the balance sheet at their fair value at the reporting date, based on their hedge classification.

Fair value hedges:
A fair value hedge is a hedge of the exposure to a change in the fair value of a recognized asset or liability, or of an unrecognized firm commitment. The hedged item and the hedging instrument are re-measured, and changes in their fair values are recorded immediately in profit or loss. The net effect of the ineffective portion of the hedge is recognized immediately in the income statement.

Cash flow hedges:
A cash flow hedge is a hedge of the exposure to a highly probable forecast transaction that is not recorded in the balance sheet.
Changes in the fair value of the effective portion of the hedging instrument are recognized directly in equity in the line item "Cash flow hedge reserves" and are transferred to the income statement as the hedged transaction is settled. Changes in the fair value of the ineffective portion are recognized immediately in the income statement.

Effectiveness tests are performed when the hedges are set up and then subsequently at each reporting date. Hedge accounting can no longer apply if effectiveness tests show that the limits set by IAS 39 (80% - 125%) are no longer respected. If this is the case the derivative instrument is no longer classified as a hedging instrument.

2.10.3.3 Derivatives not classified as hedges

Although they are part of the Group's hedging policy, some transactions do not qualify as hedging operations as they do not meet the criteria. These are essentially hedges of intra-group transactions in foreign currencies.

Any changes in fair value of these derivative financial instruments are immediately recorded in the income statement.

Quantitative data on the use of these derivative financial instruments are provided in Note 28.

2.11 Inventories

Inventories and assets under production are measured at the lower of cost (including associated transaction costs) and net realizable value. Cost is calculated using the weighted average cost method.

2.12 Total trade and other receivables

Trade and other receivables are recorded at fair value, which equates to their face value, as the effect of discounting is not material for assets that are due within one year.

Impairment is recorded if there is collectability risk, to reduce the carrying amount to probable realizable value.

2.13 Cash and cash equivalents

Cash equivalents are held exclusively to meet the Group's short term cash requirements.
The line item "cash and cash equivalents" includes bank accounts, liquid investments and cash equivalents.
Cash equivalents comprise risk-free investments with maturities of three months or less, which can almost immediately be converted into cash and with negligible risk of change in value.

They include:
- negotiable instruments that are measured at their nominal value, as justified by their maturity date (less than three months) and credit risk level;
- shares in short-term money market funds, which are measured at net asset value at the reporting date;
- deposits redeemable in due course with no risk to invested capital, measured at their nominal value;
- collateral deposits.

2.14 Capital endowment

RATP was formed by the Act of March 21, 1948. However, no capital was transferred to it at that time. In 1986, the public authorities allocated RATP capital, partially in exchange for the early repayment of the loans previously granted to it by the Economic and Social Development Fund. The amount allocated was increased by €150 million in July 2010 as part of the national recovery plan announced at the start of 2009.

2.15 Provisions

A provision is recognized at the reporting date if the Group has a legal or constructive obligation towards a third party as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the obligation can be reliably estimated.
The provision recognized corresponds to the estimated amount of resources the Group requires to settle the obligation.
Provisions are discounted if the effect of discounting is material.

Decommissioning costs mainly concern railway rolling stock.

A provision is recorded to offset the amount recorded under fixed assets, and the asset components are amortized over the useful life of the trains. Any increase in the liability provisioned in terms of cost or term to maturity (decommissioning component) is capitalized in the value of the associated equipment. As the effect of discounting is not material, the provisions are not discounted.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, or a present obligation for which it is not probable that an outflow of resources will be required. Contingent liabilities are not recognized in the financial statements unless they relate to business combinations. However, disclosure is required in the notes to the financial statements.

2.16 Employee benefits

2.16.1 DEFINED CONTRIBUTION PLANS

RATP pays employer contributions into the RATP employees' pension fund. Pursuant to the decree of December 2005, these contributions are the only requirement incumbent upon RATP in terms of retirement obligations. RATP has no other actuarial liabilities. The payments made by RATP are expensed in the period they relate to.
Expenses for 2014 amounted to €269,750 thousand. The expense is included in payroll and payroll-related costs as part of operating income and expense (see Note 5).

The reform of RATP pension scheme funding was enacted by French law n°2004-809 of August 13, 2004 on State decentralization. The law aims to align the responsibilities incumbent upon the Île-de-France transport authority with those of common law companies, and transfer the responsibilities initially incumbent upon the State to the departmental and the Île-de-France regional authorities.

A series of Decrees set out the arrangements for the scheme, namely:
- decree n°2005-1635 of December 26, 2005 regarding the RATP pension fund;
- decree n°2005-1636 of December 26, 2005 regarding the financial agreements made under the special pension scheme for RATP employees, as well as the base and contribution rates to the scheme. The decree amends decree n°59-157 of January 7, 1959 on passenger transport services in the Île-de-France region;
- decree n°2005-1637 of December 26, 2005 regarding RATP pension fund resources;
- decree n°2005-1638 of December 26, 2005 setting the rates of contributions to the RATP pension fund.

These decrees state that the CRP-RATP (RATP pension fund), a State entity, assumes the liability for the payment of retirement pensions. RATP's obligation is to pay contributions, which are calculated in a specific manner, but are equal to the amounts payable by all companies with employees under statutory social protection schemes (compulsory pension schemes such as the French national pension fund [Caisse Nationale d'Assurance Vieillesse]) and the complementary pension fund for managers/employees (Association générale des institutions de retraite des cadres/Association pour le régime de retraite complémentaire des salariés AGIRC-ARRCO).

The European Commission authorized this reform on July 13, 2009 by a decision addressed to the French authorities.

2.16.2 DEFINED BENEFIT PLANS FOR POST-EMPLOYMENT BENEFITS

The net liability recorded in the balance sheet for post-employment benefit obligations corresponds to the present value of the defined benefit obligation at the reporting date. The present value of the obligation, as well as the cost of past services is calculated using the projected unit credit method. Under this method, rights to benefits are allocated to service periods in the same way as rights are acquired under the plan or on a straight-line basis when the rhythm of acquisition of the rights is not uniform and would significantly defer recognition of a provision for the obligation.
The amount of future payments for employee benefits is assessed using assumptions such as salary increase rate, retirement age, number of years' service to date and mortality tables. They are discounted to their present value using a discount rate specific to each region and currency, namely:
- the Bloomberg 15 year Eurobond composite rate for companies with an AA rating (for the eurozone);
- AA rated sterling-denominated corporate bonds (for UK companies).

Actuarial gains and losses (change in the net liability and financial assets due to changes in assumptions and experience adjustments) and other re-measurements of post-employment benefits are recognized in "Other comprehensive income". They may not be recycled through profit or loss. Any effects of plan changes (gains or losses) are immediately recognized in profit or loss.

Description of various employee benefits:

Retirement benefits
Employees are entitled to RATP retirement benefits, unless a more favourable scheme is in place. The amount of the benefit is based on the length of time the employee has been employed by the company. RATP pays retirement benefits to all its employees that fulfil the vesting conditions. Benefits are calculated on the basis of gross monthly remuneration and a

coefficient to reflect the employee's hierarchical status at the retirement date. The coefficient reflects the number of annuities vested at the retirement date and is set by current employment agreements.

Death indemnities for retirees
RATP pays death indemnities to retirees who have vested rights in a seniority-based retirement or pension scheme. The amount of the indemnity is calculated at the time of death, at three times the monthly pension payment. The obligation is measured based on historical data.

Death indemnities for current employees
As for the State social security scheme, RATP's social security system provides life insurance coverage. The purpose of life insurance is to guarantee the payment of a "death indemnity" when a person covered by the policy dies. The amount is equal to twelve months of the employee's salary at the time of death. The purpose of the indemnity is to compensate the deceased's family for the loss of revenue from the employee's professional income.

Early retirement
This scheme applies to employees suffering a work-related illness linked to asbestos. This allows agents to continue receiving a partial salary in the event of early retirement, upon request and according to their age.

Corporate savings plan for current and future retirees
The corporate savings plan is an optional collective savings scheme enabling employees to build a portfolio of investments, with contributions from the company. RATP offers all its current employees who have worked for the company for at least three months (unless they are working for the company but are not on the company's payroll) the opportunity to join the savings plan. Employees make voluntary payments, which are temporarily blocked and not taxed. The company's retirees may also participate in the corporate savings plan after they retire.

On October 22, 2010 an agreement to replace the corporate savings plan was signed by the trade unions. The agreement gives employees three options for investing their savings. The scheme also involves changes in the company's contribution.

Since January 1, 2011, employees participating in the Tick'épargne corporate savings plan have not been able to invest further in the scheme. Until June 30, 2015, interest on Tick'épargne savings will remain the same (four points above Livret A – the French post office savings account - with a floor at 7%). Subsequently, the return will be 0.5 points above Livret A.

Work-related accident and disability allowance
RATP does not contribute to the State scheme for work-related accidents and disability, as it makes the indemnity payments itself.

Employees who are victims of work-related accidents or illnesses, which result in permanent partial incapacity to work, may request a lump sum payment or an annual allowance for the rest of their lives. The committee on work related accidents and illnesses decides whether the victim is eligible and determines the amount of the allowance. The benefits are paid by the pension fund. The allowances are paid until the death of the beneficiary and are reversible, as appropriate.

Retirement benefit obligations of foreign subsidiaries
Some foreign subsidiaries – mainly in the United Kingdom – have defined benefit plans to cover their retirement benefit obligations. The obligations are partially covered by plan assets derived principally from local investments.

2.16.3 OTHER LONG-TERM BENEFITS

Other long-term benefits are measured according to actuarial calculations. Actuarial gains and losses are recognized immediately in profit or loss.

Description of long-term benefits:

Work-related accident and disability allowances
The allowances and indemnities for work-related accidents and illnesses paid to employees in service are accounted for as long-term benefits. The portion relating to retirees is accounted for under post-employment benefits (see description of the allowances in paragraph 2.16.2).

Seniority bonuses
After a specific number of years' service, employees receive seniority bonuses and additional holiday leave.

Phased retirement
This scheme previously enabled employees to opt for part-time employment remunerated at 70% for those under 55 years of age and at 75% for employees aged 55 and upwards. The scheme was closed to new contributors as of 2010.

Unemployment benefits
As for the State unemployment benefit fund (Assedic), RATP provides employees whose employment contracts have reached termination with replacement revenue known as "unemployment benefit" for a variable duration depending on the number of years of affiliation and the age of the employee. This compensation scheme for the termination of an employment contract is recognised in a similar way to a long-term benefits scheme, although the benefits are payable after the employee's employment ends.

Long-term sick-leave
Employees with extended illnesses are granted sick leave to enable them to receive the medical treatment required. Although their employment contract is suspended, all or part of their salary is paid, subject to certain conditions.

2.17 Financial liabilities

Apart from derivative instruments, which are measured at fair value, other financial liabilities are measured at their fair value when initially recorded in the balance sheet, then subsequently at amortized cost using the effective interest rate method.

Loans and borrowings
Loans and borrowings mainly include bonds, loans from the Île-de-France region, loans from financial institutions and short-term bank loans.
They are initially recognized at their fair value, corresponding to the amount received less borrowing costs, then subsequently at amortized cost using the effective interest rate method.

For fair value hedges on loans and borrowings, the hedged part of loans and borrowings is recorded in the balance sheet at fair value, based on market value. Changes in fair value are recorded in the income statement and are offset by symmetrical changes in the fair value of the hedging instruments.

2.18 Deferred tax

Deferred taxes only concern the subsidiaries, as the Epic RATP parent company is not subject to income tax. Deferred tax assets and liabilities are measured using the tax rates that are expected to apply in the reporting period when the asset is realized or the liability settled, based on the tax rates (and tax regulations) enacted or substantially enacted at the date of the financial statements.

The Group records deferred taxes for all temporary differences between the carrying amount and taxable value of its assets and liabilities recognized in the consolidated financial statements, using the liability method. Deferred taxes are not recognized if the difference is generated by the initial recognition of an asset or liability in a transaction which is not a business combination, and which does not impact earnings, tax income or tax loss at the transaction date.

Deferred tax assets are recognized insofar as it is probable that the temporary difference will reverse in the foreseeable future.

Deferred taxes are recognized for all temporary differences arising from investments in subsidiaries, affiliates and jointly-controlled entities, unless the date at which the temporary difference will reverse can be controlled by the Group and the reversal is not expected to occur in the foreseeable future.

The effect of tax on other comprehensive income was not material.

Deferred tax is calculated using each country's tax rate. For the Group tax proof, the theoretical tax rate at the date of the financial statements was 34.43%. The temporary additional corporate tax of 10.7% is not taken into account, since the Group does not foresee paying significant amounts of this particular tax.

Taking into account the intrinsic characteristics of the Contribution for Added Financial Value (CVAE), especially the capping system, the Group recognizes this expense in operating income.

2.19 Revenue recognition

Revenue is recognized when the associated risks and benefits are transferred to the buyer, which usually coincides with the transfer of ownership or the provision of a service. Revenue is recognized net of rebates, discounts and sales tax, and after the elimination of inter-company sales.

RATP's revenue comprises:

1- Transport revenue, comprising the following
- direct traffic revenue from transport users;
- Île-de-France transport authority contributions:
  Contributions for 2012-2015 include:
  - C1, a contribution to operating expenses arising from public service obligations. This contribution comprises three items:
    - C11, a flat-rate contribution to expenses from transport operations and infrastructure management that are not covered by revenue from transport users;
    - C12, a contribution covering the exact amount of business, professional and property-related taxes and duties levied; and
    - C13, a contribution covering the difference between the direct revenue forecasts used to calculate the C11 flat-rate contribution and the updated direct revenue forecasts based on the Île-de-France transport authority's pricing decisions.
  - C2, a contribution to finance investments. In accordance with IFRIC 12 on service concession assets, the C2 contribution to returnable and reversionary assets has been accounted for as amortization and remuneration of the associated financial assets recognized (Note 13);
  - a reward or penalty for quality of service;
  - a performance-based bonus scheme with risks and gains shared between RATP and the Île-de-France transport authority based on the actual direct revenue generated compared with contractual revenue targets;
  - C4, a contribution to finance the acquisition of rolling stock for the T3, T5, T6, T7 and T8 tramway lines (reimbursing actual finance lease payments due). In accordance with IFRIC 12 on service concession assets, the C4 contribution has been accounted for as amortization and remuneration of the associated financial assets recognized (Note 13).

Transport revenue is provided for under the terms of the 2012-2015 multi-annual agreement between the Île-de-France transport authority and RATP. The C11 and C2 contributions are re-measured annually using an index-based formula, in accordance with the agreement with the Île-de-France transport authority.

The public tariffs are set by the Île-de-France transport authority. For RATP, they constitute a public service obligation.

2- Transport-related activities. Transport-related revenue, comprising
- revenue from advertising and commercial leases;
- various repayments (including training costs).

3- Non-transport revenue
Non-transport revenue consists primarily of revenue from services and work rendered to third parties, sales of goods, mobile telephony and telecommunications. Revenue from engineering and construction contracts and the associated costs are recognized under income and expense respectively, according to percentage completion at the reporting date. Percentage-of-completion is measured on the basis of the costs incurred for the work performed to date, based on estimated total contract costs.

Profit generated on contracts that are accounted for by the percentage-of-completion method is only recognized when it can be measured reliably. If it is likely that the total costs of the contract will exceed contract income, the expected loss at completion is immediately expensed and recorded as an impairment of contract revenue receivable, then provisioned under liabilities, as appropriate.

Taxation of Île-de-France transport authority flat-rate contributions

RATP contacted the French tax authorities (DLF) on May 19, 2009 requesting an analysis of the regime governing VAT on contributions paid by the Île-de-France transport authority. However, despite several follow-ups, no response has been received on the matter to date.
Since 2010, RATP has invoiced the Île-de-France transport authority without VAT in accordance with the analysis presented to the French tax authorities.
Given the existing contractual framework with the Stif, RATP assumes that, whatever the final outcome, the impact on VAT and payroll tax will not affect net income.

2.20 Measurement to fair value of financial instruments

The fair value of financial assets and liabilities is classified based on the inputs used for measurement, according to the following hierarchy:
Level 1: fair value obtained from quoted prices in active markets.
Level 2: fair value obtained using observable market data (interest rates, exchange rates and associated volatilities).
Level 3: fair value measured using unobservable inputs.

Quoted prices in active markets (Level 1)
Fair value is determined primarily using market data. Marketable securities, including certain UCITS, are classified in this category.

The fair value of bonds carried at amortized cost is disclosed in the notes. Fair value is determined on the basis of listed market prices at the reporting date.

Valuation models using observable market data (Level 2)
The assets and liabilities recognized at fair value using level 2 inputs are mainly derivative financial instruments. The fair value of such derivative instruments is determined by external counterparties (banks) using various models:
- the fair value of interest rate swaps is determined on the basis of the present value of estimated future cash flows;
- the fair value of currency swaps is determined on the basis of the present value of estimated cash flows, determined by banks at the reporting date;
- the fair value of interest rate options (swaptions, caps, floors) is determined using the Black & Scholes method.

The fair value of unlisted financial assets and liabilities carried at amortized cost is disclosed in the notes. It is determined by discounting cash flows using the market rate taking into account the issuer's credit rating. The interest rates used to discount future cash flows are determined based on the Euribor swap yield curve.

Valuation models using unobservable inputs (Level 3)
The assets and liabilities measured at fair value using level 3 inputs are mainly available-for-sale financial assets.

2.21 Segment reporting

As of January 1, 2012, the RATP group redefined its operating segments to reflect changes in internal reporting after it separated the accounting records for its metro and RER infrastructure management activities (infrastructure management business) and public passenger transport operations (transport business). A distinct "infrastructure management" department allows for the isolation of the business within the RATP. Both segments are regularly reviewed by the chief operating officer in order to allocate resources among the different segments and assess performance pursuant to the Île-de-France transport authority agreement.
The accounting methods used for segment reporting are the same as those used to prepare the consolidated financial statements.

2.22 Consolidated Statement of Income Subtotals

RATP group has chosen to present its consolidated statement of income by nature of expense. A number of subtotals are used to assist users of the financial statements in understanding the components of net income.

1- EBITDA (Earnings before interest, income tax, depreciation and amortization)
EBITDA comprises revenue and other income from ordinary activities less directly attributable operating expenses. These include principally cost of sales, subcontract expense, other purchases and external charges, payroll and payroll-related costs and taxes (other than income tax). All payroll-related provision movements, in particular those concerning employee benefits (other than interest cost) are included in the line item "payroll and payroll-related costs".

2- Operating income
In addition to the components included in EBITDA, operating income includes most non-cash items (depreciation and amortization, movements in provisions) and other operating income and expense.
Operations that are uncommon both in their occurrence and amount are isolated in other operating income and expenses. Non-recurring and extraordinary items are shown separately in order to present the fairest view of the Group's recurring operating results.
Operating income also includes the share of income in equity-accounted associates.

3- Financial income and expense
Under financial income and expense the Group presents the consequences of its financing transactions, which principally reflect the cost of its net debt. The income statement mainly corresponds to the cost of net debt. This comprises interest expense on loans and borrowings, interest income on cash and cash equivalents and income or expense from leasehold operations. These items are shown net of the effect of hedging operations including changes in the fair value of derivative financial instruments that do not meet IFRS hedge accounting criteria.

3 • consolidation scope

The list of companies consolidated is provided in Note 34.

3.1 Acquisition of "The Original London Sightseeing Tour" (TOT)

The RATP took control of TOT, a leading sightseeing agent in London, on October 1, 2014. The company, which has a fleet of 90 buses, runs three tourist routes in the centre of London, as well as 3 lines to shuttle customers from the major railway terminals. TOT transports more than one million passengers a year.

The fair value of assets and liabilities identifiable on the acquisition date is as follows:

In K€	Fair value on acquisition date
Property, plant and equipment	10,735
Inventories	472
Trade and other receivables	4,343
Cash and cash equivalents	5,834
Total assets	**21,384**
Loans and borrowings	9,196
Deferred tax liabilities	503
Other trade creditors	3,991
Total liabilities	**13,690**
Net assets at 100%	**7,695**
Share of fair value of net assets acquired	7,695
Goodwill	58,222
Cost of the combination	65,917

The acquisition price has been paid in cash for £51,237K. The provisional Goodwill stemming from the operation applies mainly to prospects of future profitability.
Since their first consolidation, the purchased businesses have contributed €5.2M to Group revenue in 3 months of business activity.

3.2 Other changes in consolidation scope

London Sovereign
RATP Dev further developed operations in the United Kingdom by acquiring the London Sovereign bus company in April 2014. It runs more than 140 buses and operates 12 lines in the Centre, North and North-West of the British capital on behalf of the Transport for London transport authority, used by 30 million people a year. This company has been fully consolidated since May 1, 2014. The acquisition price has been paid in cash for £15,645K. Goodwill amounted to €14.7M. Since their first consolidation, the purchased businesses have contributed €23.6M to Group revenue in 8 months of business activity.

Hong Kong Tramway
Following an increase in the percentage of interest, the Group took control of Hong Kong Tramway, which is fully consolidated since 2014. This entity was accounted for using the equity method in 2013. The effect of changing the consolidation method has been an increase in Group revenue of €25M.

The other entities consolidated during the financial year had no material impact on the consolidated financial statements.

4 • Revenue

	12/31/14	12/31/13
Transport	4,450,605	4,307,275
Transport-related activities	143,005	105,034
Non-transport revenue	506,546	517,140
Revenue from financial concession assets	156,433	153,275
Revenue	**5,256,589**	**5,082,724**
Proceeds from disposal of concession assets	472,295	375,020
Other	99,203	70,522
Other income from ordinary activities	**571,498**	**445,542**
Revenue	**5,828,088**	**5,528,266**

Revenue of the main subsidiaries in France and abroad:

	12/31/14			12/31/13 Restated		
	Revenue	Revenue France	International revenue	Revenue	Revenue France	International revenue
RATP	4,342,531	4,342,531		4,256,502	4,256,502	
RATP Dev France / Switzerland	274,732	268,749	5,983	267,689	260,178	7,511
RATP Dev Italy	20,041		20,041	17,423		17,423
RATP Dev British Isles	351,956		351,956	287,554		287,554
RATP Dev USA	92,539		92,539	80,355		80,355
RATP Dev Africa	123,262		123,262	123,783		123,783
Other	51,528	26,495	25,033	49,417	49,417	
TOTAL	**5,256,589**	**4,637,775**	**618,814**	**5,082,724**	**4,566,097**	**516,627**

5 • Payroll and payroll-related costs

5.1 Financial impact

	12/31/14	12/31/13
Compensation	(2,057,067)	(1,956,839)
Social security contributions	(831,490)	(815,027)
Other long-term employee benefits	(23,564)	1,050
Post-employment benefits	(63,548)	(62,583)
Employee profit sharing	(48,776)	(47,828)
French tax credit on payroll costs (CICE)	5,082	3,239
Total payroll and payroll-related costs	**(3,019,363)**	**(2,877,988)**

5.2 Number of employees

	12/31/14	12/31/13
RATP Epic	43,187	42,869
RATP Dev and subsidiaries	14,660	12,539
Other subsidiaries	129	98
Average number of employees	**57,976**	**55,506**

These are all employees of fully-consolidated companies. The employees of equity-accounted entities are not counted.

5.3 Individual training rights

In accordance with the provisions of the French law n°2004-391 of May 4, 2004 on professional training, the company grants its employees individual training rights of 20 hours minimum per calendar year, which may be accumulated for up to six years. For Epic RATP, as at December 31, 2014, the number of hours accrued for Individual Training Rights amounted to 4,886,073 hours. The number of accrued hours not requested by agents for training amounted to 4,866,085 hours.

6 • other operating income (expenses)

	12/31/14	12/31/13
Gain on disposal of assets (1)	(6,550)	(18,578)
Gain on other consolidation scope changes	3,431	0

(1) In 2013, asset retirements of railway rolling stock workshops amounted to €12.2M.

The "Effects of changes in consolidation scope" line corresponds essentially to profits and losses deriving from the disposal of all shares in SETA (formerly ATCM) equity-accounted associates and Dolomiti Bus for a total amount of €4M.

7 • net financial expense

Finance costs	12/31/14	12/31/13
Interest expense on financing	(208,803)	(228,579)
Change in amortized cost	(1,267)	8,831
Net foreign exchange gain (loss) on borrowings	(26,691)	(18,714)
Gain (loss) on Fair Value Hedge	1,596	(1,851)
Net change in fair value of hedges transferred to profit or loss	(1,927)	(2,247)
Interest expense on hedging and trading derivatives	(6,019)	(7,608)
Net foreign exchange gain (loss) on derivatives	26,691	18,714
Total finance costs	**(216,420)**	**(231,454)**

Other financial income and expense	12/31/14	12/31/13
Income from investments	1,036	333
Income from cash and cash equivalents	10,982	7,757
Income from leaseholds	1,897	2,104
Net foreign exchange gain (loss) on operating items	653	405
Other financial income or expense	(5,367)	1,307
Total financial income	9,201	11,906
Total financial expense	(216,420)	(231,454)
Net financial expense	**(207,219)**	**(219,548)**

Net foreign exchange gains and losses are offset by gains and losses on hedging derivatives. The financial risk management is listed in Note 28.

8 • Income tax and duties

	12/31/14	12/31/13
Taxes, duties and similar payments	(236,305)	(221,973)

This item includes €86 million in taxes and duties on remuneration and €100 million for the regional levy (Contribution Economique Territoriale).

8.1 Income tax expense

	12/31/14	12/31/13
Current tax expense	(12,818)	(17,641)
Tax consolidation income	2,906	2,793
Deferred tax income from temporary differences	3,761	5,597
Total income tax expense	**(6,150)**	**(9,251)**

8.2 Tax proof

	12/31/14	12/31/13
Net income	302,860	297,399
(-) Share of associates	11,011	8,322
(-) Income tax	(6,150)	(9,251)
Pre-tax consolidated income	297,999	298,327
Attributable to consolidated French companies	288,855	282,049
Attributable to consolidated foreign companies	9,144	16,278
Statutory tax rate in France	34.43%	34.43%
Theoretical tax expense	**102,601**	**102,714**
Effect of tax rates in foreign jurisdictions	6,267	4,807
Effect of RATP non-taxable status (Epic)	93,096	90,993
Other permanent differences	(1,829)	(1,930)
Effect of tax rate differences	(366)	555
Effect of tax consolidation	2,906	2,793
Other current tax items	(499)	307
Recognition of tax effect of previously unrecognized tax losses	1,768	628
Current-year losses for which no deferred tax asset is recognized	(4,892)	(4,690)
Total tax expense	**6,150**	**9,251**
Effective tax rate	**2.06%**	**3.10%**

8.3 Changes in net deferred taxes

	12/31/14	12/31/13
On 1 January	**(6,142)**	**(9,234)**
Tax recognized in the income statement	3,761	5,597
Tax recognized directly in equity	1,849	(2,369)
Change in scope	(3,082)	(1,972)
Foreign currency translation adjustment	(607)	(37)
Other	(458)	1,873
As at December 31	**(4,679)**	**(6,142)**

The effect of tax on other comprehensive income was not material.

Deferred tax by nature was as follows:

	12/31/14	12/31/13
Temporary differences	(3,149)	(795)
Valuation differences	(8,800)	(8,396)
Adjustment for leases	(1,979)	(1,462)
Employee benefits	6,475	5,229
Regulated provisions	(907)	(909)
Tax loss carry-forwards	2,709	254
Other	973	(64)
Total	**(4,679)**	**(6,142)**
of which:		
• deferred tax assets	23,488	17,754
• deferred tax liabilities	28,167	23,896

9 • Goodwill

The evolution of goodwill per cash-generating unit is as follows:

	Opening December 31, 2012	Change in scope	Effects of exchange rate	Impairment losses	Other	Close December 31, 2013
France	73,324	(1,720)	-	-	-	71,604
Great Britain	86,057	442	(1,710)	-	(1,406)	83,383
Other	16,782	247	(439)	-	-	16,590
Total	**176,163**	**(1,032)**	**(2,148)**	**-**	**(1,406)**	**171,576**

	Opening December 31, 2013	Change in scope	Effects of exchange rate	Impairment losses	Other	Close December 31, 2014
France	71,604	-	-	-	-	71,604
Great Britain	83,383	73,231	6,591	-	-	163,205
Other	16,590	1,803	1,318	-	-	19,711
Total	**171,576**	**75,034**	**7,909**	**-**	**-**	**254,520**

The increase of the item stems essentially from TOT acquisitions with goodwill of €58.2M and of London Sovereign for €14.7M (Note 3).

10 • Intangible assets

	12/31/12	Acquisitions	Retirements & disposals	Reclassification	Change in scope	Impact of concession assets	12/31/13
Gross value							
Lease rights	5,355	1	0	0	(64)	0	5,292
Research and development (R&D) costs	70	0	0	8,878	(28)	(8,878)	42
Concessions, patents and similar rights	398,402	1,285	(5,177)	22,593	(819)	0	416,284
Intangible concession assets	306,218	0	0	0	0	64,883	371,101
Other work in progress	66,353	29,662	(3)	(19,466)	3,113	0	79,659
Goodwill	1,978	3,335	(445)	(4,320)	1,924	0	2,473
Total	**778,377**	**34,284**	**(5,625)**	**7,685**	**4,126**	**56,005**	**874,851**

	12/31/12	Depreciation and amortization expense	Retirements, disposals and reversals	Reclassification	Change in scope	Impact of concession assets	12/31/13
Accumulated amortization and impairment							
Lease rights	(1,527)	(116)	0	0	14	0	(1,629)
Research and development (R&D) costs	(47)	(8,844)	0	0	28	8,835	(28)
Concessions, patents and similar rights	(288,196)	(31,898)	5,176	0	696	0	(314,223)
Intangible concession assets	(2,813)	0	0	0	0	(3,384)	(6,197)
Other work in progress	(8,784)	(2,785)	0	83	(312)	0	(11,798)
Goodwill	(679)	(43)	0	0	12	0	(710)
Total accumulated amortization and impairment	**(302,047)**	**(43,685)**	**5,176**	**83**	**437**	**5,451**	**(334,585)**
Net value	**476,330**	**(9,403)**	**(450)**	**7,767**	**4,562**	**61,456**	**540,266**

	12/31/13	Acquisitions	Retirements & disposals	Reclassification	Change in scope	Impact of concession assets	12/31/14
Gross value							
Lease rights	5,292	107	0	0	189	0	5,588
Research and development (R&D) costs	42	0	0	909	0	(909)	42
Concessions, patents and similar rights	416,283	1,204	(2,249)	35,684	13	(2,811)	448,125
Intangible concession assets	371,100	0	0	0	0	41,549	412,649
Other work in progress	79,661	47,864	(161)	(22,191)	8,302	0	113,475
Goodwill	2,473	0	0	0	35	0	2,508
Total	**874,851**	**49,175**	**(2,410)**	**14,402**	**8,539**	**37,829**	**982,386**

	12/31/13	Depreciation and amortization expense	Retirements, disposals and reversals	Reclassification	Change in scope	Impact of concession assets	12/31/14
Accumulated amortization and impairment							
Lease rights	(1,629)	(98)	0	0	(19)	0	(1,747)
Research and development (R&D) costs	(28)	(7,286)	0	0	0	7,279	(35)
Concessions, patents and similar rights	(314,223)	(35,490)	2,240	(2)	(4)	515	(346,964)
Intangible concession assets	(6,197)	0	0	0	0	(3,320)	(9,517)
Other work in progress	(11,798)	(3,632)	0	30	(2,587)	0	(17,986)
Goodwill	(710)	(50)	0	(32)	(21)	0	(813)
Total accumulated amortization and impairment	**(334,585)**	**(46,556)**	**2,240**	**(4)**	**(2,632)**	**4,474**	**(377,063)**
Net value	**540,266**	**2,618**	**(171)**	**14,397**	**5,907**	**42,303**	**605,323**

The impact of RATP's concession assets is explained in Notes 1.4, 2.8 and 13.

11 • Property, plant and equipment

	12/31/12	Acquisitions	Retirements & disposals	Reclassification	Change in scope	Impact of concession assets	12/31/13
Gross value							
Land	366,032	111	(1,346)	160,541	(1,864)	(1,119)	522,355
Investment property	1,077	0	0	0	0	0	1,077
Buildings	7,825,330	3,941	(26,202)	236,906	(7,575)	(15,574)	8,016,826
Technical plant, equipment and machinery	4,175,645	2,984	(18,098)	202,114	(2,836)	(39,436)	4,320,372
Transport equipment	767,213	57,748	(250,861)	766,712	(23,966)	(326,879)	989,967
Other property, plant and equipment	217,224	3,896	(2,139)	7,921	(8,192)	(491)	218,219
Work in progress	1,802,309	1,484,056	(87)	(1,394,156)	(3,466)	97,995	1,986,652
Investment grants	(5,989,338)	(661,421)	28,215	0	9,907	(2,489)	(6,615,126)
Total	**9,165,492**	**891,315**	**(270,518)**	**(19,962)**	**(37,992)**	**(287,993)**	**9,440,342**

	12/31/12	Depreciation and amortization expense	Retirements, disposals and reversals	Reclassification	Change in scope	Impact of concession assets	12/31/13
Accumulated amortization and impairment							
Land	(34)	(3,299)	2,703	0	0	597	(33)
Investment property	(817)	0	0	0	0	0	(817)
Buildings	(2,892,494)	(191,063)	11,585	1,826	2,652	27,049	(3,040,444)
Technical plant, equipment and machinery	(2,807,494)	(203,246)	16,312	4	2,538	25,632	(2,966,254)
Transport equipment	(345,690)	(289,342)	160,473	(1,571)	27,917	95,136	(353,077)
Other property, plant and equipment	(172,482)	(11,840)	2,070	(8)	6,047	176	(176,038)
Fixed assets in progress	0	0	0	0	0	0	0
Investment grants	2,099,630	(492)	123,279	0	(1,042)	9,331	2,230,706
Total accumulated amortization and impairment	**(4,119,381)**	**(699,282)**	**316,422**	**251**	**38,113**	**157,921**	**(4,305,957)**
Net value	**5,046,111**	**192,033**	**45,904**	**(19,711)**	**121**	**(130,072)**	**5,134,386**

	12/31/13	Acquisitions	Retirements & disposals	Reclassification	Change in scope	Impact of concession assets	12/31/14
Gross value							
Land	522,355	7	0	7,941	736	1,310	532,349
Investment property	1,077	0	0	0	0	0	1,077
Buildings	8,016,826	1,496	(25,973)	355,192	28,073	(16,590)	8,359,024
Technical plant, equipment and machinery	4,320,372	7,901	(30,774)	262,828	15,825	(22,426)	4,553,725
Transport equipment	989,967	57,837	(422,364)	842,484	34,898	(187,761)	1,315,061
Other property, plant and equipment	218,219	3,023	(933)	18,808	23,090	(173)	262,034
Work in progress	1,986,652	1,539,528	0	(1,487,455)	85	102,617	2,141,427
Investment grants	(6,615,126)	(623,089)	9,504	0	(105)	(2,040)	(7,230,856)
Total	**9,440,342**	**986,703**	**(470,540)**	**(203)**	**102,602**	**(125,063)**	**9,933,842**

	12/31/13	Depreciation and amortization expense	Retirements, disposals and reversals	Reclassification	Change in scope	Impact of concession assets	12/31/14
Accumulated amortization and impairment							
Land	(33)	(3,304)	2,706	0	0	597	(34)
Investment property	(817)	0	0	0	0	0	(817)
Buildings	(3,040,444)	(207,868)	19,750	(1,889)	(11,759)	27,662	(3,214,548)
Technical plant, equipment and machinery	(2,966,254)	(221,440)	26,429	11	(11,673)	22,655	(3,150,271)
Transport equipment	(353,077)	(312,828)	276,471	989	(21,883)	(2,568)	(412,896)
Other property, plant and equipment	(176,038)	(15,469)	913	(959)	(11,830)	236	(203,147)
Fixed assets in progress	0	0	0	0	0	0	0
Investment grants	2,230,706	(27)	137,424	0	2	3,760	2,371,865
Total accumulated amortization and impairment	**(4,305,957)**	**(760,935)**	**463,693**	**(1,848)**	**(57,143)**	**52,342**	**(4,609,848)**
Net value	**5,134,386**	**225,768**	**(6,847)**	**(2,052)**	**45,459**	**(72,721)**	**5,323,994**

The impact of RATP's concession assets is explained in Notes 1.4, 2.8 and 13.

Work in progress mainly reflects projects relating to new railway rolling stock, the replacement of trains, and metro line extensions.

Commitments relating to acquisitions of property, plant and equipment are presented in Note 31.1.

As at December 31, 2014, there were no assets pledged or used as collateral.

Property, plant and equipment held under finance leases are shown below:

	12/31/14	12/31/13
Gross value	67,573	67,565
Accumulated depreciation	29,006	25,766
Carrying amount	**38,567**	**41,799**

	Lease commitments					
	Lease payments		Outstanding lease payments			Residual price
Balance sheet item	Period	Cumulative	Up to 1 year	+ 1 to 5 years	+ 5 years	
Land	515	3,103	514	2,049	510	0
Buildings	3,370	34,556	3,379	12,077	18,100	2,373
Transport equipment	3,900	19,059	3,262	4,983	36	0
Other property, plant and equipment	33	50	37	53	1	1
TOTAL	**7,818**	**56,768**	**7,192**	**19,162**	**18,647**	**2,374**

Lease payments of €73,712 thousand were recognized in the income statement for operating leases.

12 • significant operations

12.1 American leasehold

Between 1997 and 2002, RATP entered into a number of leaseholds. The leasehold arrangements entail RATP granting the usufruct of its assets to American investors who assume economic ownership of the assets and are thus able to amortize them and make a substantial gain by deferring tax. The gain obtained by the foreign investors is shared with RATP.

A leasehold transaction is composed of the main lease granted by RATP and a sub-lease enabling RATP to retain the right of use of the asset. RATP has an early buyout option (EBO) for a period shorter than the full term of the lease, which enables it to unwind the arrangement by repurchasing the outstanding portion of the lease. In economic and accounting terms, no transfer takes place and RATP retains legal ownership of its equipment.

The various contracts that make up each leasehold arrangement are recognized as constituting separate transactions under SIC 27 and are accounted for as such. As the assets and liabilities related to these contracts generate cash flows that are fully offset in the balance sheet and income statement, the overall gain generated by each transaction is reported in a single line as net present value (NPV). The gain is recorded as deferred income when the contracts are signed and then is recognized as financial income on a straight-line basis over the term of the lease. The gross amount of assets recognized was €799.4 million and liabilities, €807.9 million. These amounts are offset by €799.4 million, so the net amount recognized was €8.5 million.

As at December 31, 2014, there were 5 lease transactions outstanding (10 contracts with two investors - the Bank of America and State Street).

The risks assumed by RATP are limited to equipment ownership risk, French legislation and counterparty risk on the deposits. Counterparty risk is managed:
- by defeasance agreements, which enable deposits to be offset against the associated liabilities. The corresponding deposits totalled €249.4 million as at December 31, 2014;
- by collateral agreements, which require the deposits to be replaced by American treasury bonds if the credit rating of the deposits falls below a certain threshold. The net amount of the corresponding deposits totalled €37.2 million as at December 31, 2014;
- by American treasury bonds: the net amount of these deposits is €152.1M as at December 31, 2014.

12.2 Swedish Lease

The Swedish lease agreement is used to finance equipment.

The investor pays the supplier the total value of the equipment. RATP leases the equipment over an 18 year period, at the end of which it may exercise its buy-back option. At the inception of the contract RATP sets up the deposits to cover the lease payments and the equipment buyback option.

The Swedish lease is restated in the consolidated financial statements.

13 • service concession arrangements

RATP group considers that the operating agreements for RATP's transport services, including the four-year agreement entered into with the Île-de-France transport authority in 2012, and certain agreements with RATP Dev's transport subsidiaries should be accounted for under IFRIC 12. To this effect, the concession assets cannot be recorded in the group's balance sheet as property, plant and equipment.

The Île-de-France transport authority 2012-2015 agreement entered into on March 16, 2012 falls within the scope of IFRIC 12 because:
- the services rendered correspond to a public service mission;
- the Île-de-France transport authority determines what transport services must be provided and the pricing policy;
- the assets necessary for operations are returnable and reversionary concession assets and the Île-de-France transport authority controls a significant residual interest in these assets at the end of the concession period;
  - for rolling stock and related maintenance equipment classified as returnable assets, when the operating rights expire, the Île-de-France transport authority will repurchase the assets at their carrying amount net of grants, corresponding to the amount reported in the financial statements where the assets are recognized under property, plant and equipment;
  - for assets necessary for operations (such as bus stations, etc.) classified as reversionary assets, the Île-de-France transport authority can exercise a reversion option when the operating rights expire.

Contributions paid by the Île-de-France transport authority to RATP include the C2 contribution to fund investments. The contribution covers the cost of capital employed, including interest expense and net depreciation expense. The portion of this contribution covering returnable and reversionary assets decreases the amount of financial receivables.
Concerning the accounting treatment of returnable assets, these receivables are collected through the reimbursement of their depreciation and amortization expenses and payment of the carrying amount when the operating rights expire, based on the amounts reported in the financial statements. The financial asset model is applied insofar as RATP has an unconditional right to receive cash from the Île-de-France transport authority until the end of the concession period, regardless of user traffic.
For reversionary concession assets, the receivables recognized as financial assets reflect the reimbursement of depreciation and amortization expenses, based on the amounts reported in the financial statements until 2015, which is the expiry date of the current agreement with the Île-de-France transport authority, during which RATP has an unconditional right to receive cash from the Île-de-France transport authority. The share of residual carrying amount of the reversionary public concession assets, which was not recognized as a receivable in accordance with IFRIC 12, is recognized under intangible assets.
Their useful lives correspond to those applied by the Group for similar property, plant and equipment and intangible assets (see Note 2.5).

Financial concession assets reflect the carrying amount net of grants of the reversionary concession assets at the reporting date, and the reimbursement of depreciation and amortization expenses until the end of the current agreement with the Île-de-France transport authority. The portion of the receivable due within one year was recognized as "current financial concession assets" and the portion that is due later than one year was recognized as "non-current financial concession assets".

Pursuant to IAS 39, receivables relating to financial concession assets are measured at amortized cost and impaired if the carrying amount is higher than the present value of the discounted future cash flows.

The remuneration of this financial asset is included in the revenue.
Pursuant to IAS 18 "Revenue", acquisitions of returnable concession assets are accounted for as purchase and sale transactions in the period and are recognized under revenue and cost of sales.

At the subsidiary level, the receivables recognized as financial assets reflect the reimbursement of depreciation and amortization expenses, based on the amounts reported in the financial statements until the expiry date of the current agreements. During this period, RATP has an unconditional right to receive cash from the transport authority. At the end of the concession period, the transport authority shall have the right to exercise its reversionary option (see Note 1.4). Consequently, the residual carrying amount of the reversionary public concession assets at the expiry date of the present agreements is recognized under intangible assets.

The net value of the financial concession assets as at December 31, 2014 is:

	12/31/14	12/31/13
Gross value	3,771,769	3,548,781
Impairment	0	0
Financial concession assets - non-current	**3,771,769**	**3,548,781**
Gross value	269,159	279,334
Impairment	0	0
Financial concession assets - current	**269,159**	**279,334**

The effect of applying IFRIC 12 on the income statement for financial year 2014 is as follows:

	Dec 31, 2014 prior to IFRIC 12	Cancelled depreciation and amortization (1)	Cancelled C2 contribution (2)	Remuneration of concession financial assets (3)	Purchase /sale transactions (4)	Dec 31, 2014 under IFRIC 12
Revenue	5,564,686		(464,530)	156,433		5,256,589
Other income from ordinary activities	99,203				472,295	571,498
Revenue	**5,663,889**	**-**	**(464,530)**	**156,433**	**472,295**	**5,828,088**
Cost of sales	(367,876)				(472,295)	(840,171)
Other purchases and external charges	(820,147)					(820,147)
Taxes, duties and similar payments	(236,305)					(236,305)
Payroll and payroll-related costs	(3,019,363)					(3,019,363)
Other operating expenses	(49,192)					(49,192)
EBITDA	**1,171,007**	**-**	**(464,530)**	**156,433**	**-**	**862,910**
Depreciation and amortization expense	(659,264)	308,097				(351,167)
Provisions, net	(3,690)					(3,690)
Gain on disposal of assets	(6,550)					(6,550)
Gain on other consolidation scope changes	3,431					3,431
Impairment	(14)					(14)
Other operating income (expenses)	294					294
Income from equity-accounted associates	11,011					11,011
Operating income (EBIT)	**516,226**	**308,097**	**(464,530)**	**156,433**	**-**	**516,226**

(1) The concession assets recognized under assets on the consolidated balance sheet are the same assets recorded under property, plant and equipment and intangible assets in the individual accounts. Thus, they do not generate any depreciation in the income statement of the RATP group.

(2) Pursuant to IFRIC 12, the contribution paid to fund concession assets is not recognized in the income statement (excluding remuneration of the receivable). The contribution reduces the amount of financial concession assets.

(3) Financial concession assets are remunerated at the rate set in the Île-de-France transport authority agreement.

(4) The expenses incurred by the RATP for investments in returnable assets are recognised in the income statement and transferred to the Stif as they are incurred. RATP is responsible for all relations with manufacturers and suppliers.

14 • Asset impairment tests

14.1 RATP's Cash-Generating Units (CGUs)

The ORTF law on public passenger transport has limited the duration of operating rights granted to RATP, set forth ownership regimes and specified what happens to assets upon contract expiry. It has also set out the remuneration arrangements for infrastructure management and line operations in order to ensure that costs are covered and there is a return on capital employed.

The carrying amount of the assets tested in each CGU includes:
- fixed assets (depreciable property, plant and equipment and amortizable intangible assets) net of grants;
- intangible assets and financial assets recognized under IFRIC 12;
- working capital requirements.

The CGUs do not have any goodwill, or intangible assets with indefinite useful lives.

To close the financial year, the Group examined how the key assumptions used in the context of impairment tests, performed during the previous financial year, had progressed. The RATP made sure that no indication of impairment appeared that could negatively affect the recoverable values of the assets of the IM and TO CGU. The Group particularly examined the evolution of the discount rate, the impact of the evolution of the multi-year programming of investments and the impact of EBITDA projections from 2015 to 2020 on future cash flow forecasts, net of taxes. The other assumptions have not evolved significantly since the previous year end.
In the absence of an indication of impairment appearing throughout the financial year, the Group did not perform impairment tests for the Infrastructure Management or Transport Operations CGUs.

As a reminder, the assumptions used for determining the recoverable values during the previous financial year were as follows:

Assumptions common to both CGUs
The value in use of assets was determined on the basis of the following key assumptions:
1- Allocation of assets between infrastructure management and transport operations according to the legal and regulatory provisions applicable to RATP.
2- Future cash flows net of tax were forecast using the following data:
- 2013-2015: on the basis of the financial provisions of the Île-de-France transport authority agreement, discounted as required by changes to interest rates;
- in addition to the current Île-de-France transport authority agreement, taking into account for infrastructure management the additional compensation payable by the Île-de-France transport authority to cover additional expenses while providing for offsetting for transport operations;
- 2016-2020: on the basis of medium-term targets set in the *Vision 2020* business plan approved by the Board of Directors on November 13, 2012;
- after 2020: data and cash flows (including normative cash flows) were determined according to the provisions of IAS 36 by estimating the terminal value of the assets tested in accordance with applicable standards.

3- The investment assumptions were based on the capital expenditure master plans presented to the Board of Director on November 29, 2013. Their amount was subsequently adjusted to comply with the debt target outlined in the *Vision 2020* business plan, in compliance with the governance principles approved at the same Board meeting.
4- Terminal values were calculated based on normative cash flows determined at the end of the period specified in the plan and projected to infinity on the basis of a growth rate corresponding to the estimated inflation rate, i.e. 2%. For transport operations, different terminal values were determined corresponding to the different expiry dates of the operating rights.

Infrastructure management CGU-related assumptions
1- The discount rate (weighted average cost of capital) of the infrastructure management CGU was 4.8%. It was determined on the basis of the average rates observed for a panel of listed companies with similar activities to RATP.
2- From 2016 onwards, the Group assumed allocation of additional complementary financial compensation from the Île-de-France transport authority to cover the additional expense while providing for offsetting for transport operations.

Transport operations CGU-related assumptions
1- To determine the cash flows of the transport operations CGU beyond 2020, investment assumptions specific to rolling stock were accounted for until the return of the reversionary assets to the Île-de-France transport authority.
2- The Group included assumptions specific to concession arrangements such as depreciation for obsolescence of rolling stock from 2016 onwards, under common law conditions, implying they are included in the contractual expenses provided for in the Île-de-France transport authority-RATP agreements.
3- The discount rate (weighted average cost of capital) of the transport operations CGU was determined using the average rates observed for a panel of listed companies with similar activities to RATP. A specific discount rate was adopted for transport operations rolling stock (returnable assets) given the remuneration arrangements for these assets, i.e. 4.3%. For other assets used in transport operations (fully-owned and reversionary assets), a discount rate of 6.4% was applied, in line with the rates used by the panel.

14.2 Other Cash-Generating Units (CGU)

Impairment tests were performed on the other existing CGUs at December 31, 2014. No impairment was recognized for these CGUs during the financial year.
The goodwill initially recorded for the Italian CGU was written off for €6.1 million.

15 • Interest in the subsidiaries

The list of fully-consolidated Epic RATP subsidiaries is supplied in Note 34. As regards the individual contribution of these subsidiaries in the group's financial statements, none is considered materially significant (contributions individually less than 10% of revenue). The largest of them represents less than 4% of revenue. The share of minority interests in the financial statements is not large either.
Given the weak individual importance of shares in the subsidiaries, the Group deems that it is not exposed to specific risks per entity that could have a significant impact on the financial statements.

16 • Equity-accounted investments

16.1 Shares in equity-accounted entities

Equity-accounted investments comprise associates and joint ventures. The shares in these entities are analysed as follows:

	12/31/14				12/31/13			
Group Companies	% Interest	Equity-accounted investments	Of which share of net income	Of which share of other items of comprehensive income	% Interest	Equity-accounted investments	Of which share of net income	Of which share of other items of comprehensive income
Systra Group	41.92	105,594	5,459	813	41.92	101,879	3,005	(561)
Other associates		6,940	84	0		12,006	1,373	0
Joint ventures		29,885	5,467	3,076		43,730	3,944	(467)
	Total	**142,418**	**11,011**	**3,889**	**Total**	**157,617**	**8,322**	**(1,028)**

16.2 Significant joint ventures and associates

Systra is a consulting and engineering group operating in the sector of public rail transport. It has thirty subsidiaries and twenty branches worldwide.

Statement of financial position - Systra	12/31/14	12/31/13
Non-current assets	111,576	104,567
Current assets	488,142	417,930
Non-current liabilities	41,564	24,777
Current liabilities	368,828	317,256
Net assets (100%)	**189,326**	**180,464**
Percentage of equity holding	41.9%	41.9%
Group share in net assets	**79,366**	**75,651**
Goodwill	26,228	26,228
Equity value	**105,594**	**101,879**

Income statement - Systra	12/31/14	12/31/13
Revenue	527,329	445,943
Net income (100%)	13,023	7,168
Group share in net income	**5,459**	**3,005**
Other comprehensive income	813	(561)

The other joint ventures and associates are not individually significant. These entities are essentially bus, tramway and/or metro network operating businesses, similar to those of fully-consolidated entities, as well as tourist bus (sightseeing) businesses.

17 • Available-for-sale financial assets

	12/31/13 Restated					
	Financial assets as at January 1, 2013	Increase	Decrease	Currency translation gains and losses	Other	Financial assets as at December 31, 2013
Total gross value	23,044	0	(4,238)	38	(776)	18,067
Impairment	(13,908)	(321)	4,091	0	0	(10,138)
Total net value	**9,136**	**(321)**	**(147)**	**38**	**(776)**	**7,929**

	12/31/14					
	Financial assets as at January 1, 2014	Increase	Decrease	Currency translation gains and losses	Other	Financial assets as at December 31, 2014
Total gross value	18,067	7	0	(8)	0	18,066
Impairment	(10,138)	0	0	0	19	(10,119)
Total net value	**7,929**	**7**	**0**	**(8)**	**19**	**7,947**

Available-for-sale financial assets primarily comprise non-consolidated investments. Impairment losses reflect impairment of the investments when the net equity of the investment is less than its acquisition value.

Available-for-sale financial assets relate to the following:

	Net value	% Interest
SA HLM Logis Transports (1)	33	88%
Irise	750	10%
Ratp Do Brazil	161	
Tour Excel	5,480	10%
Ratp via Quatro	572	
Linea (2)	826	33%
Other	125	
Total	**7,947**	

(1) See Note 2.1.
Unaudited data at December 31, 2014 for HLM Logis Transport:
Revenue: €61,012 thousand in 2014 compared with €58,285 thousand in 2013.
Balance sheet total = €690,175 thousand including €353,139 thousand of net debt.
Net income: €7,036K.

(2) RATP holds shares in this company (any dividends received are recorded by Autolinee), but does not exercise any influence over management. Linea operates another intercity network in Florence and is the partner of Autolinee in the business combination that was awarded the contracts.

18 • other financial assets

18.1 Other non-current financial assets

	01/01/13	Increase	Decrease	Currency translation gains and losses	Other	12/31/13
Deposits relating to leases	495,173	9,217	(20,155)	0	(37,542)	446,693
Deposits Lease at fair value	0	150,285	(5,866)	0	0	144,419
Housing loans	48,888	6	(24)	0	(5,340)	43,530
Other loans and receivables	17,215	17,790	(9,364)	(90)	(8,604)	16,948
Other non-current financial assets	**561,276**	**177,298**	**(35,409)**	**(90)**	**(51,486)**	**651,590**
Provisions for other financial assets	(51)	131	92	0	0	172
Other non-current financial assets	**561,225**	**177,429**	**(35,317)**	**(90)**	**(51,486)**	**651,762**

	01/01/14	Increase	Decrease	Currency translation gains and losses	Other	12/31/14
Deposits relating to leases	446,693	57,674	(20,246)	0	(137,383)	346,738
Deposits Lease at fair value	144,419	0	(623)	0	30,781	174,577
Housing loans	43,530	0	(9)	0	(5,207)	38,314
Other loans and receivables	16,948	18,517	(16,333)	54	20	19,205
Other non-current financial assets	**651,590**	**76,191**	**(37,211)**	**54**	**(111,789)**	**578,834**
Provisions for other financial assets	172	(384)	17	0	3	(192)
Other non-current financial assets	**651,762**	**75,807**	**(37,194)**	**54**	**(111,786)**	**578,642**

Deposits relating to leases (at amortized cost) are allocated to the borrowings for lease terminations under financial liabilities (Note 24.2).
Loans mainly correspond to the housing loans granted by RATP to low-cost housing management companies (CIL).

In order to diversify its counterparty risk among certain non-collateralized deposits, the RATP group has requested the early reimbursement of certain deposits underwritten by the American insurance firm XLI, to replace them with new deposits, issued for a total amount of 175 million USD, with European banks. The operation took place throughout April 2014 and applies to some of the lease deposits measured at fair value.

18.2 Other current financial assets

	12/31/13					
	Financial assets as at January 1, 2013	Change in fair value	Acquisitions / impairment	Currency translation gains and losses	Other	Financial assets as at December 31, 2013
Dividends receivable	0	0	106	0	0	106
Housing loans	5,606	0	0	0	2,242	7,848
Loans, deposits and guarantees	81	0	91	(3)	44,447	44,617
Cash collateral relating to leases	484,287	0	(20,583)	0	0	463,704
Other current financial assets	**489,974**	**0**	**(20,386)**	**(3)**	**46,689**	**516,275**

	12/31/14					
	Financial assets as at January 1, 2014	Change in fair value	Increase / Decrease	Currency translation gains and losses	Other	Financial assets as at December 31, 2014
Dividends receivable	106	0	(106)	0	0	0
Housing loans	7,848	0	0	0	(301)	7,547
Loans, deposits and guarantees	44,617	0	229	21	140,534	185,400
Cash collateral relating to leases	463,704	0	40,018	0	0	503,722
Other current financial assets	**516,275**	**0**	**40,141**	**21**	**140,233**	**696,669**

19 • Inventories

19.1 Details of inventories by type

	12/31/14			12/31/13		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Raw materials and supplies	213,260	(45,422)	167,838	201,845	(42,824)	159,021
Other supplies	764	0	764	704	0	704
Work in progress	7,829	0	7,829	6,210	0	6,210
Merchandise	86	0	86	101	0	101
Finished goods	2,417	0	2,417	1,969	0	1,969
Total	**224,356**	**(45,422)**	**178,934**	**210,830**	**(42,824)**	**168,006**

19.2 Changes in inventory impairment

	12/31/13	Additions	Reversals	Foreign currency translation adjustment	Other and reclassification	12/31/14
Impairment of inventories	(42,824)	(2,625)	30	(3)	0	(45,422)
Impairment of work in progress	0	0	0	0	0	0
Impairment of inventories of merchandise	0	0	0	0	0	0
Total	**(42,824)**	**(2,625)**	**30**	**(3)**	**0**	**(45,422)**

Impairment was accounted for in accordance with the method set out in Note 2.11.

20 • Trade receivables and other accounts receivable

	12/31/14	12/31/13
Trade receivables	210,447	231,036
Write-downs	(9,821)	(10,349)
Trade receivables	**200,626**	**220,688**
Advance payments	46,424	44,430
Prepaid expenses	52,460	52,787
State and local authority receivables	172,341	185,475
Investment grants receivable	188,929	181,977
Other receivables	115,868	84,653
Impairment	(5,845)	(5,255)
Other receivables	**570,177**	**544,066**
Total trade and other receivables	**770,803**	**764,753**

	12/31/14	12/31/13
Impairment of trade receivables, at beginning of year	(10,349)	(10,064)
Write-downs during period	(839)	(2,666)
Unused reversals	(3)	0
Reversals	1,369	2,381
Impairment of trade receivables, at beginning of year	**(9,821)**	**(10,349)**

All accounts receivable are due within one year.

21 • Cash and cash equivalents

	12/31/14	12/31/13
Marketable securities	872,352	582,573
Cash	445,156	297,095
Total	**1,317,508**	**879,668**

Total cash and cash equivalents presented in the cash flow statement comprise the following:

	12/31/14	12/31/13
Cash and cash equivalents (balance sheet)	1,317,508	879,668
Bank overdrafts	(87,609)	(97,863)
Closing cash and cash equivalents (cash flow statement)	1,229,899	781,805

22 • Provisions for employee benefits

Provisions for employee benefits comprise post-employment benefits and other long-term benefits.

	12/31/14	12/31/13
Provisions for retirement benefits	329,070	288,656
Provisions for death indemnities for retirees	44,598	33,358
Provisions for death indemnities for employees in service	15,386	13,437
Provisions for early retirement benefits	2,838	3,013
Provisions for contributions to current and future retirees' corporate savings plan	5,412	14,207
Provisions for work-related accident and disability pensions	277,099	183,066
Provision for retirement benefits of foreign subsidiaries	23,136	18,833
Total post-employment benefits	**697,539**	**554,570**
Provisions for phased retirement	2,211	3,173
Provisions for seniority bonuses	23,465	19,554
Provisions for long-term sick-leave	5,599	4,619
Provisions for unemployment benefit	7,366	10,044
Provisions for work-related accident and disability pensions	22,616	18,752
Total long-term employee benefits	**61,257**	**56,142**
Total	**758,796**	**610,712**

22.1 Post-employment benefits

Defined benefit plans: summary

Post-employment benefits comprise the following:
- retirement indemnities;
- death indemnities for retirees;
- death indemnities for current employees;
- early retirement benefits;
- contributions to corporate savings plan for current and future retirees;
- work-related accident and disability allowances;
- defined benefit plans of foreign subsidiaries.

22.1.1 CHANGE IN PROVISIONS

Changes in provisions for post-employment benefits were as follows:

	Retirement indemnities	Death indemnities (employees in service)	Indemnity allocation	Work-related accident and disability allowance	Early retirement	Savings scheme contribution	Retirement plans of foreign subsidiaries	Total
Net liability as at January 1, 2013	**286,873**	**13,092**	**35,293**	**179,736**	**3,816**	**28,395**	**25,654**	**572,859**
Current service cost and interest cost	26,172	1,645	1,059	26,731	114	852	5,953	62,527
Benefits paid	(13,832)	(1,404)	(1,053)	(8,311)	(927)	(8,927)	0	(34,454)
Actuarial (gains) losses	(11,316)	104	(1,941)	(15,090)	10	(6,113)	(5,932)	(40,278)
Asset ceiling effect (IFRIC 14)	0	0	0	0	0	0	(190)	(190)
Contributions paid into the plan	0	0	0	0	0	0	(6,174)	(6,174)
Changes in scope	758	0	0	0	0	0	0	758
Effect of change in exchange rates	0	0	0	0	0	0	(478)	(478)
Net liability recognized as at December 31, 2013	**288,656**	**13,437**	**33,358**	**183,066**	**3,013**	**14,207**	**18,833**	**554,570**

	Retirement indemnities	Death indemnities (employees in service)	Indemnity allocation	Work-related accident and disability allowance	Early retirement	Savings scheme contribution	Retirement plans of foreign subsidiaries	Total
Net liability as at January 1, 2014	**288,656**	**13,437**	**33,358**	**183,066**	**3,013**	**14,207**	**18,833**	**554,570**
Current service cost and interest cost	26,428	1,557	1,084	27,887	98	462	6,253	63,769
Benefits paid	(15,864)	(1,581)	(1,297)	(8,627)	(718)	(9,691)	0	(37,778)
Actuarial (gains) losses	29,753	1,973	11,453	74,773	445	434	3,155	121,986
Asset ceiling effect (IFRIC 14)	0	0	0	0	0	0	321	321
Contributions paid into the plan	0	0	0	0	0	0	(7,497)	(7,497)
Changes in scope	78	0	0	0	0	0	901	980
Effect of change in exchange rates	18	0	0	0	0	0	1,170	1,189
Net liability recognized as at December 31, 2014	**329,070**	**15,386**	**44,598**	**277,099**	**2,838**	**5,412**	**23,136**	**697,539**

22.1.2 RECOGNIZED EXPENSE

The expense recognized for the year can be broken down as follows:

Expense recognized in 2013	Retirement indemnities	Death indemnities (employees in service)	Indemnity allocation	Work-related accident and disability allowance	Early retirement	Savings scheme contribution	Retirement plans of foreign subsidiaries	Total
Service cost	(17,561)	(1,252)	0	(21,339)	0	0	(5,086)	(45,238)
Net interest cost	(8,611)	(393)	(1,059)	(5,392)	(114)	(852)	(868)	(17,289)
Total payroll and payroll-related costs	**(26,172)**	**(1,645)**	**(1,059)**	**(26,731)**	**(114)**	**(852)**	**(5,953)**	**(62,527)**

Expense recognized in 2014	Retirement indemnities	Death indemnities (employees in service)	Indemnity allocation	Work-related accident and disability allowance	Early retirement	Savings scheme contribution	Retirement plans of foreign subsidiaries	Total
Service cost	(17,097)	(1,120)	0	(21,937)	0	0	(5,169)	(45,324)
Net interest cost	(9,331)	(437)	(1,084)	(5,950)	(98)	(462)	(719)	(18,081)
Other	0	0	0	0	0	0	(365)	(365)
Impact on pre-tax income	**(26,428)**	**(1,557)**	**(1,084)**	**(27,887)**	**(98)**	**(462)**	**(6,253)**	**(63,769)**

22.1.3 AMOUNTS RECOGNIZED DIRECTLY IN EQUITY

Actuarial gains and losses relating to post-employment benefits were as follows:

Amounts recognized directly in equity in 2013	Retirement indemnities	Death indemnities (employees in service)	Indemnity allocation	Work-related accident and disability allowance	Early retirement	Savings scheme contribution	Retirement plans of foreign subsidiaries	Total
Opening balance	**(23,771)**	**2,999**	**1,594**	**(24,078)**	**(7,811)**	**(31,179)**	**(8,821)**	**(91,067)**
Remeasurements	11,316	(104)	1,941	15,090	(10)	6,113	5,932	40,278
Other	0	0	0	0	0	0	(190)	0
Closing balance	**(12,455)**	**2,895**	**3,535**	**(8,988)**	**(7,821)**	**(25,066)**	**(3,079)**	**(50,979)**
Experience adjustments for the period	994	830	451	8,043	(61)	7,309		17,566

Amounts recognized directly in equity in 2014	Retirement indemnities	Death indemnities (employees in service)	Indemnity allocation	Work-related accident and disability allowance	Early retirement	Savings scheme contribution	Retirement plans of foreign subsidiaries	Total
Opening balance	**(12,455)**	**2,895**	**3,535**	**(8,988)**	**(7,821)**	**(25,066)**	**(3,079)**	**(50,979)**
Remeasurements	(29,753)	(1,973)	(11,453)	(74,773)	(445)	(434)	(3,155)	(121,986)
Other	0	0	0	0	0	0	(1,042)	(1,042)
Closing balance	**(42,208)**	**922**	**(7,918)**	**(83,761)**	**(8,266)**	**(25,500)**	**(7,276)**	**(174,007)**
Experience adjustments for the period	(1,135)	163	(639)	5,915	250	59	1,318	4,613

22.1.4 CHANGE IN OBLIGATION AND PLAN ASSETS

	Retirement indemnities	Death indemnities (employees in service)	Indemnity allocation	Work-related accident and disability allowance	Early retirement	Savings scheme contribution	Retirement plans of foreign subsidiaries	Total
Obligation as at January 1, 2013	**286,873**	**13,092**	**35,293**	**179,736**	**3,816**	**28,395**	**107,930**	**655,135**
Service cost	17,561	1,252	0	21,339	0	0	5,086	45,238
Interest cost	8,611	393	1,059	5,392	114	852	4,433	20,855
Employee contributions	0	0	0	0	0	0	127	127
Benefits paid	(13,832)	(1,404)	(1,053)	(8,311)	(927)	(8,927)	(3,885)	(38,339)
Actuarial (gains) losses	(11,316)	104	(1,941)	(15,090)	10	(6,113)	127	(34,219)
Changes in scope	758	0	0	0	0	0	0	758
Effect of change in exchange rates	0	0	0	0	0	0	(222)	(222)
Other	0	0	0	0	0	0	0	0
Obligation as at December 31, 2013	**288,656**	**13,437**	**33,358**	**183,066**	**3,013**	**14,207**	**113,597**	**649,334**
Plan assets at December 31, 2013	0	0	0	0	0	0	(95,635)	(95,635)
Obligation net of plan assets	**288,656**	**13,437**	**33,358**	**183,066**	**3,013**	**14,207**	**17,962**	**553,699**
IFRIC 14 accumulated adjustment	0	0	0	0	0	0	871	871
Net liability recognized as at December 31, 2013	**288,656**	**13,437**	**33,358**	**183,066**	**3,013**	**14,207**	**18,833**	**554,570**

	Retirement indemnities	Death indemnities (employees in service)	Indemnity allocation	Work-related accident and disability allowance	Early retirement	Savings scheme contribution	Retirement plans of foreign subsidiaries	Total
Obligation as at January 1, 2014	**288,656**	**13,437**	**33,358**	**183,066**	**3,013**	**14,207**	**113,597**	**649,334**
Service cost	17,097	1,120	0	21,937	0	0	5,169	45,324
Interest cost	9,331	437	1,084	5,950	98	462	5,439	22,801
Employee contributions	0	0	0	0	0	0	148	148
Benefits paid	(15,864)	(1,581)	(1,297)	(8,627)	(718)	(9,691)	(4,600)	(42,378)
Actuarial (gains) losses	29,753	1,973	11,453	74,773	445	434	12,520	131,351
Changes in scope	78	0	0	0	0	0	4,281	4,359
Effect of change in exchange rates	18	0	0	0	0	0	8,572	8,591
Other	0	0	0	0	0	0	(280)	(280)
Obligation as at December 31, 2014	**329,070**	**15,386**	**44,598**	**277,099**	**2,838**	**5,412**	**144,846**	**819,249**
Plan assets as at December 31, 2014	0	0	0	0	0	0	(123,005)	(123,005)
Obligation net of plan assets	**329,070**	**15,386**	**44,598**	**277,099**	**2,838**	**5,412**	**21,841**	**696,244**
IFRIC 14 accumulated adjustment	0	0	0	0	0	0	1,295	1,295
Net liability recognized as at December 31, 2014	**329,070**	**15,386**	**44,598**	**277,099**	**2,838**	**5,412**	**23,136**	**697,539**
Estimate of benefit payments in 2015	37,211	1,035	1,041	9,977	526	5,452	6,534	61,776

Plan assets of foreign subsidiaries	12/31/14	12/31/13
Net asset recognized as at January 1, 2013	**95,635**	**83,316**
Interest on assets	4,761	3,565
Employer contributions	7,497	6,125
Employee contributions	148	127
Benefits paid from plan assets	(4,600)	(3,885)
Actuarial (gains) losses	9,365	6,012
Changes in scope	3,380	0
Effect of change in exchange rates	7,463	387
Other	(644)	(13)
Net asset recognized as at December 31, 2013	**123,005**	**95,635**

Plan assets of subsidiaries are invested as follows: approximately 51% in equities, 32% in bonds, 4% in real estate, and the remainder in other financial assets.

22.1.5 ACTUARIAL ASSUMPTIONS

The main actuarial assumptions are as follows:

	12/31/14		12/31/13	
	Euro zone	United Kingdom	Euro zone	United Kingdom
Discount rate	1.50%	3.1% to 3.9%	3.25%	4.56%
Inflation rate	2.00%	2.8% to 3.2%	2.00%	3.34%
Salary increase rate including inflation	2.80%	1.8% to 3.15%	3.60%	2.85%
Mortality table	TGH 05/TGF05	SAPS S1 NA	TGH 05/TGF05	SAPS S1 NA
Retirement age	57.8 years old	65	57.2 years old	65
Pension revaluation rate	NA	1.7% to 3.1%	NA	3.09%
Turnover rate	0.00%	-	0.00%	-

An increase or decrease of 25 basis points in the discount rate would have increased or decreased aggregate post-employment obligations by €31 million. The average duration of post-employment obligations is 15 years, as at the reporting date 2013.

22.2 Other long-term employee benefits

Other long-term benefits comprise the following:
- work-related accident and illness allowances;
- long-service medals (seniority bonuses);
- phased retirement;
- unemployment benefits;
- leave for long-term illness.

	Seniority bonuses	Work-related accident and disability allowances	Phased retirement	Unemployment benefits	Leave for long-term illness	Total long-term benefits
Net liability as at January 1, 2014	**19,553**	**18,751**	**3,174**	**10,044**	**4,619**	**56,141**
Service cost and interest cost	2,092	4,695	103		5,312	12,202
Benefits paid	(1,387)	(2,560)	(2,436)	(6,333)	(4,397)	(17,113)
Actuarial (gains) and losses	3,207	1,729	1,370	3,656	65	10,027
Net liability recognized as at December 31, 2014	**23,465**	**22,615**	**2,211**	**7,367**	**5,599**	**61,257**
Estimate of payments to defined benefit plans in 2015	1,289	2,870	1,370	-	-	5,529

The main actuarial assumptions are as follows:

	12/31/14	12/31/13
Discount rate	1.50%	3.25%
Inflation rate	2.00%	2.00%
Salary increase rate including inflation	2.80%	3.60%
Mortality table	TGH 05/TGF05	TGH 05/TGF05
Retirement age	57.8 years old	57.2 years old
Turnover rate	0.00%	0.00%

An increase or decrease in the discount rate of 25 basis points would have decreased or increased aggregate long-term benefits by €0.9 million.
The average duration of long-term obligations is 15 years, as at the reporting date 2013.

23 • other provisions

The impact on profit or loss was as follows:

	12/31/14	12/31/13
Provisions, net	(3,690)	8,895

Various legal proceedings have been instituted against the company and its subsidiaries in the normal course of business. In certain cases claims for damages have been made, which are provisioned when payment is probable and measurable.

	12/31/13	Additional allowance	Provisions used	Unused provisions	Reclassification, changes of scope and exchange rate	12/31/14
Non-current provisions	**139,337**	**28,381**	**(14,494)**	**(10,772)**	**9,053**	**151,505**
Decommissioning costs (a)	74,726	0	(3,435)	0	(1,998)	69,293
Litigation (b)	18,396	7,240	(2,457)	(3,865)	(30)	19,284
Other expenses	11,771	8,211	(2,182)	0	11,080	28,880
Other contingencies (c)	34,444	12,930	(6,420)	(6,907)	0	34,049
Current provisions	**55,495**	**26,351**	**(11,323)**	**(6,894)**	**(951)**	**62,678**
Decommissioning costs (a)	612	0	(612)		4,047	4,047
Litigation (b)	15,359	3,079	(1,606)	(1,998)	1,975	16,809
Other expenses	11,779	7,442	(2,931)	(199)	(7,044)	9,047
Other contingencies (c)	27,745	15,830	(6,174)	(4,697)	71	32,775
Total provisions	**194,834**	**54,733**	**(25,818)**	**(17,666)**	**8,102**	**214,183**

(a) Provisions for decommissioning railway rolling stock are recorded with an offsetting entry under components of property, plant and equipment. They are amortized over the useful lives of the trains.
(b) Provisions for litigation concern provisions for disputes and legal proceedings of a commercial nature or those instigated by employees involving asbestos-related illnesses contracted at work (see Note 31.2).
(c) Provisions for other contingencies comprise Epic RATP's obligation to insure passenger accidents on its networks (based on declared cases) for an amount of €52,348K. These provisions cover any excess in compensation for bodily harm and/or material damage not covered by the insurance contracts. The level of provisions is graduated according to the seriousness of the damage.

24 • Loans and borrowings

24.1 Issuance of debt securities

Under its Euro Medium Term Note (EMTN) program, RATP issued new series of corporate debt securities during the financial year:
- September 2014: notes for a nominal amount of €50 million, maturing in September 2024 and bearing 1.38% interest;
- September 2014: notes for a nominal amount of €100 million, maturing in October 2024 and bearing 1.38% interest.

24.2 Breakdown of current and non-current loans and borrowings

	12/31/14	12/31/13
Bond issues	4,260,127	4,478,313
Île-de-France loans	215,362	226,103
Corporate savings plan loans	0	96,485
Loans related to lease terminations	346,738	446,693
Borrowings from credit institutions	145,831	117,621
Loans related to finance leases	30,606	35,218
Deposits and guarantees received	3	3
Other loans and borrowings	7,146	2,902
Non-current loans and borrowings	**5,005,813**	**5,403,339**
Bond issues	391,872	464,297
Île-de-France loans	21,874	22,137
Corporate savings plan loans	565,716	245,901
Loans related to lease terminations	184,940	44,403
Borrowings from credit institutions	42,517	16,538
Loans related to finance leases	5,447	6,704
Deposits and guarantees received	209,331	185,527
Commercial paper	1,339,410	1,019,720
Other loans and borrowings	137	170
Bank loans	87,609	97,863
Accrued interest	75,657	79,110
Current loans and borrowings	**2,924,510**	**2,182,371**
Total	**7,930,323**	**7,585,710**

24.3 Measurement of net debt

The Group defines net debt as total outstanding loans and borrowings, less accrued interest, cash and cash equivalents and financial assets related to lease operations (deposits, guarantees and cash collateral), and the fair value of currency hedges on debt securities. The liabilities relating to lease financing for tramways T3, T5, T7 and T8 is offset in the measurement of net debt, by the receivable of the same amount to the Stif and therefore does not appear in the list below.

	12/31/14	12/31/13
Loans and borrowings	7,930,323	7,585,710
Cash flow hedges	(275,579)	(286,852)
Fair value hedges	10,831	(4,134)
Accrued interest	(75,657)	(79,110)
Housing loan advances	(46,094)	(54,540)
Deposits and guarantees (1)	(531,678)	(491,096)
Other financial assets relating to leases	(174,577)	(144,420)
Cash and cash equivalents	(1,317,508)	(879,668)
Other (2)	(500,153)	(458,872)
Net debt	**5,019,908**	**5,187,019**

(1) The terms of these deposits match the maturities of the loans relating to lease terminations. They are deducted when calculating net debt.
(2) Including cash flow hedge guarantee deposits of €504 million as at December 31, 2014.

24.4 Maturities of loans and borrowings

In thousands of euros	2015	2016	2017	2018	2019	> 5 years
Bond issues (EUR)	200,000			650,000		2,700,000
Interest on bond issues (EUR)	124,251	123,531	123,531	123,531	94,281	395,565
Bonds denominated in foreign currencies	148,244	124,572	277,464		297,163	
Interest on bonds denominated in foreign currencies	3,007	3,005	3,008	2,943	2,771	8,929
Île-de-France loans	21,050	21,000	20,414	20,203	18,402	166,589
Interest on Île-de-France loans	4,201	3,921	3,704	3,387	3,055	18,996
Corporate savings plan loans	565,716					
Interest on corporate savings plan loans	14,901					
Borrowings from credit institutions	42,517	68,333	9,903	9,903	9,903	47,789
Loans relating to lease terminations	185,658	30,388	48,792	194,169		33,279
Interest on loans relating to lease terminations	27,735	31,954	5,014	50,368		7,560
Loans related to finance leases	1,239	1,195	886	953	1,024	14,340
Interest on loans related to finance leases	58	123	158	193	219	1,640
Deposits and guarantees received	209,334					
Commercial paper	1,339,410					
Other loans and borrowings	7,283					
Bank loans	87,609					
Accrued interest	75,657					
Total loans and borrowings	**3,057,870**	**408,022**	**492,875**	**1,055,649**	**426,818**	**3,394,686**

Cash flows relating to bond issues in Swiss francs are hedged by cross currency swaps.
The breakdown by main currency and type of interest rate is presented in Note 27.

24.5 Change in amortized cost

Bond issue	Amortized cost Dec 31, 2014	Amortized cost Dec 31, 2013	Change
RATP EUR 4.375% Sept 24, 2014	0	329,926	(329,926)
RATP CHF 3.00% Dec 19, 2014	0	134,369	(134,369)
RATP CHF 2.125% July 21, 2015	191,377	187,609	3,768
RATP CHF 3.375% March 21, 2016	166,315	162,887	3,428
RATP CHF 3.25% Oct 9, 2017	249,445	244,306	5,139
RATP CHF 3.25% Nov 6, 2017	124,828	122,291	2,537
RATP EUR 4.50% May 28, 2018	649,255	650,064	(809)
RATP CHF 2.929% June 27, 2019	124,608	122,022	2,586
RATP CHF 2.625% Nov 6, 2019	261,635	256,200	5,435
RATP EUR 4.00% Sept 23, 2021	596,343	595,879	464
RATP EUR 2.875% Sept 9, 2022	594,406	593,769	637
RATP EUR 4.125% April 13, 2023	597,130	596,844	286
RATP EUR 3.75% Oct 19, 2026	447,598	447,439	159
RATP EUR 4.11% July 1, 2031	49,735	49,724	11
RATP EUR 2.441% Oct 25, 2025	49,755	49,735	20
RATP EUR 0.36% Feb 26, 2015	199,993	199,945	48
RATP EUR 3.03% Oct 25, 2025	199,644	199,600	44
RATP EUR 1.38% Sept 16, 2024	149,929	0	149,929
Total	**4,651,997**	**4,942,609**	**(290,612)**
Île-de-France loans	237,238	248,242	(11,004)
Advance on housing loan (CIL)	45,827	54,540	(8,713)
Corporate savings plan loan	333,145	342,387	(9,242)
Loans relating to lease terminations	531,676	491,097	40,579
Total non-current loans and borrowings	**5,799,882**	**6,078,875**	**(278,993)**

25 • Trade and other payables

	12/31/14	12/31/13
Trade payables	298,883	286,512
Payables on fixed assets	420,911	375,322
Tax and social security payables	697,394	601,634
Other operating payables	16,552	16,559
Prepaid income	75,509	72,363
Other payables	575,700	365,553
Total	**2,084,949**	**1,717,943**

All trade payables are due within one year.

26 • change in working capital

	12/31/14	12/31/13
Inventories	(8,328)	(828)
Advances and downpayments paid	(1,180)	(20,399)
Trade and related receivables	24,735	20,629
Receivables from the State and other public authorities	45,743	(18,087)
Receivables from the Île-de-France transport authority	(31,370)	26,690
Other receivables	(239,295)	(160,720)
Prepaid expenses	1,734	(5,663)
Advances and downpayments received	2,354	0
Trade and related payables	9,799	26,982
Tax and social security payables	91,379	65,231
Amounts due to the Île-de-France transport authority	49	(199,720)
Other payables	204,293	150,497
Prepaid income	(3,959)	7,968
Lease prepayments	(1,672)	(2,455)
Change in working capital	**94,282**	**(109,874)**

27 • Financial risk management

Management of interest rate risk
Derivative instrument transactions mainly concern hedges set up to manage exposure to interest rate risk on borrowings or the investment portfolio.

Interest rate risk on borrowings and investments is essentially managed by using swaps and options to modulate the fixed and floating rate portion of the liability, based on changes in interest rates. The modulation is obtained by implementing or cancelling interest rate swaps and options.
The “stop loss” and “take profit” triggers are set by the finance department and additional limits are imposed on trading operations. As a result, the volatility of gains and losses on interest rate derivative instruments that do not qualify as hedges is limited.

Foreign currency hedges
RATP has issued loans in foreign currencies. The resulting exposure to exchange rate risk is systematically hedged with currency swaps.

Management of risk of commodity price increases
The Group may use commodities derivatives. RATP generally provides back-to-back guarantees to its subsidiaries for such transactions.

Credit and counterparty risk
Credit risk is the risk of financial loss for the Group if a customer or counterparty to a financial instrument defaults on their contract commitments.
Risk concerning customers is limited as the Group’s main customers are local authorities.
Counterparty risk is also limited due to collateral agreements on derivatives and the diversification of the short-term investment portfolio, which solely comprises cash equivalents.

Liquidity risk
Liquidity risk is the risk that the Group may have difficulty repaying its debt and meeting obligations when they fall due. RATP principally uses long-term financing arrangements. RATP has also issued a maximum of €2,000 million in commercial paper to obtain the liquidity it requires to pay its liabilities.

27.1 Sensitivity of short-term debt

As at December 31, 2014 RATP had short-term debt instruments in the form of commercial paper amounting to €1,566 million, of which €232 million were backed by the company savings scheme. The debt instruments have maturities of up to six months, and have been issued at a fixed interest rate.
RATP has also issued a short-term bond (€232 million) to finance the company savings scheme, which is at a fixed interest rate.

27.2 Sensitivity of long-term debt

Effect on interest expense

Today, 88% of long term borrowings (bonds, corporate savings plan, Île-de-France loan) bear fixed rate interest.

Total unhedged debt	12/31/14	12/31/13
CHF bonds (in millions of euros)	**847**	**948**
Floating rate	0%	0%
Fixed rate	100%	100%
EUR bonds (in millions of euros)	**3,550**	**3,730**
Floating rate	0%	0%
Fixed rate	100%	100%
Île-de-France long-term bonds (in millions of euros)	**268**	**281**
Floating rate	100%	100%
Fixed rate	0%	0%
Corporate savings plan (in millions of euros)	**328**	**337**
Floating rate	100%	100%
Fixed rate	0%	0%
Total in millions of euros	**4,993**	**5,296**
Fixed rate	88%	88%
Floating rate	12%	12%

Total hedged debt	12/31/14	12/31/13
Total debt (nominal amount) (in millions of euros)	**4,993**	**5,296**
Floating rate	596	618
Fixed for floating swaps	0	0
% Fixed rate debt	**88%**	**88%**

Interest expense on bonds amounted to €177 million in 2014: as all the bonds bear interest at fixed rates, they are not exposed to the risk of increases in interest rates.

Hedge effectiveness

Forward-looking tests are used to simulate hedge effectiveness in the event of major changes in interest rates (stress scenarios).
Hedges are only considered to be effective if, in all the scenarios tested, they remain within the limits of 80% to 125%. In the event of a 1% increase or decrease in interest rates, all the hedges remain effective.

27.3 Offsetting agreements

The Group's financial assets and liabilities are not offset in the balance sheet, except for assets and liabilities relating to the American lease (see Note 12).

However, the Group has entered into offsetting agreements for some derivative instruments. If either party defaults, the agreements make it possible to offset the fair value of the derivative instruments against the financial collateral.

The following table presents the potential impact of the offsetting agreements:

	Carrying amount of derivatives Assets	Carrying amount of derivatives Liabilities	Fair value of financial collateral	Net exposure
Foreign exchange derivatives	305,486	(54,535)	(209,100)	41,851
Loans related to lease terminations		(531,676)	503,722	(27,954)

28 • Derivative financial instruments

28.1 Classification of derivative financial instruments

	12/31/13					
	Non-current assets	Current assets	Total assets	Non-current liabilities	Current liabilities	Total liabilities
Cash flow hedge	286,852	13,296	300,148	11,432	15,198	26,630
Fair value hedge	4,134		4,134			0
No hedging			0			0
Total	**290,986**	**13,296**	**304,282**	**11,432**	**15,198**	**26,630**

	12/31/14					
	Non-current assets	Current assets	Total assets	Non-current liabilities	Current liabilities	Total liabilities
Cash flow hedge	275,697	12,778	288,475	14,713	17,667	32,380
Fair value hedge	0	15,658	15,658	26,476	6,803	33,279
No hedging			0			0
Total	**275,697**	**28,436**	**304,133**	**41,189**	**24,470**	**65,659**

28.2 Maturity of derivative instruments (maturity, notional amount, currency)

As at December 31, 2013

	Total	Classification			Maturity of notional amount		
		CFH	FVH	Trading	< 1 year	1 to 5 years	+ 5 years
Exchange rate hedges							
Cross currency swaps	1,140,452	990,167	150,285		101,023	646,118	393,310
Interest rate hedges							
Floating for fixed swaps	106,943	106,943				9,977	96,966
Sales of puts	1,276	1,276			317	959	
Commodity hedges							
Swaps	12,000	12,000			11,400	600	

December 31, 2014

	Total	Classification			Maturity of notional amount		
		CFH	FVH	Trading	< 1 year	1 to 5 years	+ 5 years
Exchange rate hedges							
Cross currency swaps	997,728	847,443	150,285				997,728
Foreign exchange swap	333,765		333,765		333,765		
Interest rate hedges							
Floating for fixed swaps	114,562	114,562				6,690	107,872
Sales of puts	712	712				712	
Commodity hedges							
	36,500	36,500			23,500	13,000	

Note: foreign exchange risk on debt issued in foreign currencies is systematically hedged with cross currency swaps. Instruments that do not qualify for hedge accounting under IAS 39 (trading instruments) are nevertheless economic hedges.

28.3 Fair value hedges

Operations classified as fair value hedges on December 31, 2014 are:
- either derivative instruments (Cross Currency Swaps) that cover the deposits negotiated when setting up the restructured American leases in 2013;
- or foreign exchange swaps that cover the subscription of commercial papers issued in dollars.

As the sensitivity of these hedging derivatives to fluctuations in interest rates and exchange rates is very similar to those of hedged elements, their impact on profit and loss is not significant.

28.4 Cash flow hedges

The cash flow hedges in place as at December 31, 2014 comprised:
- fixed for Euribor swaps: RATP pays a fixed rate and receives a Euribor rate on its existing floating rate debt, or on highly probable fixed rate debt. As the sensitivity of the swaps was similar to that of the underlying financial liabilities, the impact on profit and loss was not significant;
- or cross currency swaps: the cash flows paid on borrowings in foreign currencies are perfectly hedged by the currency swaps, so that changes in the exchange rate have no effect on profit and loss.

29 • Fair value of the hedging instruments

29.1 Fair value hierarchy of financial instruments

2013	Carrying amount	Fair value hierarchy			
		Fair value	Level 1	Level 2	Level 3
Measurement of assets to fair value					
Available-for-sale financial assets	**7,929**	**7,929**	0	0	7,929
Derivative financial instruments	**304,282**	**304,282**	0	304,282	0
Other financial assets	**1,168,036**	**1,179,591**	463,704	715,887	0
Cash and cash equivalents	**879,668**	**879,668**	543,211	336,457	0
Measurement of liabilities to fair value					
Loans and borrowings	**7,585,709**	**7,866,940**	5,296,009	2,570,931	0
Derivative financial instruments	**26,630**	**26,630**	0	26,630	0

2014	Carrying amount	Fair value hierarchy			
		Fair value	Level 1	Level 2	Level 3
Measurement of assets to fair value					
Available-for-sale financial assets	**7,947**	**7,947**	0	0	7,947
Derivative financial instruments	**304,133**	**304,133**	0	304,133	0
Other financial assets	**1,275,312**	**1,291,467**	503,722	787,745	0
Cash and cash equivalents	**1,317,508**	**1,317,508**	945,717	371,791	0
Measurement of liabilities to fair value					
Loans and borrowings	**7,930,323**	**8,562,393**	5,251,148	3,311,245	0
Derivative financial instruments	**65,659**	**65,659**	0	65,659	0

29.2 Measurement methods and main unobservable inputs

The table below presents the measurement techniques used to measure level 2 and 3 fair value of the main financial instruments, as well as the main unobservable inputs used:

Types of financial instruments	Measurement method	Main unobservable inputs	Correlation between inputs and measurement to fair value
Derivative financial instruments (interest rate swaps, cross currency swaps)	Discounting of future cash flows	Discount rate	The estimated fair value would increase if the discount rate was lower, and decrease if the discount rate was higher.
Financial assets (deposits, CIL housing loans)	Discounting of future cash flows	Discount rate	The estimated fair value would increase if the discount rate was lower, and decrease if the discount rate was higher.
Loans and borrowings (private equity)	Discounting of future cash flows	Discount rate	The estimated fair value would increase if the discount rate was lower, and decrease if the discount rate was higher.

29.3 Transfers between levels of the fair value hierarchy

During the financial year, there were no transfers between levels 1 and 2 of the fair value hierarchy, or to or from level 3. Changes in "available-for-sale financial assets" over the financial year were not affected by changes in fair value.

30 • Guarantees

30.1 Guarantees given

	12/31/14			12/31/13		
	RATP Epic	Other	Total	RATP Epic	Other	Total
Guarantees	490,428	95,627	586,055	521,617	97,762	619,379
Attributable to:						
• Non-profit organizations and other	21,665	95,627	117,292	21,227	97,762	118,989
• Employee benefits	213,447		213,447	228,903		228,903
• Leasehold transactions	255,316		255,316	271,487		271,487
Total	**490,428**	**95,627**	**586,055**	**521,617**	**97,762**	**619,379**

30.2 Guarantees received

	12/31/14			12/31/13		
	RATP Epic	Other	Total	RATP Epic	Other	Total
Guarantees	278,707	4,413	283,120	214,146	5,793	219,939
• Leasehold transactions	278,707		278,707	214,146		214,146
Total	**278,707**	**4,413**	**283,120**	**214,146**	**5,793**	**219,939**

31 • off-balance-sheet commitments

31.1 Capital expenditure

Capital expenditure contracted at the reporting date but not recorded in the financial statements amounted to €4,389 million at December 31, 2014 compared with €2,837 million at December 31, 2013.

31.2 Contingent assets and liabilities

Asbestos
The RATP has taken a census of asbestos-related illnesses among employees to assess the financial impact on the company.

All risks arising from cases already declared or which have been brought to court have been provisioned. Although it is not possible to predict the financial impact of future litigation, RATP believes that the provision of €628.30 thousand recorded in the balance sheet at December 31, 2014 is adequate and reflects the best estimate of the financial risk borne by the company (see Note 23).

State Aid paid by the Île-de-France Region
The Group was informed by mail on March 24, 2014, from the President of the Regional Council of Île-de-France, that the Region had been sentenced by the Administrative Court of Paris to recover the investment grants paid by public transport operators, to reduce the acquisition price of their buses and coaches. The administrative court has classified these grants as illegal state aid, on the grounds of the failure to report them to the European Commission. In its letter, the Region mentions an estimated subsidy amount of €21.7 million (excluding default interest), which would have been attributed to the Group's subsidiaries.

The Group contests the legitimacy of this repayment obligation because it deems that it was not the effective recipient of these financial aids, and rather it was the Stif (Île-de-France transport authority) and local groups that received this financial aid via a contractual scheme to reduce the cost of transport services that had been invoiced to them. In particular the Stif was able to lower the remuneration paid to the transport companies to take into account the lower depreciation costs for the subsidised coaches and buses.

This file is subject to 2 open proceedings, one before the national court and the other before the European Commission, in which the Group has submitted its observations.

To date, the Île-de-France Region has not issued any enforceable title against the Group's subsidiaries in order to recover the amount of the grants paid to them. Moreover, the costing that the Île-de-France Region mentions in its letter of March 24, 2014, is uncertain, due to the age of the disputed scheme (years 1994 to 2008), to the number of beneficiary operators and due to the operating rules of said scheme.

The Group will contest the reimbursement that it may be asked to make, and that, in any case, must then be compensated by the Stif as the ultimate beneficiary of this state aid originally paid by the Île-de-France Region, if the reimbursement of investment grants received by the Group's subsidiaries must be made. Consequently, on the date of the closing of accounts 2014, the Group estimates that it will not be affected by any financial consequences of ongoing proceedings and therefore shall bear no liability in this respect.

32 • Information on related parties

32.1 Transactions with related parties

RATP is a public service company that is fully owned by the French State. Consequently, RATP is a related party in the meaning of IAS 24 with all companies controlled by the French State. Despite being exempt from the obligation to submit information about transactions with public entities, the group submits information on the principal non-current transactions concluded with the State and public authorities.

Transactions with the State and local authorities:

	12/31/14	12/31/13
Île-de-France transport authority contribution	2,062,733	1,999,376
Local council contribution to loss-making services	19,031	19,795
Investment grants called (State, Stif, RIF, other)	622,117	636,606
Île-de-France region loans contracted	8,193	13,683
Île-de-France region loans repaid	20,942	20,171
State and local authority receivables	289,570	323,220
Île-de-France transport authority receivables	49,410	18,040
State and local authority liabilities	80,200	86,270
Île-de-France transport authority liabilities	11,710	11,220
Île-de-France local authority liabilities	267,658	280,698

Transactions with subsidiaries:
Transactions with fully consolidated companies are eliminated upon consolidation. Transactions with equity-accounted associates are usual practice for commercial or financial purposes within a group. They are performed on an arm's length basis under normal market conditions.

Other transactions with public sector companies:
These refer to ordinary transactions undertaken in normal market conditions.

32.2 Compensation of senior executives

The senior executives of RATP group are members of the Executive Committee.

	12/31/14	12/31/13
Short-term benefits excluding employer contributions (1)	2,314	2,222

(1) Including gross salaries, bonuses, profit sharing and benefits in kind.
Other benefits were not material.

33 • Information per operating segment

Segment information is presented in compliance with IFRS 8 "Operating Segments". The accounting methods used for segment reporting are the same as those used to prepare the consolidated financial statements.

RATP group's business is divided into two segments:
- the "infrastructure management" segment: this activity entails managing the network infrastructure used to provide public passenger transport services, as entrusted to RATP by the ORTF law no. 2009-1503 of December 8, 2009;
- the "transport operations" segment: this activity entails operating public passenger transport services in the Île-de-France region, in France and abroad. The parent company's support functions are included in the scope of this segment, including those provided for infrastructure management, which are subject to internal transfer agreements.

Both segments are regularly reviewed by the chief operating officer in order to allocate resources among the different segments and assess performance pursuant to the Île-de-France transport authority agreement.

The key principle for preparing segment information is to directly allocate the various line items or cash flows. When this is not possible, for instance if the line items or cash flows are managed by one activity and have initially been recognized as such, internal transfers between the two activities have been arranged to bill the activities appropriately, in accordance with general practice. The agreements set out the scope of transfers, valuation principles and invoicing arrangements.

On the balance sheet, property, plant and equipment and intangible assets are allocated directly in accordance with the scope defined for each activity. Investment grants are allocated to the assets to which they relate.

Income statement disclosures by operating segment

As at December 31, 2013

	Infrastructure management	Transport	Eliminations	Total
External revenue	3,635	5,079,089		5,082,724
Inter-segment revenue	741,869	183,901	(925,770)	-
Revenue	745,504	5,262,990	(925,770)	5,082,724
EBITDA	410,755	422,896	-	833,651
Operating income	196,977	329,221	-	526,198
Depreciation and amortization expense	(219,407)	(86,932)	-	(306,339)

December 31, 2014

	Infrastructure management	Transport	Eliminations	Total
External revenue	3,802	5,252,787		5,256,589
Inter-segment revenue	769,582	203,646	(973,228)	-
Revenue	773,384	5,456,433	(973,228)	5,256,589
EBITDA	422,851	440,059	-	862,910
Operating income	190,022	326,204	-	516,226
Depreciation and amortization expense	(244,170)	(106,997)	-	(351,167)

Balance Sheet disclosures by operating segment

The main segment indicators relating to the balance sheet presented by RATP group are:

As at December 31, 2013

	Infrastructure management	Transport	Total
Balance sheet			
Property, plant and equipment and intangible assets, net	4,064,033	1,610,619	5,674,652
Investment grants	2,244,759	2,139,661	4,384,420
Property, plant and equipment and intangible asset investments	176,441	623,904	800,345
Purchase of concession assets		784,105	784,105
Total assets	**6,551,643**	**6,610,642**	**13,162,285**

December 31, 2014

	Infrastructure management	Transport	Total
Balance sheet			
Property, plant and equipment and intangible assets, net	4,189,506	1,739,811	5,929,317
Investment grants	2,294,895	2,564,096	4,858,991
Property, plant and equipment and intangible asset investments	261,002	511,120	772,122
Purchase of concession assets		882,441	882,441
Total assets	**6,745,106**	**7,514,638**	**14,259,744**

34 • Group companies

Transport Division	Country	% Control	% Interest	Method	Comments
AlpBus Fournier	France	100.00	100.00	FC	
Autoline Toscane	Italy	100.00	100.00	FC	
Bath Bus Company	UK	100.00	100.00	FC	
Bombela Operating Company	South Africa	51.00	51.00	FC	
Bournemouth Transport	UK	90.01	90.01	FC	
Cars Dunois	France	100.00	100.00	FC	
Cars Perrier	France	100.00	100.00	FC	
Cars Saint Martin	France	88.75	88.75	FC	
Casa Tram	Morocco	60.00	60.00	FC	
Céobus	France	100.00	100.00	FC	
Champagne Mobilités	France	100.00	100.00	FC	
Cité Bleue	France	50.00	50.00	EM	Joint venture. Proportionate consolidation prior to application of IFRS 11
CTLB	France	100.00	100.00	FC	Newly-consolidated
CTVH	France	100.00	100.00	FC	Newly-consolidated
CTB	France	100.00	100.00	FC	
CTCM	France	100.00	100.00	FC	
CTVMI	France	100.00	100.00	FC	
CTY	France	100.00	100.00	FC	
El Djazair	Algeria	100.00	100.00	FC	
EM Services	France	90.00	90.00	FC	
EMS Rennes	France	90.00	90.00	FC	
FlexCité	France	85.60	85.60	FC	
FlexCité 77	France	85.60	85.60	FC	
FlexCité 91	France	85.60	85.60	FC	
FlexCité 92	France	85.60	85.60	FC	
FlexCité 93	France	85.60	85.60	FC	
FlexCité 94	France	97.00	97.00	FC	
FlexCité 95	France	85.60	85.60	FC	
FlexCité 95 TSE	France	85.60	85.60	FC	
FlexCité TAD	France	100.00	100.00	FC	
Fullington Auto Bus Company	USA	50.98	50.98	FC	
Gembus	France	100.00	100.00	FC	
Gest Spa	Italy	100.00	100.00	FC	
H R Richmond Ltd	UK	100.00	100.00	FC	
HelvéCIE SA	Switzerland	100.00	100.00	FC	
Hong Kong Tramway Engineering	Hong Kong	50.00	50.00	FC	Newly-consolidated
Ixxi	France	100.00	100.00	FC	
Jacquemard et Cie	France	100.00	100.00	FC	
La Ferroviaria Italiana (LFI)	Italy	11.71	11.71	EM	
Latium Cilia	Italy	51.00	51.00	FC	
London United Busways	UK	100.00	100.00	FC	
London Sovereign	UK	100.00	100.00	FC	Newly-consolidated
Matem	France	51.00	51.00	FC	
Mc Donald Transit Associates	USA	55.41	55.41	FC	
Metrolab	France	50.00	50.00	Other	Joint operation Integrated in share line by line

Transport Division	Country	% Control	% Interest	Method	Comments
MétroLink	UK	100.00	100.00	FC	
Mobicité	France	100.00	100.00	FC	
Moulins Mobilité	France	100.00	100.00	FC	
Mumbay	India	31.50	31.50	EM	
Nanjing Anquing	China	16.27	16.27	EM	
Nanjing Huabei	China	11.47	11.47	EM	
Nanjing Huainan	China	18.32	18.32	EM	
Nanjing JV	China	22.05	22.05	EM	
Odulys	France	35.00	35.00	EM	
Orlyval Service (OVS)	France	99.00	99.00	FC	
RATP Dév France Investissement	France	100.00	100.00	FC	
RATP Dév France Services	France	100.00	100.00	FC	
RATP Dev Genova	Italy	100.00	100.00	FC	
RATP Dev Italia	Italy	100.00	100.00	FC	
RATP Dev Manille	Philippines	99.99	99.99	FC	Newly-consolidated
RATP Dev Suisse	Switzerland	100.00	100.00	FC	
RATP Dev Suisse TP	Switzerland	100.00	100.00	FC	
RATP Dev UK	UK	100.00	100.00	FC	
RATP Dev USA LLC.	USA	100.00	100.00	FC	
RATP Développement	France	100.00	100.00	FC	
RATP International	France	100.00	100.00	FC	
RDMT - DC	USA	91.08	91.08	FC	
RDMT - Tucson	USA	91.08	91.08	FC	
RDSL - Urban	USA	97.55	97.55	FC	
RDSL - Urban NY	USA	97.55	97.55	FC	
RFT SPA	Italy	11.71	11.71	EM	
SCI Foncière RD	France	100.00	100.00	FC	
SCI Sofitim	France	50.00	50.00	FC	
Selwyns	UK	100.00	100.00	FC	
Séoul Ligne 9	Korea	36.00	36.00	EM	
Setram	Algeria	49.00	49.00	FC	
Shenyang	China	24.50	24.50	EM	
Société des Lignes Touristiques	France	51.00	51.00	EM	Joint venture. Proportionate consolidation prior to application of IFRS 11
Société des Lignes Touristiques USA	USA	51.00	51.00	EM	Newly-consolidated
Société des Transports Interurbains Allier	France	100.00	100.00	FC	
Société des Transports Interurbains Centre	France	100.00	100.00	FC	
Société des Transports Interurbains Haute-Savoie	France	100.00	100.00	FC	
Société des Transports Urbains de Bourges	France	100.00	100.00	FC	
Société des Transports Urbains Vierzon	France	100.00	100.00	FC	
Société d'Exploitation des Lignes Touristiques	France	24.99	24.99	EM	
SQY BUS	France	89.52	89.52	FC	
STD de la Marne	France	100.00	100.00	FC	
STILE	France	100.00	100.00	FC	
STIN	France	100.00	100.00	FC	
STIVIMMO	France	50.00	50.00	EM	Joint venture. Proportionate consolidation prior to application of IFRS 11

Transport Division	Country	% Control	% Interest	Method	Comments
STIVO	France	50.00	50.00	EM	Joint venture. Proportionate consolidation prior to application of IFRS 11
STS	France	51.00	51.00	FC	
TFT SPA	Italy	11.71	11.71	EM	
TIMBUS	France	50.03	50.03	FC	
TOT The Original Sight Tour Limited	UK	100.00	100.00	FC	Newly-consolidated
TP2A	France	51.00	51.00	FC	
Tram di Firenze	Italy	24.90	24.90	EM	
Tramway Hong Kong	Hong Kong	50.50	50.50	FC	Newly-consolidated
TVM	France	100.00	100.00	FC	
Veolia Transport RATP Asia	France	50.00	50.00	EM	Joint venture. Proportionate consolidation prior to application of IFRS 11
Vienne Mobilités	France	90.00	90.00	FC	
Voyage Dunois	France	100.00	100.00	FC	
VT Korea	Korea	45.00	45.00	EM	
VTCL	China	45.00	45.00	EM	
VTR China	China	50.00	50.00	EM	Joint venture. Proportionate consolidation prior to application of IFRS 11
VTR Consulting	China	50.00	50.00	EM	Joint venture. Proportionate consolidation prior to application of IFRS 11
VTR India	India	50.00	50.00	EM	Joint venture. Proportionate consolidation prior to application of IFRS 11
VTR Korea	Korea	50.00	50.00	EM	Joint venture. Proportionate consolidation prior to application of IFRS 11

Engineering Division	Country	% Control	% Interest	Method	Comments
Systra Group	France	41.92	41.92	EM	

Real Property, Marketing & Telecoms Division	Country	% Control	% Interest	Method	Comments
Naxos	France	100.00	100.00	FC	
Promo Métro	France	100.00	100.00	FC	
SADM	France	100.00	100.00	FC	
SEDP	France	100.00	100.00	FC	
Telcité	France	100.00	100.00	FC	
Telcité NAO	France	100.00	100.00	FC	

35 • statutory audit fees

Pursuant to AMF Instruction 2006-10 of December 19, 2006 and the requirements instituted by Article L.820-3 of the French Financial Security Act (LSF), details of the fees charged for the audit of the consolidated and individual financial statements of the Group are provided below:

	12/31/14	12/31/13 Restated	12/31/13
PricewaterhouseCoopers	691	690	700
KPMG	40	49	49
Ernst and Young	810	626	637
Other	275	244	243
Statutory Audit	**1,815**	**1,609**	**1,630**
PricewaterhouseCoopers	23	48	48
KPMG	0	0	0
Ernst and Young	41	25	28
Other	44	0	0
Services related to Statutory Audit	**108**	**73**	**77**
PricewaterhouseCoopers	0	0	0
KPMG	60	44	45
Ernst and Young	18	17	17
Other	268	179	182
Other Services	**345**	**240**	**244**

36 • subsequent events

None.

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Financial statements

statutory auditor's report

On the annual financial statements

Period ending December 31, 2014

Further to our engagement as auditors by the minister for the Economy, Industry and Employment, we present our report on the period ending December 31, 2014, on:

- the audit of the annual financial statements of public utility company RATP, as appended hereto;
- the evidence supporting our opinion;
- specific auditing and disclosures as required by law.

The annual financial statements were closed by the Board of Directors. It is our duty to express an opinion on these accounts on the basis of our audit.

1. Opinion on the annual financial statements

We have conducted our audit in accordance with the professional standards applicable in France; these standards require us to provide reasonable assurance that the financial statements do not contain any material misrepresentations. An audit consists in examining, on a test basis, the evidence supporting the amounts and disclosures in the annual financial statements. It also consists in assessing the accounting policies adopted and evaluating the significant estimates in the financial statements and the overall presentation thereof. We consider that the elements we have collected are appropriate and sufficient for basing our opinion.

We hereby certify that the annual financial statements, with regard to French accounting standards, give a true and fair view of the company's asset base, financial position and earnings of RATP at the end of the said period.

2. Evidence supporting our opinions

In pursuance of article L.823-9 of the Commercial Code regarding the evidence supporting our opinion, we hereby apprise you of the following:

Employee benefits

Note 2.13 entitled "Long-term employee benefits" itemizes the long-term commitments for which provisions are recognized in the balance sheet and explains their measurement basis.

Under the heading "Employee benefits", Note 4.20 entitled "Financial commitments at December 31, 2014" presents the commitments for which no provisions are recognized in the annual financial statements.

We have examined the inventory, valuation and accounting treatment of these two categories of commitments and have ascertained that Notes 2.13, 4.3 and 4.20 provide appropriate disclosures thereof.

Value of assets

As stated in Note 1.1.4 "Asset impairment tests", RATP has ascertained that there is no indication of impairment liable to adversely affect the recoverable amounts of "Infrastructure Management and Transport Operations" cash-generating units and has examined changes in the main assumptions used in impairment tests in the prior period. Our work consisted in examining the assumptions reviewed by RATP and in ascertaining that Note 1.1.4 provides appropriate disclosures thereof.

The opinions thus expressed are based on our overall audit of the annual financial statements as a whole, and therefore form the basis for the opinion stated in the first part of this report.

3. Specific verification and information

We have also carried out the special verifications required by law, in accordance with the professional standards applicable in France.

In our view, the information provided in the Board's operating and financial review on the management of RATP gives a true and fair view and is consistent with the said annual financial statements.

Neuilly-sur-Seine and Paris-La Défense, on 16 March 2015
Statutory Auditors

PricewaterhouseCoopers Audit
Gérard Morin

Ernst & Young and others
Jean-François Bélorgey

Balance sheet: 31/12/14

ASSETS (in thousands of euros)	12/31/14 GROSS	12/31/14 Amortisation and provisions (to deduct)	12/31/14 NET	12/31/13 NET
INTANGIBLE ASSETS	**718,969**	**381,580**	**337,389**	**316,767**
• Research and development costs	214,638	41,213	173,424	179,795
• Lease rights	2,626	1,429	1,197	1,252
• Other	437,786	338,937	98,849	97,220
• Work in process	63,920		63,920	38,501
PROPERTY, PLANT AND EQUIPMENT	**25,818,235**	**11,710,518**	**14,107,717**	**13,448,613**
• Land	573,173	7,440	565,733	567,139
• Buildings	10,042,291	4,320,843	5,721,448	5,595,628
• Technical plant, equipment and industrial tooling	5,319,378	3,782,346	1,537,032	1,493,655
• Transport equipment	7,011,344	3,420,632	3,590,711	3,155,608
• Other	220,311	179,257	41,054	35,607
• WIP, advances and deposits	2,651,739		2,651,739	2,600,977
FINANCIAL ASSETS	**1,299,450**	**34,505**	**1,264,945**	**1,205,955**
• Investments and affiliates	424,255	352	423,902	423,902
• Advances to subsidiaries and affiliates	32,179		32,179	
• Other long-term investments	1,830	442	1,388	1,159
• Loans	64,970	87	64,883	71,344
• Other	776,217	33,623	742,593	709,550
NON-CURRENT ASSETS (I)	**27,836,654**	**12,126,603**	**15,710,052**	**14,971,335**
Inventory and work-in-process	210,936	45,359	165,577	158,410
Advances and prepayments to suppliers	42,389		42,389	38,558
ACCOUNTS RECEIVABLE	**1,355,638**	**8,390**	**1,347,248**	**1,447,277**
• Trade receivables and related accounts	94,663	4,125	90,538	113,830
• State and local authority receivables	338,985		338,985	341,268
• Other	122,572	4,264	118,308	106,085
• Lease debts	799,418		799,418	886,095
FINANCIAL ASSETS	**1,670,119**		**1,670,119**	**1,204,442**
Marketable securities	1,357,935		1,357,935	1,031,641
Cash and cash equivalents	312,184		312,184	172,801
Prepaid expenses	70,457		70,457	68,383
CURRENT ASSETS (III)	**3,349,540**	**53,749**	**3,295,791**	**2,917,070**
Loan issue premiums (III)	6,029		6,029	7,265
Bond redemption premiums (IV)	12,573		12,573	14,533
Unrealised foreign exchange losses (V)	47,463		47,463	19,783
TOTAL ASSETS (I + II + III + IV + V)	**31,252,259**	**12,180,351**	**19,071,908**	**17,929,987**

LIABILITIES (in thousands of euros)	12/31/14	12/31/13
Reserve for assets allocated to	250,700	250,700
Revaluation variances	220,093	222,799
Capital endowment	433,367	433,367
RESERVES	**294,699**	**294,699**
• Reserve from the disposal of assets allocated by Île-de-France transport authority (Stif) and no longer used (redeployed)	184,519	184,519
• Reserve from the disposal of assets allocated by the State and no longer used	136	136
• Reserve from the disposal of assets constructed by the RATP and no longer used (reinvestment)	52,119	52,119
• General reserve	57,926	57,926
Retained earnings	2,271,547	1,987,291
Net income for the year (profit or loss))	311,100	284,256
Tax driven provisions	384,527	393,223
SHAREHOLDERS'EQUITY excluding capital grants	**4,166,033**	**3,866,336**
Capital grants	4,761,750	4,286,583
SHAREHOLDERS' EQUITY (I)	**8,927,784**	**8,152,919**
Contingency provisions	89,084	86,366
Provisions for losses and expenses	149,167	138,268
CONTINGENCY AND LOSS PROVISIONS (II)	**238,251**	**224,634**
LOANS AND BORROWINGS	**7,499,232**	**7,220,843**
• Loans from the Île-de-France region	267,658	280,698
• Bonds	4,725,579	5,014,978
• Borrowings from and loans to lending institutions (bank account credit balances)	132,527	145,501
• Other loans and borrowings	2,234,718	1,646,537
• Accrued interest not yet due	138,751	133,129
Advances and deposits received on orders in process	1,881	1,345
Trade payables and related accounts	247,226	230,357
Payroll taxes and employer contributions	659,359	577,763
Payables to suppliers of assets and related accounts	412,130	380,837
Other liabilities	169,023	152,012
Lease payables	807,881	896,516
Prepaid income	61,743	73,031
LIABILITIES (III)	**9,858,476**	**9,532,703**
Unrealised foreign exchange gains (V)	47,397	19,731
TOTAL LIABILITIES (I + II + III + IV)	**19,071,908**	**17,929,987**

INCOME STATEMENT	12/31/14	12/31/13	VAR %
OPERATING INCOME	**5,170,120**	**5,025,773**	**2.9%**
Revenue	**4,675,419**	**4,589,930**	**1.9%**
- Revenue from transport services	4,357,330	4,287,763	1.6%
- Other operating income	138,060	128,614	7.3%
- Non-transport revenue	173,983	168,431	3.3%
- Sales of residual products	6,046	5,121	18.1%
Other income	**344,623**	**294,941**	**16.8%**
- Change in inventoried production	972	(3,411)	(128.5%)
- Self-constructed assets	196,828	143,580	37.1%
- Provision write-backs and expense transfers	94,531	112,444	(15.9%)
- Operating subsidies	900	1,004	(10.4%)
- Other	51,392	41,324	24.4%
Income used to offset depreciation expenses	**150,079**	**140,903**	**6.5%**
- Write-backs of special revaluation provisions	11,264	11,432	(1.5%)
- Portion of investment grants transferred to the income statement	138,814	129,471	7.2%
OPERATING EXPENSES	**4,616,601**	**4,458,106**	**3.6%**
Cost of purchased goods and services	**970,311**	**947,046**	**2.5%**
• Energy	**201,440**	**216,051**	**(6.8%)**
- Electricity	94,946	99,737	(4.8%)
- Fuel	94,139	99,604	(5.5%)
- Heating	12,355	16,711	(26.1%)
• Cost of leased tracks	**28,952**	**27,156**	**6.6%**
• User rights payable to SNCF	**20,253**	**19,855**	**2.0%**
• Equipment, supplies and other external services	**719,666**	**683,984**	**5.2%**
- Miscellaneous equipment and supplies	188,230	186,434	1.0%
- Other external services	531,436	497,550	6.8%
Taxes other than income taxes	**225,729**	**211,131**	**6.9%**
Payroll costs	**2,554,271**	**2,488,012**	**2.7%**
• Wages and salaries	1,780,147	1,736,611	2.5%
• Payroll taxes	745,935	724,592	2.9%
• RATP employee benefit plan cost, net	28,190	26,809	5.2%
Depreciation, amortisation and provisions	**837,002**	**777,714**	**7.6%**
• Asset depreciation and amortisation	769,821	711,566	8.2%
• Asset provisions	-	-	-
• Current assets - provisions	5,570	8,926	(37.6%)
• Provisions for contingent liabilities	61,611	57,222	7.7%
Other expenses	**29,288**	**34,204**	**(14.4%)**
OPERATING INCOME (I)	**553,520**	**567,667**	**(2.5%)**

INCOME STATEMENT	12/31/14	12/31/13	VAR %
FINANCIAL INCOME	**121,706**	**91,507**	**33.0%**
• From investments in subsidiaries and affiliated companies	9,346	4,382	113.3%
• Other long-term investments and asset receivables	260	57	353.0%
• Other interest and related income	101,698	81,438	24.9%
• Provision write-backs and expense transfers	495	376	31.9%
• Foreign exchange gains	8,608	4,289	100.7%
• Proceeds from disposal of marketable securities	1,298	964	34.6%
FINANCIAL EXPENSES	**320,759**	**315,404**	**1.7%**
• Interest and related expenses	307,302	305,775	0.5%
• Amortisation and provisions	5,306	5,758	(7.8%)
• Foreign exchange losses	8,151	3,871	110.5%
• Losses on disposal of marketable securities	0	0	0
NET FINANCIAL INCOME (II)	**(199,053)**	**(223,898)**	**(11.1%)**
INCOME BEFORE TAX AND NON-RECURRING ITEMS (II)	**354,467**	**343,770**	**3.1%**
NON-RECURRING INCOME	**224,943**	**146,762**	**53.3%**
• From operating transactions	26,938	5,577	383.0%
• From capital transactions	183,673	120,269	52.7%
• From leases	1,897	2,123	(9.8%)
• Other	6,197	1,636	274.4%
• Provision write-backs and expense transfers	6,238	17,158	(63.6%)
NON-RECURRING EXPENSES	**219,888**	**159,106**	**38.2%**
• From operating transactions	2,086	4,367	(52.2%)
• Other	212,416	152,582	39.2%
• Amortisation and provisions	5,387	2,158	149.6%
NET NON-RECURRING INCOME	**5,054**	**(12,344)**	**(140.9%)**
Employee profit sharing	48,421	47,170	2.7%
Income tax	0	0	
TOTAL INCOME	**5,516,769**	**5,264,042**	
TOTAL EXPENSES	**5,205,669**	**4,979,786**	
NET INCOME	**311,100**	**284,256**	**9.4%**

notes to the financial statements

For the year ended December 31, 2014

Unless otherwise stated, all amounts are presented in thousands of euros. The financial statements at December 31, 2014 were approved by the Board of Directors at their meeting on March 13, 2015.
The parent company, the Régie Autonome des Transports Parisiens (RATP) is a State-owned Industrial and Commercial Public Utility (Epic) created by the law of March 21, 1948, endowed with a corporate veil on which the law confers the status of legal entity under public law and is registered in the Paris Registry of Commerce and Companies. Its registered office is located at 54 quai de la Râpée, 75012 PARIS.

1 • significant accounting policies

RATP applies a customized chart of accounts (CoA) as approved by the inter-ministerial order of March 21, 1985 and the French National Accounting Board (Conseil National de la Comptabilité). The customized CoA was prepared in accordance with the rules, principles and framework governing the French national chart of accounts.

It includes additional line items reflecting RATP's reporting and disclosure requirements and specific characteristics in terms of legal form and financing.

1.1 Balance Sheet

A detailed breakdown of non-current assets and the associated depreciation and amortization schedules are provided in tables 4.1 and 4.2.

1.1.1 OWNERSHIP REGIME GOVERNING ASSETS CAPITALIZED BY RATP

As of January 1, 2010, the ORTF law amended the ownership regime governing assets originally allocated to RATP or created by RATP by defining four asset categories:

- infrastructure assets, which are managed and owned by RATP;
- rolling stock and the related maintenance equipment (returnable assets), which have been owned by the Île-de-France transport authority since January 1, 2010. The Île-de-France transport authority will take possession of the assets once the operating rights expire. Upon expiry, the implementation decree No. 2011-320 provides for the Île-de-France transport authority to purchase these assets from RATP at their carrying amount net of grants, as reported in the financial statements of RATP;
- RATP has full ownership of other items of property, plant and equipment required for operations (reversionary assets), other than those mentioned in the previous two paragraphs. Upon expiry of RATP's operating rights, the Île-de-France transport authority has the right to exercise a reversion option on these assets;
- real property and other assets that are not allocated to operations but are used by RATP for administrative, social or training purposes, which are fully owned by RATP.

The assets recorded in RATP's assets are recognized based on their ownership regime according to the following categories:

Type of asset	Infrastructure management Fully-owned assets	Transport operations Returnable assets	Reversionary assets	Fully-owned assets
Nature of assets	Infrastructure assets.	Rolling stock and related maintenance equipment.	Assets required for operations: – bus stations, – equipment, etc.	Assets allocated for administrative, social and training purposes.
Ownership regime	RATP owns these assets.	These assets belong to the Île-de-France transport authority since January 1, 2010. RATP maintains control over them. The Île-de-France transport authority will take possession of the assets when the agreement expires.	RATP owns these assets. Stif holds a reversionary option subject to payment of compensation to RATP upon expiry of the agreement.	RATP owns these assets.
Remuneration arrangements during operating period		Article 14 of French decree No. 2011-320 sets forth the arrangements governing the compensation payable by Stif to RATP for these assets.	The remuneration principles and arrangements apply for the duration of the Stif-RATP agreement 2012-2015.	
Remuneration arrangements upon expiry of operating rights	Not applicable.	Article 14 of the French decree No. 2011-320 provides for the repurchase of the assets at their carrying amount, net of any grants.	The Stif-RATP agreement provides for the reversion of the assets at a value of zero for assets transferred to RATP at January 1, 2010, or at their carrying amount, net of grants, for other assets.	Not applicable.

1.1.2 INTANGIBLE ASSETS

- Research and development costs associated with assets that are clearly separable, technically feasible and likely to generate future economic benefits are capitalized if they meet the criteria set forth in the generally accepted accounting principles. They are amortized based on the useful life of the assets to which they relate. All other research and development costs are expensed.
- Information systems acquired or developed by the company are capitalized. They comprise the following components:
  - development and configuration costs, which are amortized over five to ten years, on the basis of the useful life of the systems;
  - software and equipment acquired to commission the system, which are amortized over a three-year period.

1.1.3 PROPERTY, PLANT AND EQUIPMENT

RATP's fixed assets and the reversionary concession assets provided by the Île-de-France transport authority are recorded at their historical (acquisition or production) cost, with the exception of those in operation at December 31, 1976, which were revalued pursuant to Article 61 of the 1977 French Finance Act.

In accordance with component-based accounting, RATP's fixed assets have been broken down into components and the useful life of each component has been determined based on their replacement or renovation frequency. At January 1, 2005 RATP adopted the depreciated historical cost method.

Certain assets are funded by investment grants.

Pursuant to CRC Regulation No. 2004-06 of the French Accounting Regulations Committee (Comité de la Règlementation Comptable), the costs of dismantling railway rolling stock are provisioned to offset the amount capitalized for the asset components, which are depreciated over the useful lives of the trains.

Provisions for depreciation are calculated using the straight-line method based on the useful lives of the assets, as defined by RATP technicians. The useful lives of property, plant and equipment are reviewed annually if there are significant changes.

Spare parts
Spare parts are recognized as assets and valued at the historical unit cost. Spare parts managed in a computerized maintenance management system (CMMS) are valued at weighted average cost.
Depreciation of spare parts is calculated based on the depreciation schedule for the associated assets.

The depreciation periods for the main RATP assets are provided in the table below:

Buildings	Useful life
Building shell and brickwork	70 to 100 years
Building fixtures and fittings	6 to 30 years

Railway infrastructure	Useful life
Tunnels, stations and access ways	35 to 140 years
Fittings for stations and access ways	15 to 40 years
Tracks	10 to 50 years
Conductors, traction power supply for the metro system	5 to 50 years
Catenary systems for the regional express network (RER) and trams	15 to 50 years

Track signalling and assisted driving systems	Useful life
Automated train operating system (SAET)	5 to 35 years
Automated driving system	15 to 30 years
Track signalling	10 to 40 years

Rolling stock	Useful life
Rolling stock (rail)	20 to 40 years
Rolling stock (bus)	4 to 10 years
Company cars	5 years

Plant equipment, fixtures and fittings	Useful life
Elevators, escalators and moving walkways	10 to 40 years
Automatic gates, passenger turnstiles	10 to 20 years
Equipment to print, deliver and stamp tickets	5 to 10 years
Telecom equipment and alarms	5 to 15 years
Electrical installations	5 to 30 years
Transformers	10 to 100 years
Ventilation and air evacuation equipment	15 to 30 years
Air conditioning systems	5 to 10 years
Sound and lighting equipment	10 to 30 years
Equipment and tooling	5 to 30 years
Other equipment and furniture	3 to 15 years

Change in the method used to estimate internal costs incorporated in fixed assets
RATP modified, as of January 1, 2014, the methods used to incorporate internal costs (payroll charges, materials and other external charges) in fixed assets. This change in estimation method resulted from changes in how the departments concerned were organized, which enabled a more precise allocation of their costs on projects. The change in estimation method was applied prospectively and had the effect of increasing the amount of internal costs capitalized by approximately €33 million compared to FY 2014.

1.1.4 ASSET IMPAIRMENT TESTS

The accounting principles also provide for impairment testing to assess whether there is any indication that an asset may be impaired. If there is an indication that a non-financial asset may be impaired, an impairment test is performed: the carrying amount of the asset is compared with its fair value, which is defined as the higher of an asset's market value and its value in use.

The ORTF law on public passenger transport limits the duration of line operating rights granted to RATP, defines ownership regimes, specifies what happens to assets upon contract expiry, sets the method of remunerating infrastructure management and line operation to ensure costs are covered and capital employed is remunerated.

The carrying amount of the assets tested in each CGU includes:
- fixed assets (depreciable property, plant and equipment and amortizable intangible assets) net of grants; and
- working capital requirements.

The CGUs defined for RATP when the activities were separated for accounting purposes as of FY 2012 correspond to Infrastructure Management (IM) and Transport Operations (TO).
To close the year, RATP reviewed the changes in the main assumptions used in the impairment tests carried out during the preceding year in order to make sure there were no indications of impairment that might unfavourably affect the recoverable value of the Infrastructure Management and Transport Operations CGUs' assets. In particular, the RATP reviewed the changes in the discount rates, the impact of the changes on the long-term capital expenditures program and the impact of EBITDA projections from 2015 to 2020 on the future cash flow forecasts, net of income tax. The other assumptions have not noticeably changed since the end of the previous year.
If there was no indication of impairment during the year, RATP did not perform any impairment tests for the Infrastructure Management and Transport Operations CGUs.

For the record, the assumptions used to determine the recoverable values during the previous year were as follows:

Assumptions common to both the IM and TO CGUs
The value in use of assets was determined based on the following key assumptions:
1- Assets were allocated between infrastructure management and transport operations according to the legal and regulatory provisions applicable to RATP.
2- Future cash flows net of tax were forecast using the following data:
- 2013-2015: based on the financial provisions of the Île-de-France transport authority agreement, discounted as required by changes to interest rates;
- in addition to the current Île-de-France transport authority agreement, taking into account the infrastructure management, additional compensation payable by the Île-de-France transport authority to cover additional expenses while providing offsetting compensation for transport operations;
- 2016-2020: based on medium-term targets set in the Vision 2020 business plan approved by the Board of Directors on November 13, 2012;
- beyond 2020: data and cash flows (including normative cash flows) were determined according to the provisions of IAS 36 by estimating the terminal value of the assets tested in accordance with applicable standards.

3- The investment assumptions are based on the capital expenditure master plans presented to the Board of Directors on November 29, 2013. Their amount was subsequently adjusted to comply with the debt target outlined in the Vision 2020 business plan, in compliance with the governance principles approved at the same Board meeting.
4- Terminal values were calculated based on normative cash flows determined at the end of the period specified in the plan and projected to infinity on the basis of a growth rate corresponding to the estimated inflation rate (i.e. 2%). For transport operations, different terminal values were determined corresponding to the different expiry dates of the operating rights.

Specific assumptions for the infrastructure management CGU
1- The discount rate (weighted average cost of capital) of the infrastructure management CGU was 4.8%. It was determined based on the average rates observed for a panel of listed companies with similar activities to RATP.
2- From 2016 the Group has retained the assumption of allocating additional specific compensation payable by the Île-de-France transport author-

ity to cover additional expenses while providing offsetting compensation for transport operations.

Specific assumptions for the transport operations CGU

1- To determine the cash flows of the transport operations CGU beyond 2020, investment assumptions specific to rolling stock were accounted for until the reversionary assets are returned to the Île-de-France transport authority.

2- The Group included assumptions specific to concession arrangements such as depreciation for obsolescence of rolling stock from 2016 onwards, under common law conditions, implying they are included in the contractual expenses provided for in the Île-de-France transport authority-RATP agreements.

3- The discount rate (weighted average cost of capital) of the transport operations CGU was determined using the average rates observed for a panel of listed companies with similar activities to RATP. A specific discount rate was adopted for transport operations rolling stock (returnable assets) given the remuneration arrangements for these assets (i.e. 4.3%). For other assets used in transport operations (fully-owned and reversionary assets), a discount rate of 6.4% was applied, in line with the rates used by the panel.

1.1.5 LEASED ASSETS

Leased assets (see Note 2.12) are recorded as non-current assets on RATP's balance sheet. The assets held under the Swedish lease (see Note 2.12) are not recorded as fixed assets but rather as long term deposits. The net present value of lease payments is recorded over the term of the leases (see Note 4.21a).

1.1.6 FINANCIAL ASSETS

The gross value of financial assets comprises the purchase price and directly attributable acquisition costs. RATP includes conveyance stamp duties, fees, commissions and other taxes in the acquisition cost.

The fair value of investments held by RATP is determined based on the net equity of the subsidiary, or for subsidiaries that hold investments themselves, based on the consolidated net equity of the sub-group and on the earnings outlook of the subsidiary or sub-group.
A provision for impairment is recognized (see details of provisions in Note 4.3) if the fair value of the investment falls below its carrying amount.

In order to diversify its counterparty risk on certain deposits, RATP requested the early reimbursement of certain deposits underwritten by the American insurer XLI to replace them by new deposits issued for a total of $175 million USD with European banking institutions. The operation was carried out during April 2014 covering part of the lease deposits valued at fair value.

1.1.7 INVENTORIES

Inventories are stated at the lower of cost (including incidental acquisition costs) and net realizable value. Cost is calculated using the weighted average cost method (see details of inventories per category in Note 4.4). Inventories are written down as required based on their turnover and economic life.

1.1.8 RECEIVABLES

Receivables are recorded at face value. An allowance for non-collectable accounts equal to the full amount of the receivable is recorded if there is collection risk (see detailed breakdown of provisions in Note 4.3).

1.1.9 BOND REDEMPTION PREMIUMS

The cost of bond redemption premiums is amortized on a straight-line basis over the term of the bonds. However, if early repayment is decided before the date of the financial statements, related costs are expensed in full.

1.1.10 EQUITY (SEE NOTE 4.7)

The equity contra-account entitled "Reserve for assets allocated to RATP" shown in liabilities essentially reflects the residual value at January 1, 1949 – when RATP was created – of the assets provided for use by RATP at that time and that remained on the balance sheet at December 31, 1976.

The revaluation surplus recorded under equity results from the revaluation performed in 1963 based on 1959 data, and the revaluation of non-depreciable assets performed in 1978 based on 1976 data (see Note 4.8).

RATP was formed under the Act of March 21, 1948. However, no capital was transferred to it at that time. In 1986, the public authorities allocated capital of €283.3 million to RATP. The amount allocated was increased by €150 million in July 2010 as part of the national recovery plan announced at the start of 2009.

Income from investment grants is recognized based on the depreciation schedule of the associated assets, with the exception of grants received for purchasing land, of which one tenth is recognized as income per fiscal year.

Tax driven provisions relate to the revaluation of depreciable assets performed in 1978 based on 1976 data. They are transferred to income in proportion to the depreciation and amortization recognized for the corresponding assets.

1.1.11 FINANCIAL DEBTS AND HEDGING INSTRUMENTS

Issuance of new debt securities

Under its Euro Medium Term Note (EMTN) programme, RATP issued new series of corporate debt securities during the fiscal year:

- September 2014: Notes for a nominal amount of €50 million, maturing in September 2024 and bearing interest at 1.38%;
- September 2014: Notes for a nominal amount of €100 million, maturing in September 2024 and bearing interest at 1.38%.

Loans and borrowings are recorded on the balance sheet at their redemption value in euros.

Currency transactions

Balances denominated in foreign currencies are converted at the year-end exchange rate, with the exception of loans and borrowings that are fully hedged by currency swaps (cross currency swaps), which are presented at the hedged rate. All currency transactions are fully hedged.
If at the year-end the exchange rate impacts the amounts previously recorded in euros, adjustments are recorded under balance sheet liabili-

ties if they reflect unrealized currency translation gains and under assets if they reflect unrealized currency translation losses. If unrealized currency translation losses are recorded, a foreign exchange contingency provision is also recorded.

Derivative financial instruments

RATP uses derivative financial instruments to manage its exposure to changes in interest rates and exchange rates (interest rate and commodity swaps and options and cross currency swaps). Almost all the derivative instruments qualify for hedge accounting and are used to manage risk on debt and diesel consumption.

The income and expense arising from the use of hedging instruments is recorded when the profit and loss from the hedged items is collected or incurred.

The difference between the interest receivable and the interest payable on swaps, caps and floors, and the premiums and net payments associated with these transactions are recorded as an adjustment to the interest expense over the term of the instruments.

Unrealized gains and losses arising from hedges on future purchases of diesel fuel (budgeted) are deferred and recognized in the income statement when the hedged transaction is settled. As in 2013, no transactions were undertaken on the commodities markets in 2014.

1.1.12 TRADE PAYABLES

Prepayments to suppliers are reported under balance sheet assets.

1.2 Income Statement

1.2.1 REVENUE GENERATED BY THE AGREEMENT WITH THE ÎLE-DE-FRANCE TRANSPORT AUTHORITY

Transport revenue is made up of three components:
- direct traffic revenue from transport users;
- Île-de-France transport authority contributions:
  - the "C1" contribution to operations and public service obligations. This contribution comprises three parts: a flat-rate contribution to operating expenses that are not covered by revenue from transport users; a contribution covering the exact amount of business, professional and property-related taxes and duties levied; and a contribution covering the difference between the forecast direct revenue used to calculate the flat-rate contribution and based on the Île-de-France transport authority's pricing decisions;
  - the "C2" contribution to finance investments (amortization and interest);
  - a reward or penalty for quality of service, and potential fines if RATP fails to meet its contractual service coverage requirements;
  - a performance-based bonus scheme with risks and gains shared between RATP and the Île-de-France transport authority based on the actual direct revenue generated compared with contractual revenue targets; and
- a specific "C4" contribution to finance the acquisition of rolling stock for the T3, T5, T6, T7 and T8 tramways (lease fees reimbursed on a euro per euro basis).

Transport revenue is provided for under the terms of the 2012-2015 multi-annual agreement concluded between the Île-de-France Transport Authority and RATP. The "C11" and "C2" contributions are revalued every year by applying an indexing formula based on the indexes, pursuant to the provisions of the Île-de-France Transport Authority agreement.

Public prices are set by the Île-de-France Transport Authority, the organising authority. They constitute a public service obligation with which the RATP must comply.

These items are all included in RATP's revenue.

Taxation of Île-de-France transport authority flat-rate contributions
RATP contacted the French tax authorities (Direction de la législation fiscale [DLF]) on May 19, 2009 requesting an analysis of the regime governing VAT on contributions paid by the Île-de-France Transport Authority. No response has been received on the matter to date.
Since 2010, RATP has invoiced the Île-de-France transport authority without VAT in accordance with the analysis presented to the French tax authorities.
Considering the contractual framework with the Île-de-France transport authority, whatever the final outcome, RATP assumes that the impact on VAT and payroll tax will not affect net income.

1.2.2 INCOME USED TO OFFSET DEPRECIATION EXPENSES

This item reflects income from investment grants and special revaluation provisions.

1.2.3 PAYROLL COSTS

Since 1999, RATP has accounted separately for its transport business and its social security obligations.

This dual accounting system entails:
- for RATP's social security service obligations, income statements for each type of risk covered (health, industrial accidents, unemployment and family allowances);
- employer social security contributions comparable in level and function with those required in the social security system.

The system as a whole is called the Social Security Accounting System.

Presentation of payroll costs in RATP's parent company financial statements

In order to facilitate the understanding and comparison of RATP's income statement with income statements prepared by other transport companies, the payroll costs related to the transport business have been presented in the same way as they are for common law companies, with two separate lines: one reflecting "Wages and salaries" and the other "Payroll-related costs". RATP's social security service obligations are reported under a single line item "RATP employee benefit plan cost, net".

Further details on RATP's social security service obligations are provided in the table in Note 4.11. The social security services are presented in the same way as for other social security entities and show:
- the origin and amount of resources, especially employer contributions;

- the amount of benefits paid to plan members;
- compensation with other social security funds and entities; and
- management costs.

Retirement benefit obligations have not been managed as part of RATP's social security services since the pension fund was created in 2006.

Main characteristics of the Social Security accounts

Employer contributions
The social security accounts are mainly funded by the employer contributions recorded as "Payroll-related costs" in RATP's income statement. In terms of health insurance, as employee contributions have been replaced by the CSG tax paid to URSSAF, RATP receives a contribution to its health insurance fund from the CSG tax collected. The amount received is set by a government order published in the French Official Gazette.

Benefits
Benefits provided by RATP include:
- benefits in kind, such as the reimbursement of medical and hospital costs, medical tests and pharmaceuticals, and the services rendered by RATP's healthcare centres (Espace Santé), etc.;
- financial benefits, such as wages and salaries paid to employees on sick leave (daily indemnities), lump sums paid upon death, work-related accident and disability pensions, family allowances, etc.

Health insurance and family allowances under the State social security system
RATP has provided health insurance and family allowances since 1972 under the terms of the State social security system. As part of its agreement with the State (known as the "bilateral compensation" agreement), RATP pays contributions to the State health insurance funds (CNAM and CNAF) and the insurance funds reimburse RATP for benefits provided (for healthcare, benefits in kind only). The arrangements and amounts paid by RATP are set forth by decree, and the transfers to RATP are governed by the terms and conditions of the Social Security Code.

Demographic compensation
In 1974, as part of its Social Policy, the State set up a compensation system to offset the differences in supply and demand between the various social security systems in France, which arise due to demographic differences. The compensation system provides coverage for RATP's health insurance services.

1.2.4 EXTRAORDINARY INCOME

RATP recognizes items that are material, non-recurring and not part of its normal operations in extraordinary income and expense.

The breakdown of extraordinary income and expense is provided in Note 4.12.

2 • OTHER INFORMATION

2.1 Maturities of receivables and payables (see Note 4.13)

2.2 Receivables and payables (see Note 4.14)

2.3 Related parties (see Note 4.15)

2.4 Trade receivables and trade payables (see Note 4.15)

2.5 Number of employees (see Note 4.16)

2.6 Compensation of ten highest-paid executives (see Note 4.17)

2.7 Subsidiaries and investments

Note 4.18 provides financial information on the companies in which RATP holds more than 20% interest or investments of more than €1.5 million.

2.8 Consolidation

RATP parent company's financial statements are included in the consolidated financial statements of the RATP group.

2.9 Economic interest groups (see Note 4.19)

2.10 Off-balance sheet commitments (see Note 4.20)

2.11 Asbestos

The plan to eliminate friable asbestos required by the decree No. 96-97 of February 7, 1996, has almost been completed. In financial terms, only minor operations remain outstanding.

All non-friable asbestos (covered asbestos or material containing asbestos) is gradually being removed as maintenance work is carried out on plant and equipment. As precise information on the plant and equipment containing asbestos is not available, it is not yet possible to determine the asbestos elimination schedule beyond a six-month time frame. In 2014, asbestos removal expenses amounted to €14.2 million.

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

Due to the late publication of the decision taken by France's accounting standards authority (Autorité des Normes Comptables [ANC]) on November 26, 2014 concerning updating the collection of French accounting standards on comments related to article 212-4 of ANC Rule No. 2014-03 and the questions that its implementation raise did not allow RATP to reflect all the consequences on its financial statements for 2014. Consequently, RATP did not modify the accounting treatment of asbestos removal expenditures on the infrastructures, which, irrespective of their nature, are expensed. RATP is studying the conditions of applying this decision in its financial statements for FY 2015.

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

2.12 Leases and lease-purchase contracts

Details of the impact of lease transactions on the financial statements are shown in Note 4.21a.

Leaseholds

RATP carries out "leasehold" transactions that consist of financial engineering operations whereby RATP grants the rights to use its assets through arrangements that enable foreign investors, particularly in the United States, to assume the economic ownership of the assets and thus amortize the assets and benefit from significant tax breaks.

A leasehold transaction is composed of the main lease granted by RATP and a sub-lease enabling RATP to retain the right of use of the asset. RATP also has an early buyout option (EBO), enabling it to unwind the arrangement before the term of the principal lease.

Under French generally accepted accounting principles, a lease arrangement is not recognized as a sale during the term of the EBO.

The financial gain obtained by the foreign investors is shared with RATP. The overall profit generated on each transaction is included in the down payment received when the contracts are signed. It is immediately used to reduce RATP's liabilities, and is accounted for on a straight-line basis over the term of the lease as extraordinary income.

All associated costs, sub-leases payments, interest and principal are recorded in a single entry under extraordinary income and expense, in accordance with accounting principles on defeasance transactions.

The various contracts that make up each leasehold arrangement constitute separate transactions and are accounted for as such. As the assets and liabilities related to these contracts generate cash flows that are fully offset in the balance sheet and income statement, the overall profit generated by each transaction is reported in a single line as the net present value (NPV). The overall profit is recorded as deferred income when the contracts are signed and then is recognized as financial income on a straight-line basis over the duration of the contract.

At December 31, 2014, there were five lease transactions outstanding (10 contracts with two investors - the Bank of America and State Street).

The risks assumed by RATP are limited to equipment ownership risk, risks relating to French legislation and counterparty risk on the deposits. Counterparty risk is managed:
- by defeasance agreements, which enable deposits to be offset against the associated liabilities. The corresponding deposits totalled €249.4 million at December 31, 2014;
- by collateral agreements, which require the deposits to be replaced by American treasury bonds if the credit rating of the deposits falls below a certain threshold. The net amount of the corresponding deposits totalled €37.2 million at December 31, 2014;
- by American treasury bonds. In July 2013, RATP replaced the remaining non-collateralized deposits and their associated letters of credit with American treasury bonds. The deposits totalled €152.1 million at December 31, 2014.

Swedish lease

The Swedish lease agreement is effective in the period prior to equipment delivery.

The investor pays the supplier the total value of the equipment. At the inception of the contract RATP sets up deposits to cover the lease payments and the equipment buyback option. The difference between the deposits and the value of the material represents the profit made by RATP.

The lease payments are recognized as operating expenses and the interest and deposits in financial income. Only the Net Present Value is recorded as extraordinary income. Net income is impacted by the deferred profit relating to the Net Present Value and the theoretical depreciation of assets, if they are maintained on RATP's balance sheet.

Finance leases in connection with tramway developments

The Île-de-France transport authority and RATP have set up a finance lease arrangement for rolling stock for the T3E, T5, T6, T7 and T8 tramway lines. In this arrangement RATP contracts a bank loan as lessee and the Île-de-France transport authority reimburses the corresponding lease payments. During the construction period, RATP pays the supplier. Once the tramways have been delivered, RATP transfers them to the bank. The finance lease is then set up. The Île-de-France transport authority will take over the finance lease in 2029.

2.13 Long-term employee benefits

RATP recognizes provisions for long-term employee obligations including those relating to:
- work-related accidents and illnesses. RATP insures its current employees for work-related illnesses and accidents. The benefits paid compensate employees for the permanent physical or psychological damage incurred due to an accident or illness and any other negative effects on the employee's career. Only the benefits paid to current employees are classified as long-term benefits: €22.6 million;
- seniority benefits (long-service rewards): €23.5 million;
- phased retirement: €2.2 million;
- unemployment benefits: €7.4 million;
- long-term sick leave: €5.6 million.

Employee benefits are measured using actuarial calculations based on assumptions regarding demographic variables (mortality, employee turnover, etc.) and economic variables (discount rate, salary increase rate, etc.). The discount rate is based on the Bloomberg 15-year rate, which was 1.5% at December 31, 2014 compared to 3.25% at December 31, 2013.

The main actuarial assumptions are as follows:

	12/31/14	12/31/13
Discount rate	1.5%	3.25%
Inflation rate	2%	2%
Salary increase rate including inflation	2.8%	3.6%
Mortality table	TGH05/TGF05	TGH05/TGF05
Turnover rate	0%	0%
Retirement age	See comment below	

Retirement age corresponds to the age at which employees leave the company to retire. Assumptions regarding retirement age are defined on an individual basis. They take into account the age when employees are entitled to retire, the reform of the special pension scheme for RATP employees and the average retirement age per rank, calculated on the basis of retirements recorded over the last 12 months. The individual assumption corresponds to the maximum between the entitlement date and the average retirement age per rank calculated on the basis of retirements.

3 • INFORMATION ON EXPOSURE TO MARKET RISK

3.1 General principles

RATP uses financial instruments to manage its exposure to interest rate risk. All financial instruments are used to back both debt and investments. Consequently and in accordance with accounting best practices, RATP only records accrued interest on derivatives.

3.2 Exposure to interest rate risk

The interest rate risk on borrowings and investments is essentially managed by using swaps and options to modulate the fixed and floating rate portion of the liability, based on changes in interest rates. The modulation is obtained by implementing or cancelling interest rate swaps and options.

Swaps at December 31, 2014:

Derivatives by maturity, in € millions

	12/31/14	12/31/13
Swaps on long-term borrowings (in euros)		
Maturity > 5 years	0	0
Cross currency swaps on long-term borrowings		
Maturity (1-5 years)	848	651
Maturity > 5 years	0	297
Interest rate swaps on the finance leases		
Maturity (1-5 years)	0	1
Maturity > 5 years	20	20
Swaps on short-term borrowings		
Maturity	0	0
Total swaps, in € millions	**868**	**969**

Derivatives by type, in € millions

	12/31/14	12/31/13
A- Swaps on long-term borrowings		
1- Fixed to floating swaps (excluding currency swaps)	0	0
2- Floating to fixed rate swaps (excluding currency swaps)		
Swaps on short-term interest rates	46	81
Swaps on long-term interest rates	0	0
3- Other swaps		
Cross currency swaps	848	947
B- Swaps on short-term borrowings	**0**	**0**
Total swaps	**894**	**1,028**

The tables above do not take into account the notional amount of the asset swaps on the 1999 leasehold transaction for which there is no interest rate risk.

The breakdown of bonds and commercial paper at December 31, 2014 (in € millions), excluding those relating to the corporate savings plan, was as follows:

Excluding derivatives		Including derivatives	
Bonds		Bonds	4,728
Fixed rate		Fixed rate	4,728
Floating rate		Floating rate	0
Commercial paper		Commercial paper	1,323
Fixed rate		Fixed rate	1,323
Floating rate		Floating rate	0

Hedging transactions at the end of December 2014 generated a financial expense of €4.9 million corresponding to €2.7 million for outstanding transactions and €2.2 million for the deferred recognition of net cash payments and premiums.

Sensitivity of the floating rate debt at December 31, 2014:
No short-term sensitivity:
Outstanding commercial paper, excluding the corporate savings plan, amounted to €1,323 million. It is invested in money market funds, marketable debt securities and security deposits.

Valuation of the portfolio of derivative financial instruments:
The fair value of derivative financial instruments corresponds to the amounts that would have to be paid (-) or received (+) to unwind the instruments. The fair values of derivatives have been determined based on prices quoted by banks and financial institutions.

Income	Market value at December 31, 2014 (€ millions)
Swaps (excluding currency swaps)	2
Cross currency swap	274
Total	**276**

NB: The exchange rate part of the cross currency swaps is offset by the exchange rate part of the underlying bonds. RATP is not exposed to the exchange rate risk.

These instruments are not reported on the balance sheet.

3.3 Exposure to exchange rate risk

RATP issues loans in foreign currencies. The resulting exposure to exchange rate risk is systematically hedged using cross currency swaps.

The table below shows the currency derivative instrument positions at December 31, 2014 with regard to the hedged currency debts.

Debt issued		Currency swaps			
		Pay		Receive	
Amount of foreign currency (in thousands)	Foreign currency	Amount of foreign currency (in thousands)	Foreign currency	Amount of foreign currency (in thousands)	Currency
1,345	CHF	1,345	CHF	848	EUR

3.4 Exposure to risk of commodity price increases

RATP hedges increases in commodity prices for diesel fuel and/or the appreciation of the dollar against the euro.

No hedges were set up in 2014.

4 • Notes to the balance sheet and income statement

Note 4.1 - Fixed assets at December 31, 2014

Position and changes	Gross value at the start of the year	Increase	Transfers between line items	Decrease	Gross value at the end of the year
Intangible assets:					
• Research and Development costs	213,729	0	909	0	214,638
• Lease rights	2,626	0	0	0	2,626
• Other					
- Software in use	404,663	0	35,091	(1,968)	437,786
- Software in process	38,501	47,017	(21,598)	0	63,920
TOTAL	**659,518**	**47,017**	**14,403**	**(1,968)**	**718,969**
Property, plant and equipment:					
• Land	571,275	0	1,898	0	573,173
• Buildings	9,630,076	0	344,819	(27,877)	9,947,018
• Buildings on land not owned	95,272	0	0	0	95,272
• Technical plant, equipment and industrial tooling	5,085,349	2,807	262,837	(31,615)	5,319,378
• Transport equipment	6,564,522	21,810	846,126	(421,114)	7,011,344
• Other	203,189	0	17,475	(353)	220,311
• Work in progress	2,600,977	1,533,230	(1,482,468)	0	2,651,739
TOTAL	**24,750,661**	**1,557,847**	**(9,314)**	**(480,959)**	**25,818,235**
Financial assets:					
• Investments	424,255	0	0	0	424,255
• Receivables from investments	0	72,179	0	(40,000)	32,179
• Other investments	1,650	180			1,830
• Loans (*)	71,402	6	2,959	(9,397)	64,970
• Other (deposits and guarantees)(**)	740,302	149,036	0	(113,122)	776,217
TOTAL	**1,237,608**	**221,401**	**2,959**	**(162,519)**	**1,299,449**
TOTAL ASSETS	**26,647,788**	**1,826,265**	**8,048**	**(645,446)**	**27,836,654**

(*) The net change in loans comprises:	(514)	Employee loans (accrued interest €170 thousand)
	(5,918)	Other loans
	(6,432)	

(**) Including €682,272 thousand of deposits for leases unwound or under way (including accrued interest on deposits classified as loans excluding associated currency translation adjustments)
The main operations impacting fixed assets were the acquisition of rolling stock for €661 million and the extension of the 4 and 12 metro lines for €80 million.

Note 4.2 - Depreciation and amortization at December 31, 2014

Position and changes	Amortization accumulated at the start of the year	Increase in provisions of the year	Decrease in amortization of the year	Amortization accumulated at the end of the year
Intangible assets:				
• Research and Development costs	33,934	7,279	0	41,213
• Lease rights	1,374	56	0	1,429
• Other	307,443	33,453	(1,959)	338,937
TOTAL	**342,751**	**40,788**	**(1,959)**	**381,580**
Property, plant and equipment:				
• Land	4,136	3,304	0	7,440
• Buildings(*)	4,041,827	211,539	(21,408)	4,231,958
• Buildings on land not owned	86,090	1,100	0	87,190
• Technical plant, equipment and industrial tooling	3,591,694	217,836	(27,184)	3,782,346
• Transport equipment	3,408,914	283,078	(271,360)	3,420,632
• Other	167,582	12,023	(348)	179,257
TOTAL	**11,300,243**	**728,880**	**(320,300)**	**11,708,823**
• Loan transaction costs	8,190	1,499	(1,480)	8,210
TOTAL	**8,190**	**1,499**	**(1,480)**	**8,210**
Bond redemption premiums	8,879	1,960	(1,870)	8,968
TOTAL ASSETS	**11,660,063**	**773,127**	**(325,609)**	**12,107,581**

(*) Excluding impairment of €1,696 thousand.

Share of assets appropriated to social insurance function	Assets appropriated to insurance
Software (other intangible assets)	1,020
Buildings	5
Buildings on land not owned	0
Equipment and industrial tooling	296
Transport equipment	0
Other	35
	1,355

Note 4.3 - Provisions at December 31, 2014

Position and changes	Provisions as at the start of the year	Other: reclassifications	Increases: in provisions of the year	Decreases: reversals during the year used	Decreases: reversals during the year adjustments	Provisions as at end of the year
Regulated provisions (revaluation reserve)	393,223	0	0	8,558	138	384,527
TOTAL 1	**393,223**	**0**	**0**	**8,558**	**138**	**384,527**
Provisions for contingencies and expenses						
• Provision for contingencies						
- Provisions for litigation (1)	26,872	0	8,280	1,849	5,865	27,438
- Provisions for work-related accidents	53,310	0	19,604	9,105	11,461	52,348
- Provisions for operating or financial liabilities	5,089	0	4,400	767	53	8,669
- Provisions for extraordinary liabilities	1,094	0	1,587	1,962	91	628
	86,365	**0**	**33,871**	**13,684**	**17,469**	**89,084**
• Provisions for expenses						
- Provisions for extraordinary expenses (2)	138,269	2,049	33,127	24,079	199	149,167
	138,269	**2,049**	**33,127**	**24,079**	**199**	**149,167**
TOTAL 2	**224,634**	**2,049**	**66,998**	**37,763**	**17,668**	**238,251**
Provisions for impairment						
• Property, plant and equipment	1,805	0	0	110	0	1,696
• Financial assets	31,654	0	3,346	0	495	34,505
• Inventories	42,733	0	3,652	1,026	0	45,359
• Trade receivables and related accounts	4,308	0	618	171	630	4,125
• Marketable securities	0	0	0	0	0	0
• Other	4,190	0	1,300	0	1,226	4,264
TOTAL 3	**84,689**	**0**	**8,916**	**1,307**	**2,351**	**89,950**
TOTAL ASSETS	**702,547**	**2,049**	**75,914**	**47,627**	**20,157**	**712,728**
Appropriation:						
Op : operating activities	669,799	2,049	67,180	45,665	19,571	673,794
Fin : financial activities	31,654	0	3,346	0	495	34,505
Ex : extraordinary activities	1,094	0	5,387	1,962	91	4,428
	702,547	2,049	75,913	47,627	20,157	712,727

(1) These provisions are for commercial, industrial and social litigation or disputes.
(2) These provisions essentially cover the cost of decommissioning railway rolling stock, and long-term employee benefits (seniority bonuses, work-related accident and disability allowances, phased retirement, etc.).

Note 4.4 - Gross value of inventories at December 31, 2014

	12/31/14	12/31/13
Commodities and supplies	205,419	196,598
Work in progress	5,518	4,546
Impairment	(45,359)	(42,734)
TOTAL	**165,577**	**158,410**

Note 4.5 - Prepaid income and expenses at December 31, 2014

	12/31/14		12/31/13	
	Payables	Receivables	Payables	Receivables
Operating activities	7,998	16,792	8,625	18,873
Financial activities	61,160	38,968	58,241	47,413
Extraordinary activities	1,300	5,983	1,517	6,745
TOTAL	**70,457**	**61,743**	**68,383**	**73,031**

Note 4.6 - Loan transaction costs at December 31, 2014

	Net amount at the beginning of the year	Increase	Decreases (provisions or adjustments)	Net amount at the end of the year
Loan transaction costs	7,265	263	(1,499)	6,029
TOTAL	**7,265**	**263**	**(1,499)**	**6,029**

(1) Loan transaction expenses are amortised over the term of the loans However, if early repayment is decided before the date of the financial statements, the expenses are fully amortized.

Note 4.7 - Changes in equity at December 31, 2014

	12/31/13	Increase	Decrease	12/31/14
Reserve for assets allocated to RATP	250,700			250,700
Revaluation surplus (1)	222,799		2,707	220,093
Capital endowment	433,367			433,367
Statutory reserves	184,519			184,519
Reserves from sale of real property assets before 01/01/2010	52,255			52,255
General reserve	57,926			57,926
Retained earnings	1,987,291	284,256		2,271,547
Net income (2)	284,256	311,100	284,256	311,100
Equity excluding investment grants	**3,473,113**	**595,356**	**286,963**	**3,781,506**
Investment grants	4,286,583	622,677	147,510	4,761,750
Regulated provisions	393,223		8,696	384,527
Equity	**8,152,919**	**1,218,033**	**443,169**	**8,927,784**

(1) Details on the revaluation surplus are provided in Note 4.8 and mainly concern land and revaluation surplus from 1963 (1959 base).
(2) Net income for 2013 was allocated to retained earnings.

Note 4.8 - Revaluation surplus at December 31, 2014

4.8.1 Revaluation in 1976

Position and changes	Surplus at the start of the year: Gross value of assets	Surplus at the start of the year: Amortization or provisions Accumulated	Change in surplus during the year: Retired assets	Change in surplus during the year: Depreciation amortization and provisions	Surplus at the end of the year: Gross value of assets	Surplus at the end of the year: Allowance or provisions Accumulated
Property, plant and equipment:						
• Land	217,616	3,389	0	2,707	217,616	6,095
• Buildings	1,192,240	799,647	(1,924)	6,678	1,190,315	806,325
• Technical plant, equipment and industrial tooling	65,509	65,477	(796)	(801)	64,713	64,676
• Transport equipment	54,274	54,159	(12,062)	(11,963)	42,212	42,196
• Other	506	21	0	0	506	21
	1,530,145	**922,694**	**(14,783)**	**(3,380)**	**1,515,362**	**919,314**
Financial assets:						
• Investments	15	0	0	0	15	0
	15	**0**	**0**	**0**	**15**	**0**
TOTAL	**1,530,160**	**922,694**	**(14,783)**	**(3,380)**	**1,515,378**	**919,314**
					Net exposure:	**596,064**

4.8.2 Revaluation in 1963 (1959 base)

Revaluation surplus	8,557
Total revaluation surplus	**604,621**

Note 4.9 - Breakdown of revenue at December 31, 2014

	12/31/14	12/31/13
Transport revenue (excluding Orlyval)	**2,233,992**	**2,249,930**
Bandwidth (risks shared with Île-de-France transport authority - Stif)	26,109	4,145
RATP direct revenue	**2,260,101**	**2,254,075**
Service quality bonus	10,243	5,639
C11 - contribution to operating expenses	1,002,820	988,387
C12 - contribution to taxes and duties	117,412	110,009
C13 - contribution to difference in R7 index under C11 and pricing decisions	2,880	(18,584)
C2 - contribution to financing investments	925,438	910,655
C4 - specific contribution to financing rolling stock	4,007	2,134
Other transport revenue	43,516	43,702
Penalties (services + validation + incentives)	(9,087)	(8,181)
1- Transport revenue excluding VAT	**4,357,330**	**4,287,836**
2- Transport-related revenue excluding VAT	**110,909**	**104,263**
3- Penalties and fines	**27,152**	**24,351**
4- Other service revenue	**180,029**	**173,480**
Revenue	**4,675,419**	**4,589,930**

Revenue is measured on the basis of the principles set out in paragraph 2.2.1.

Note 4.10 - Revenue from passenger transport services (VAT included) at December 31, 2014

	Revenue in thousands of euros		
	12/31/14	in %	12/31/13
RATP networks: metro, RER and bus	**2,457,392**	**100%**	**2,407,425**
• Monthly, weekly and annual Navigo travel passes	1,448,093	58.93%	1,401,281
• Other subscriptions (police, emerald, amethyst)	105,557	4.30%	109,546
• Tickets	792,642	32.26%	782,628
• Flat-rate travel cards (Mobilis, youth tickets, travel passes for conference-goers)	36,329	1.48%	35,788
• Unsubsidised tickets (Paris-visit, Orlybus, Roissybus)	73,456	2.99%	76,569
• Weekly travel passes, subsidised school passes, fire service passes and night buses	1,315	0.04%	1,613
Special ticket rates (VAT included)	**(13,580)**		**(16,612)**
Transport services and leases (VAT included)	**1,365**		**2,985**
Revenue / long-term subscriptions (VAT included)	**11,266**		**10,149**
Orlyval revenue (VAT included)	**27,899**		**27,502**
Transport service revenue from previous years (VAT included)	**367**		**481**
ALL NETWORKS	**2,484,709**		**2,431,930**

Note 4.11 - RATP Social Security income statement

	2014 surplus (deficit)	2013 surplus (deficit)
Health Insurance Plan		
• Employer contribution	228,563	224,717
• Transfers received from CSG tax collected (ACOSS) and employee contributions	122,592	119,021
• CNSA Contribution (for disabled transport users)	1,444	1,240
• Benefits in kind	(262,918)	(247,792)
• Cash benefits (paid sick leave, death benefits)	(62,299)	(59,588)
• Healthcare services	(11,022)	(10,753)
• Special plan expense (including general compensation)	(1,314)	(1,954)
• Management expense (net)	(17,800)	(18,302)
Bilateral compensation with state health insurance fund (CNAM):		
- Contributions paid to the RATP special scheme	(295,389)	(288,793)
- Allowance for management expenses	12,293	11,696
- Reimbursement of benefits in kind from the national social security scheme	262,055	247,382
Net surplus (Deficit) of health insurance plan	**(23,793)**	**(23,126)**
Work-related Accident Insurance Plan		
• Employer contribution	31,144	29,543
• Special scheme contribution	(387)	191
• Benefits in kind and allowances	(14,959)	(14,726)
• Cash benefits and paid leave	(16,263)	(14,361)
• Management expense (net)	(4,178)	(3,925)
Net surplus (deficit) of the Work-related Accident Insurance Plan	**(4,642)**	**(3,278)**
Employer contribution		
• Employer contribution	6,927	6,782
• Benefits paid	(6,897)	(7,150)
• Management expense (net)	(461)	(364)
Net surplus (deficit) of the Unemployment Allowance Plan	**(431)**	**(732)**
Family Allowance Plan		
• Employer contribution	75,054	74,906
• Flat-rate contribution for interns	0	0
• Statutory benefits	(17,376)	(17,262)
• Other benefits + salary allowance	(137)	(108)
• Management expense (net)	(1,171)	(1,166)
Bilateral compensation with state family fund (CNAF):	**0**	**0**
- Contributions paid to the RATP special scheme	(75,950)	(76,119)
- Allowance for management expenses	2,881	2,815
- Reimbursement of statutory benefits (national social security scheme)	17,376	17,262
Net surplus (deficit) of Family Allowance Plan	**677**	**328**
RATP Social Security, Net surplus (deficit)	**(28,190)**	**(26,808)**

Note 4.12 - Breakdown of extraordinary income and expense at December 31, 2014

EXTRAORDINARY INCOME	5,055
Asbestos removal work	(18,018)
Asbestos-related disease	(1,496)
Loss on disposal and retirement of assets	(6,967)
Proceeds from financial engineering (1)	2,002
Indemnities received from suppliers	25,756
Transfer to income of property grants (1/10th)	2,719
Miscellaneous	1,058

(1) See table 21a.

Note 4.13a - Maturities of receivables at December 31, 2014

Accounts receivable	Gross amount (1)	Asset liquidity degree Maturities	
		Due within 1 year	More than 1 year
Receivables relating to non-current assets:			
- Receivables from equity investments	32,179	179	32,000
- Other long-term investments	1,830	0	1,830
- Loans (2) (3)	64,970	10,165	54,805
- Other (5)	776,217	239,984	536,232
	875,196	**250,329**	**624,867**
Receivables relating to current assets:			
- Trade and related related accounts	94,663	94,663	0
- State and local authority receivables	338,985	338,985	0
- Other	122,572	120,406	2,166
	556,220	**554,054**	**2,166**
Financial assets:			
- Marketable securities (4)	1,357,935	1,357,935	0
- Cash and cash equivalents	312,184	312,184	0
	1,670,119	**1,670,119**	**0**
Prepaid expenses	70,457	16,848	53,609
Currency translation gains	47,463	17,894	29,569
TOTAL	**3,219,455**	**2,509,244**	**710,211**

(1) Gross amount reported on the balance sheet before the deduction of provisions for impairment amounting to €42,542 thousand.

(2) Employee loans granted during the period: €9 thousand.
Employee loans repaid during the period: €393 thousand.

(3) Loans granted by RATP to employees and housing management entities, in connection with the 1% mandatory employer contribution Such loans bear lower interest than the usual market rates for loans of similar maturities.

(4) Including accrued interests: €3,653 thousand.
Including cash collateral of €503,722 thousand set up following the lease terminations in 2009.

(5) Deposits amounting to €682,273 thousand for leases unwound or under way.

Note 4.13b - Maturities of payables at December 31, 2014

Financial liabilities	Gross amount	Maturities		
		Less than 1 year	Between 1 to 5 years	More than 5 years
Financial liabilities				
• Île-de-France loans (1) (4)	267,658	20,942	99,083	147,634
• Bonds (1) (4)				
- Eurozone financial markets	3,550,000	200,000	650,000	2,700,000
- International financial markets	847,443	148,244	500,461	198,738
- "Tick'épargne" loans	328,136	328,136	0	0
• Borrowings from and liabilities to financial institutions				
- Borrowings	46,094	8,056	17,564	20,474
- Short-term bank loans	86,350	86,350	0	0
- Postal cheques	82	82	0	0
• Other loans and borrowings (2) (5)	2,234,718	1,927,985	284,029	22,703
• Accrued interest (3)	138,751	98,655	40,096	0
	7,499,232	**2,818,450**	**1,591,233**	**3,089,549**
Accounts payable				
• Trade payables and related accounts	247,226	247,226	0	0
• Taxes and payroll-related payables	659,359	659,359	0	0
• Payables to suppliers of assets and related accounts	412,130	412,130	0	0
• Other payables	169,023	145,380	23,643	0
	1,487,739	**1,464,096**	**23,643**	**0**
Prepaid income	61,743	21,659	29,619	10,464
Currency translation losses	47,397	17,431	27,547	2,419
TOTAL	**9,096,111**	**4,321,636**	**1,672,042**	**3,102,433**

(1) Loans contracted during period (in thousands of euros):	180,517
Loans repaid during period (in thousands of euros):	482,956
(2) Including:	
• commercial paper (in thousands of euros):	1,323,765
• "Tick'épargne" commercial paper (in thousands of euros):	232,573
(3) Including (in thousands of euros):	
• accrued interest - IDF loans:	276
• accrued interest - Eurozone financial markets:	54,277
• accrued interest - international financial markets:	11,557
• accrued interest - "Tick'épargne" loans:	8,763
• accrued interest on lease deposits:	63,876
• accrued interest on extended guarantees:	1
(4) Including (in thousands of euros):	
• loans at fixed interest rates:	4,397,443
• loans at floating interest rates:	595,794
(5) Including loans for financing lease terminations in 2009.	

Note 4.13c - Net debt at December 31, 2014

	12/31/14	12/31/13
Financial assets (A)	**1,848,128**	**1,352,906**
Loans to subsidiaries (1)	32,000	
Lease deposit receivables (2013)	149,661	150,285
Marketable securities (2) (3)	850,561	566,116
Cash collateral	503,722	463,704
Cash and cash equivalents	312,184	172,801
Loans and borrowings (B)	**6,845,106**	**6,591,657**
Île-de-France loans (3)	267,658	280,698
Borrowings from financial markets (3)	4,397,443	4,677,843
Tick'Epargne loans (3) (4)	560,709	554,493
Borrowings from and liabilities to financial institutions	86,432	90,961
Commercial paper (4)	1,323,765	802,362
Collateral	209,100	185,300
Net debt (B-A)	**4,996,978**	**5,238,751**

(1) Back to back financing with commercial paper.
(2) Excluding financial assets allocated to lease transactions; see details in Note 21a.
(3) Excluding accrued interests.
(4) Commercial paper issued as part of the PEE Tick'Epargne financing were reclassified in 2014 in the line Tick'Epargne borrowings for €232,573 thousand. In 2013, this commercial paper amounted to €217,358 thousand and was presented on the Commercial paper facility.

Note 4.14 - Receivables and payables at December 31, 2014

		12/31/14	12/31/13
Receivables	Financial assets	681	631
	Financial engineering instruments	64,505	54,232
	Trade receivables and related accounts	21,957	26,854
	State and local authority receivables (1)	227,623	203,759
	Other receivables	18,549	14,238
	Marketable securities	3,653	1,821
	Cash and cash equivalents	0	0
	TOTAL	**336,968**	**301,535**
Payables	Île-de-France loans	276	246
	Bonds issued on French financial market	54,277	57,973
	Bonds issued on international financial markets (2)	11,557	11,455
	Private borrowings	8,763	9,219
	Financial engineering instruments	63,876	54,209
	Loans and borrowings from financial institutions	1	28
	Trade payables and related accounts	185,865	145,445
	Tax and payroll-related payables	519,810	491,423
	Payables to suppliers of assets and related accounts	313,478	224,469
	Other payables	26,610	26,378
	TOTAL	**1,184,513**	**1,020,845**

(1) Including investment grants due but not yet received.
(2) In Swiss francs.

Note 4.15 - Other balance sheet line items at December 31, 2014

		Position as at 12/31/14	Position as at 12/31/13
Commercial paper	**Assets:**		
	Trade receivables and related accounts	0	0
	TOTAL	**0**	**0**
	Liabilities:		
	Trade payables and related accounts	0	0
	Payables for assets and related accounts	0	0
	TOTAL	**0**	**0**
Items with related parties (1)	**Assets:**		
	Financial assets	475,754	444,708
	Trade receivables and related accounts	6,949	4,981
	Other receivables	3,354	3,354
	TOTAL	**486,058**	**453,042**
	Liabilities:		
	Loans and borrowings	0	1
	Trade payables and related accounts	9,876	18,396
	Payables for assets and related accounts	0	15,600
	Other payables	1,603	1,803
	TOTAL	**11,479**	**35,800**

(1) Concerns RATP Développement, SQYBUS, Promo Métro, Logis-Transports, SEDP, SADM, Telcité, Ixxi, RATP International, Naxos, Mobicité, STL, Orlyval, FlexCité (77) (91) (93) (94), EM Services, Car Perrier and TP2A.

Note 4.16a - Average number of employees paid by the company during the year

	12/31/14	12/31/13	Changes Number	Changes in %
Average number of employees	**43,187**	**42,869**	**318**	**0.74%**
Breakdown by category:				
• Executives + managers	11,298	11,115	183	1.65%
• Operators	31,889	31,754	135	0.43%
Breakdown by contract:				
• Permanent	41,544	41,414	130	0.31%
• Fixed-term contract	1,643	1,455	188	12.92%

Note 4.16b - Employee training rights

In accordance with the provisions of French act No. 2004-391 of May 4, 2004 on professional training, the company grants employees individual training rights of 20 hours minimum per calendar year, which may be accumulated for up to six years. If the rights have not been used after the six year period, they are capped at 120 hours.
As at December 31, 2014, the number of hours accrued for training amounted to 4,886,073 hours.
The number of unused accrued training hours amounted to 4,866,085 hours.

Note 4.17a - Compensation of directors and executive officers (in thousands of euros) for 2014

	2014	2013
Members of the Board of Directors	12	11
Executive Officers (aggregate amount of the ten highest salaries)	2,422	2,387

Note 4.17b - Statutory audit fees (in thousands of euros)

	PricewaterhouseCoopers	E&Y
Statutory audit	300	281
Work/services directly related	106	
Total	**406**	**281**

Note 4.18 - Subsidiaries and equity investments

Position as at December 31, 2014	Share capital	Additional paid-in capital	% Interest held by RATP	Carrying amount of shares		Loans and advances granted by RATP and not yet repaid (1)	Guarantees given by RATP	Revenue excluding VAT as at December 31, 2014	Provisional net result as at December 31, 2014	Dividends received by RATP in 2014
				Gross	Net					
1- Subsidiaries										
S.E.D.P. 12, avenue du Val de Fontenay - Le Péripôle II 94120 Fontenay-sous-bois (SIREN 380038687)	459	1,821	100.00	457	457	3,354		9,256	245	400
RATP Développement 54, quai de la Rapée 755999 PARIS Cedex 12 (SIREN 389795006)	347,301	13,006	100.00	359,499	359,499	30,176		35,050	10,161	2,000
Logis Transports 158, rue de Bagnolet 75020 PARIS (SIREN 592025811)	40	ND	88.00	33	33	ND		ND	ND	
Promo Métro 35, boulevard Sébastopol 75001 PARIS (SIREN 712029099)	910	2,441	100.00	2,619	2,619	0		4,796	1,258	2,000
RATP International 54, quai de la Rapée 755999 PARIS Cedex 12 (SIREN 419997044)	59,721	37,042	100.00	59,721	59,721	2,003		1,343	(550)	1,411
Telcité 1, avenue Montaigne 93160 Noisy-le-Grand (SIREN 411759962)	1,525	15,949	100.00	1,524	1,524	0		19,386	5,390	3,500
2- Other equity investments										
Other				400	47					35

(1) Including accrued interest.
ND = no data available.

Note 4.19 - Economic interest groups

Position as at December 31, 2014	RATP % contribution to overheads
EURAILTEST 1, boulevard St Martin 75003 PARIS (SIREN 421 526 468)	10%
COMUTITRES 14, rue Auber 75009 PARIS (SIREN 433 136 066)	61%

Note 4.20 - Off-balance sheet commitments at December 31, 2014

Commitments given	12/31/14	12/31/13
1 - Subsidiaries and equity investments:		
• Guarantee for Logis-Transports	975	1,087
• Guarantee backing a security given by RATP Développement	20,000	20,000
2 - Not-for-profit entities:		
• Guarantee for IAPR	140	140
• RATP foundation	550	0
3- Employee benefits		
• Employee loans: guarantee for SBE	2,202	3,188
• Employees: "Low income housing" guarantees	211,245	225,715
• Retirement benefits	258,572	229,437
• Death indemnities for employees in service	15,386	13,437
• Death indemnities for retired employees	44,598	33,358
• Pensions for work-related illnesses and accidents to retired employees and those with vested rights	277,099	183,065
• Guaranteed return on corporate savings plan for retired employees	5,412	14,207
• Early retirement	2,838	3,013
4- Financial transactions		
• Currency swaps on bonds (a)	847,442	947,843
• Currency swap on deposits	151,764	151,764
• Lease transactions: sub-leases of rolling stock	255,316	271,487
TOTAL	**2,093,539**	**2,097,741**
Commitments received		
• Currency swaps on bonds (a)	847,450	947,843
• Currency swap on deposits	151,764	151,764
• Bank guarantees	278,707	214,146
TOTAL	**1,277,921**	**1,313,753**

(a) RATP has opted to account for swaps in the same way as traditional loans and borrowings.

Additional information on employee benefits:
The discount rate used to calculate post-employment benefits was 1.5% as at December 31, 2014. The rate used as of 31 December 2013 was 3.25%.

Note 4.21a - Train lease transactions and sub-leases (leaseholds)

I - American lease transactions (in thousands of euros)

Effect on cash position on lease signature date (< 2002)

LEASES	
Main lease payment income	2,994,004
Sub-lease expenses	2,818,747
RATP net gain	**175,257**

As the leases are effective over variable periods, the profit generated is recorded as extraordinary income over the term of the leases.

Effect on balance sheet as at December 31, 2014

	12/31/13	12/31/14
Lease receivables	886,095	799,418
Lease payables	896,516	807,881
Outstanding NPV	**10,421**	**8,463**
Change in NPV = effect on 2014 net income		**1,958**

Effect on net income for 2014 (in thousands of euros)

Leases generated income of €1,897 thousand as at December 31, 2014:

	Lease signature date						TOTAL	2013 information
	1997	1998	1999	2000	2001	2002		
Income from main lease (1)	3,039	17,498		2,518		15,790	38,845	49,840
Interest paid on sub-leases (2)	2,578	7,750		1,655		9,408	21,391	28,842
Provision reversal (3)	104,910	0		4,628		2,423	111,961	106,521
Prepaid interest	2,022	1,222				974	4,218	5,357
Sub-lease expenses (4)	3,433	8,404		5,671		11,136	28,644	22,840
Other lease Income	18	9		80		245	352	1,260
Other lease expense							0	77,364
Early Buyout Option	43,196						43,196	0
Expenses	58	23	5	3		170	259	529
Excess lease payments	62,670						62,670	0
Provision for termination costs (3)	3,163	17,497		2,693		16,605	39,958	88,826
Currency translation adjustments							0	0
Interest on loans				143			143	138
Other								292
NET INCOME (LOSS)	**47**	**555**	**(5)**	**371**	**0**	**929**	**1,897**	**2,415**

(1) The main lease payments are received in full upon signature of the lease The annual instalment is recorded in the income statement as an off setting entry against prepaid income.
(2) Interest received or to be received on sub-lease payments to financial institutions (deposits).
(3) Income from the termination indemnity and excess lease payments is spread on a straight-line basis over the term of the leases.
(4) Sub-leases paid or payable by financial institutions.

All sub-lease expenses, income from the main lease and interest are recorded under extraordinary income and expense.
The provision for the final termination cost is recorded under extraordinary expense.

II - Swedish lease

Effect on cash position on lease signature date (< 2004) (in thousands of euros)

Leases	
Swedish lease tranche 1 completed in 2002	620
Swedish lease tranche 1 completed in 2004	118
Swedish lease tranche 2 completed in 2004	1,444
RATP net gain	**2,182**

Effect on 2014 net income

	déc 14
Deferred amortization of NPV	125
Expenses	19

Note 4.21b - Lease purchase commitments at December 31, 2014

RATP has two real estate lease-purchase contracts with floating rate payments. They are covered by fixed-rate hedging instruments. The figures presented below include the hedges.

(In thousands of euros)

Lease	Aggregate value	Term	Residual value
Voltaire land	5,034	12	0
Cours de Vincennes	5,336	15	0
Philidor Maraichers	25,308	25	2,373
Voltaire building	8,566	12	0

Leased assets

Balance sheet item	Initial cost	Depreciation allowance		Net value
		for year (1)	accumulated (1)	
Land	5,034			5,034
Buildings	39,210	1,365	19,494	19,716
Plant, property and equipment				
Other property, plant and equipment	141	33	50	91
Fixed assets in progress				
TOTAL	**44,385**	**1,398**	**19,544**	**24,841**

(1) Depreciation for the period and the accumulated depreciation that would have been recorded had RATP owned these assets.

Lease commitments

Balance sheet item	Lease payments		Outstanding lease payments			Residual price
	of the year	cumulative	up to 1 year	+ 1 to 5 years	+ 5 years	
Land	515	3,103	514	2,049	510	0
Buildings	3,370	34,556	3,379	12,077	18,100	2,373
Plant, property and equipment						
Other property, plant and equipment	33	50	37	53	1	1
Fixed assets in progress						
TOTAL	**3,918**	**37,708**	**3,931**	**14,179**	**18,611**	**2,374**

5 • separate financial statements for transport operations and infrastructure management

Pursuant to the French law of June 3, 2010 on Greater Paris Transport integrated by ministerial order into the French Transport Code of October 28, 2010, RATP has held separate accounting records for metro and RER infrastructure management activities and public passenger transport operations since January 1, 2012. A balance sheet and income statement are prepared for each activity in the notes to the parent company financial statements. The scope of each activity, the allocation principles for asset and liability items and income and expense items, and the key principles governing financial relations between the activities are specified below.

5.1 Scope

5.1.1 METRO AND RER INFRASTRUCTURE MANAGEMENT

The French ORTF law of December 8, 2009 on public passenger transport services by rail entrusted RATP with the role of managing the railway network infrastructure used for urban public transport in the Île-de-France region, within the limits of the responsibilities of Réseau Ferré de France.

RATP's main responsibilities are as follows:
- develop, maintain and renovate the metro and RER infrastructure and guarantee the safety, interoperability and continuity of public transport services at all times;
- manage the control, regulation and security systems of railway lines and networks in the Île-de-France region;
- adapt the lines, infrastructure and facilities it manages technically, to meet the needs of users through enhanced interoperability.

To segregate the activity, RATP created a separate department within the company: Infrastructure management. This department employed 1,868 people at January 1, 2012. It reports directly to the Chief Executive Officer.

The support functions used by this activity are not included in its scope.

5.1.2 PUBLIC PASSENGER TRANSPORT OPERATIONS

Public passenger transport operations comprise the activities that are not related to infrastructure management, as defined by law.

The activity is operated by 18 departments, each of which reports to the Directors of the Executive Committee, each of which is responsible for one of the following divisions:
- transport operations and maintenance;
- services, customer relations, passenger areas;
- projects, engineering and investments;
- economic and financial performance;
- strategy and coordination;
- communication and brand;
- payroll management and innovation.

The support functions are included in the scope of this activity, including those provided to the infrastructure management activity, which are subject to internal transfer agreements.

Investments in subsidiaries are also part of this activity.

5.2 Allocation principles

The key principle for preparing the balance sheet and income statements is to directly allocate the various line items or cash flows. When this is not possible, for instance if the line items or cash flows are managed by one activity and have initially been recognized as such, internal transfers between the two activities have been arranged to bill the activities appropriately, in accordance with general practice. Such agreements govern the scope of the transfers, the valuation principles and the invoicing methods.

5.2.1 BALANCE SHEETS

5.2.1.1 Assets, investment grants and the 1976 legal revaluation

Property, plant and equipment and intangible assets are allocated directly in accordance with the scopes defined for each activity.

Schedule of allocation of main assets:

Assets	TO	IM
Tramway lines, maintenance workshops, rectifier stations	X	
Metro lines, maintenance workshops, rectifier stations		X
RER lines, maintenance workshops, rectifier stations		X
Centralized control rooms		X
Bus stations	X	
Bus routes with dedicated lanes	X	
Bus stations	X	
Administrative buildings	X	
Personnel buildings	X	
Logistic platforms	X	
Maintenance workshops for railway infrastructure and related technical work		X
Passenger rolling stock	X	
Passenger rolling stock maintenance equipment	X	
Metro and RER maintenance vehicles		X
Tramway maintenance vehicles	X	

Investment grants, revaluation surplus and revaluation provisions are allocated to the associated assets.

RATP is in charge of projects underway on transport network extensions due to its responsibility for public passenger transport operations, as legal and regulatory provisions have not given the infrastructure management activity the responsibility for building new networks. Once the metro and RER network extensions are built and formally accepted, the associated assets and liabilities are transferred to infrastructure management. At year-end, these projects amounted to €14.7 million net of investment grants.

5.2.1.2 Provisions for contingencies and expenses

Provisions for contingencies and expenses are allocated on a project by project basis, to the activity concerned by the contingency. When a project implies a risk common to both activities, an allocation key is determined.

5.2.1.3 Current assets and liabilities (or working capital)

The direct allocation principle also applies to current assets and liabilities such as inventories, trade receivables, trade payables, VAT line items, payroll payables, accrued expenses, etc.

5.2.1.4 Equity and net debt

Net debt and equity were allocated at January 1, 2012 according to the separate "net debt/equity" gearing ratios determined for the infrastructure management and transport operations activities. The levels were determined in line with target long-term gearing ratios and observed market data for each activity.

		TO	IM	Epic
Net assets allocated	A	3.835	3.941	7.776
As a %		49%	51%	100%
Net debt	B	(2.272)	(2.815)	(5.087)
As a %		45%	55%	100%
Equity (1)	C	(1.563)	(1.126)	(2.689)
As a %		58%	42%	100%
Balance sheet equilibrium	A+B+C	0	0	0
Net debt/equity	B/C	1.5	2.5	1.9

(1) Equity net of investment grants and the 1976 legal revaluations already allocated to assets.

5.2.2 INCOME STATEMENTS

At January 1, 2012 each activity recognized income and expense items in the separate accounting systems set up by Epic-RATP for the purpose.

The principles applied are the following:
- direct allocation of income and expenses when possible;
- when an expense or income item concerns both activities, it is allocated to the main activity concerned, then an internal transfer is set up under an agreement;
- passenger revenue is fully allocated to the transport operations activity;
- the Île-de-France transport authority's contributions are fully invoiced to the Île-de-France transport authority by the transport operations activity, pursuant to the service agreement setting out the financial arrangements with the Île-de-France transport authority. An internal transfer is made for the share attributable to the infrastructure management activity, the amount of which is defined in the Île-de-France transport authority agreement (infrastructure management is necessary for transport operations, to meet objectives and to fulfil public service obligations);
- financial expenses are fully recognized in the transport operation activity's financial statements when incurred, then an internal transfer is set up for the share attributable to the infrastructure management activity. The amount re-invoiced corresponds to the cost of net debt of the infrastructure management activity, assuming that it is proportionately identical to that of the transport operations activity.

5.3 Internal transfer agreements

The French law of June 3, 2010 states that "all direct or indirect cross-subsidies between activities are prohibited". In order to guarantee this segregation principle, since 2012 approximately sixty agreements have been entered into governing the financial relations and tracking all flows between the separate activities.

At December 31, 2013, infrastructure management had received additional compensation for the following three reasons:

1- Since transport operation activities were transferred to infrastructure management in 2013, infrastructure management accounts have been directly expensed. €0.75 million in compensation for these activities has therefore been transferred from transport operations to infrastructure management. These transfers are marginal;

2- €5.5 million to correct faulty estimates when initial compensation was assigned to either department (e.g. taxes, employee profit-sharing, central services);

3- When the accounting systems were separated, the transport operator temporarily kept tracking the operations of projects on-going at January 1, 2012, relating to transport network extension (see 5.2.1.1). Operating expenses for these operations were kept in the transport operations income statement, which therefore featured the remuneration of the Île-de-France transport authority at its initial 2012 amount throughout the duration of the Stif-RATP agreement 2012-2015.
These expenses in the transport operation accounts are coming to an end (end of projects), and at the same time, expenses relating to operations started on or after January 1, 2012 are incurred by the infrastructure management department. No compensation is planned for these expenses. They will change in accordance with the model contract with the Île-de-France transport authority, which provided for relatively stable annual capital expenditure within infrastructure management. Starting in 2013, the initial compensation has been allocated to infrastructure management to cover operating expenses relating to transport network extension transactions.
To accomplish this, it was decided to transfer to infrastructure management €19 million of the initial compensation for all these transactions, and to charge back operating expenses relating to capital expenditures incurred by transport operations.
These methods were maintained in 2014.

Since January 1, 2014, the Transport Operations' Engineering Department charges back its services to its internal customers (TO department and IM department) at full cost.
At December 31, 2014, €10 million of additional compensation was allocated to Infrastructure Management to honour this additional cost.

5.3.1 AGREEMENT STRUCTURES

The agreements comprise:
- an activity section: description of the services or duties entrusted to the activity, along with technical targets and related operating performance indicators;
- economic conditions: agreement valuation, invoicing arrangements and potential agreement review principle;
- agreement management arrangements: reporting, agreement revision and disputes.

The agreements are entered into for a period of five years but are reviewed at the end of each year, to update obligations for the following year.

5.3.2 AGREEMENT TYPES

There are three types of agreements:

1- Services corresponding to the Infrastructure Manager's provision of the metro and RER equipment and facilities it manages (and which are recorded in its assets) to Transport Operations.

2- Services required for the specific purposes of each activity, which are not carried out within the activity (such as maintenance and operation of the trains used for maintenance work by the transport operations activity for the infrastructure management activity, maintenance of tramway equipment owned by the transport operations activity and carried out by the infrastructure management activity).

3- Head office services including re-invoicing to the infrastructure management activity the costs relating to offices owned by the transport operations activity and the support functions included within the scope of the transport operations activity (management and financial control, human resources, legal services, etc.).

5.3.3 VALUATION OF AGREEMENTS

Given that the internal transfers occur within the same legal entity, value-added tax is excluded.

5.3.3.1 Type 1 agreements

The valuation principles regarding type 1 agreements are set out in the Île-de-France transport authority agreement. The transport operations activity is obliged to contract with the infrastructure management activity to use metro and RER equipment and facilities. The value of the services was determined based on the financial targets set in the infrastructure management activity's financial model.

5.3.3.2 Type 2 agreements

For type 2 agreements, given that cross subsidies are prohibited, the value of services provided under the agreement is measured at full actual cost price excluding margin.

During the year, internal transfers are made on a monthly basis according to amounts budgeted; in the event of a significant difference between budgeted/actual amounts due, the annual and half-year financial statements are adjusted.

The valuation method is defined by RATP's Management and Financial Control department, and is used as appropriate by each company department entering into agreements as a supplier. The agreement is signed by both parties (the relevant department of the transport operations activity and the infrastructure management activity) once the services and price determination procedures have been agreed.

The cost comprises:
- direct service costs;
- indirect costs of the local unit and department providing the service, expressed as a rate. The rate and basis to which it applies are validated every year by the Management and Financial Control department;
- structural costs of the company (invoiced through "type 3" agreements).

5.3.3.3 Type 3 agreements

Office costs comprise:
- rent (for offices rented from third parties) or depreciation (for offices owned);
- property-related expenses.

The cost is allocated to each activity in proportion to the area used. Depending on the support service provided by the local departments and units, the cost of support functions is allocated directly when the cost is indisputably attributable to a certain activity, or divided between the two activities using an allocation key validated by the Management and Financial Control department. The allocation basis is the total department expenses net of income, including office costs and those provided under type 2 agreements.

5.4 Financial statements for transport operations and infrastructure management activities

5.4.1 FINANCIAL STATEMENTS: BALANCE SHEET ASSETS

(in thousands of euros)	Transport operations		Infrastructure management		Epic	
Assets	12/31/14	12/31/13	12/31/14	12/31/13	12/31/14	12/31/13
Intangible assets	**330,873**	**310,163**	**6,517**	**6,605**	**337,389**	**316,767**
• Research and development costs	173,424	179,795	0	0	173,424	179,795
• Lease rights	1,197	1,252	0	0	1,197	1,252
• Other	95,106	93,352	3,743	3,867	98,849	97,220
• Work in process	61,146	35,764	2,774	2,737	63,920	38,501
Property, plant and equipment	**7,098,444**	**6,606,622**	**7,009,273**	**6,841,991**	**14,107,717**	**13,448,613**
• Land	319,725	323,662	246,008	243,476	565,733	567,139
• Buildings	1,048,767	952,416	4,672,681	4,643,211	5,721,448	5,595,628
• Technical plant, equipment and industrial tooling	283,014	262,632	1,254,018	1,231,023	1,537,032	1,493,655
• Transport equipment	3,552,425	3,114,695	38,286	40,913	3,590,711	3,155,608
• Other	35,631	30,329	5,423	5,277	41,054	35,607
• WIP, advances and deposits	1,858,881	1,922,887	792,857	678,090	2,651,739	2,600,977
Financial assets	**1,264,860**	**1,205,827**	**85**	**128**	**1,264,945**	**1,205,955**
• Investments and affiliates	423,902	423,902	0	0	423,902	423,902
• Advances to subsidiaries and affiliates	32,179	0	0	0	32,179	0
• Other long-term investments	1,388	1,159	0	0	1,388	1,159
• Loans	64,798	71,216	85	128	64,883	71,344
• Other	742,593	709,550	0	0	742,593	709,550
Non-current assets (I)	**8,694,177**	**8,122,612**	**7,015,875**	**6,848,723**	**15,710,052**	**14,971,335**
Inventory and work-in-process	139,727	133,633	25,850	24,777	165,577	158,410
Advances and prepayments to suppliers	42,389	38,558	0	0	42,389	38,558
Accounts receivable	**1,289,137**	**1,394,349**	**66,368**	**53,063**	**1,347,248**	**1,447,277**
• Trade receivables and related accounts	88,191	110,667	2,347	3,162	90,538	113,830
• State and local authority receivables	283,415	292,538	63,674	48,730	338,985	341,268
• Other	118,114	105,049	347	1,170	118,308	106,085
• Lease debts	799,418	886,095			799,418	886,095
Financial assets	**1,685,432**	**1,223,069**	**742**	**84**	**1,670,119**	**1,204,442**
Marketable securities	1,357,935	1,031,641	0	0	1,357,935	1,031,641
Cash and cash equivalents (1)	327,497	191,428	742	84	312,184	172,801
Prepaid expenses	70,454	68,383	3	0	70,457	68,383
Current assets (III)	**3,227,140**	**2,857,991**	**92,963**	**77,924**	**3,295,791**	**3,293,132**
Loan issue premiums (III)	6,029	7,265	0	0	6,029	7,265
Bond redemption premiums (IV)	12,573	14,533	0	0	12,573	14,533
Unrealised foreign exchange losses (V)	47,463	19,783	0	0	47,463	19,783
Total assets (I + II + III + IV + V)	**11,987,382**	**11,022,185**	**7,108,838**	**6,926,647**	**19,071,908**	**17,929,987**

(1) Depending on the level of analysis (by establishment or at the level of Epic), a banking entity can be classified for accounting purposes as an asset or liability.

5.4.2 FINANCIAL STATEMENTS: BALANCE SHEET LIABILITIES

(in thousands of euros) **Liabilities**	Transport operations 12/31/14	Transport operations 12/31/13	Infrastructure management 12/31/14	Infrastructure management 12/31/13	Epic 12/31/14	Epic 12/31/13
Reserve for assets allocated to	250,700	250,700			250,700	250,700
Revaluation variances	69,670	72,377	150,422	150,422	220,093	222,799
Capital endowment	433,367	433,367	0	0	433,367	433,367
Reserves	**294,699**	**294,699**	**0**	**0**	**294,699**	**294,699**
• Reserve from the disposal of assets allocated by Île-de-France transport authority (Stif) and no longer used (redeployed)	184,519	184,519			184,519	184,519
• Reserve from the disposal of assets allocated by the State and no longer used	136	136			136	136
• Reserve from the disposal of assets allocated by the RATP and no longer used (reinvestment)	52,119	52,119			52,119	52,119
• General reserve	57,926	57,926			57,926	57,926
IM-TO Shareholders' equity transferred at 01/01/2012	(1,125,661)	(1,125,661)	1,125,661	1,125,661	0	0
Retained earnings	2,121,717	1,904,024	149,829	83,267	2,271,547	1,987,291
Net income for the year (profit or loss))	231,612	217,693	79,488	66,563	311,100	284,256
Tax driven provisions	3,561	3,831	380,967	389,392	384,527	393,223
Shareholders'equity excluding capital grants	**2,279,666**	**2,051,031**	**1,886,367**	**1,815,305**	**4,166,033**	**3,866,336**
Capital grants	2,466,855	2,041,823	2,294,895	2,244,759	4,761,750	4,286,583
Shareholdes' Equity (I)	**4,746,522**	**4,092,855**	**4,181,262**	**4,060,064**	**8,927,784**	**8,152,919**
Contingency provisions	87,251	84,127	1,833	2,238	89,084	86,366
Provisions for losses and expenses	142,820	134,606	6,348	3,662	149,167	138,268
CONTINGENCY AND LOSS PROVISIONS (II)	**230,070**	**218,734**	**8,181**	**5,900**	**238,251**	**224,634**
LOANS AND BORROWINGS	**4,748,688**	**4,514,602**	**2,766,600**	**2,724,952**	**7,499,232**	**7,220,843**
• Loans from the Île-de-France region	267,658	280,698	0	0	267,658	280,698
• Bonds	4,725,579	5,014,978	0	0	4,725,579	5,014,978
• IM-TO Debt transferred at 01/01/2012	(2,815,000)	(2,815,000)	2,815,000	2,815,000	0	0
• Borrowings from and loans to lending institutions (bank account credit balances) (1)	100,410	128,837	48,172	35,375	132,527	145,501
• IM-TO Debt burden, internal transfers	96,572	125,423	(96,572)	(125,423)	0	0
• Other loans and borrowings	2,234,718	1,646,537	0	0	2,234,718	1,646,537
• Accrued interest not yet due	138,751	133,129	0	0	138,751	133,129
Advances and deposits received on orders in process	1,631	1,345	250	0	1,881	1,345
Trade payables and related accounts	228,028	212,338	19,199	18,019	247,226	230,357
Payroll taxes and employer contributions	637,295	548,422	30,321	29,475	659,359	577,763
Payables to suppliers of assets and related accounts	309,356	292,932	102,775	87,904	412,130	380,837
Other liabilities	168,772	151,679	251	333	169,023	152,012
Lease payables	807,881	896,516	0	0	807,881	896,516
Prepaid income	61,743	73,031	0	0	61,743	73,031
Liabilities (III)	**6,963,392**	**6,690,865**	**2,919,145**	**2,860,683**	**9,858,476**	**9,532,703**
Unrealised foreign exchange gains (IV)	47,397	19,731	0	0	47,397	19,731
Total liabilities (I + II + III + IV)	**11,987,382**	**11,022,185**	**7,108,838**	**6,926,647**	**19,071,908**	**17,929,987**

(1) Depending on the level of analysis (by establishment or at the level of Epic), a banking entity can be classified for accounting purposes as an asset or liability.

5.4.3 FINANCIAL STATEMENTS: INCOME STATEMENT

Income statement	Transport operations	Infrastructure management	Elimination of intercompany transactions	Epic
OPERATING INCOME	**5,183,767**	**959,581**	**(973,228)**	**5,170,120**
Revenue	**4,875,263**	**773,384**	**(973,228)**	**4,675,419**
• Revenue from transport services	4,357,330	0		4,357,330
	203,646	769,582	(973,228)	
• Other operating income	138,060	0		138,060
• Non-transport revenue	170,181	3,802		173,983
• Sales of residual products	6,046	0		6,046
Other income	**230,894**	**113,728**		**344,623**
• Change in inventoried production	824	148		972
• Self-constructed assets	88,941	107,887		196,828
• Provision write-backs and expense transfers	90,732	3,800		94,531
• Operating subsidies	900	0		900
• Other	49,498	1,894		51,392
Income used to offset depreciation expenses	**77,610**	**72,469**		**150,079**
• Write-backs of special revaluation provisions	2,976	8,288		11,264
• Portion of investment grants transferred to the income statement	74,634	64,181		138,814
OPERATING EXPENSES	**4,832,868**	**756,960**	**(973,228)**	**4,616,601**
Cost of purchased goods and services	**1,670,046**	**273,493**	**(973,228)**	**970,311**
• Energy	**200,320**	**1,120**		**201,440**
• Electricity	94,355	591		94,946
• Fuel	94,079	60		94,139
• Heating	11,886	469		12,355
• Cost of leased tracks	**28,952**			**28,952**
• User rights payable to SNCF	**20,253**			**20,253**
• Equipment, supplies and other external services	**1,420,521**	**272,373**	**(973,228)**	**719,666**
• Miscellaneous equipment and supplies	164,170	24,060		188,230
• Other external services	1,256,351	248,313	(973,228)	531,436
Taxes other than income taxes	**173,867**	**51,862**		**225,729**
Payroll costs	**2,433,071**	**121,200**		**2,554,271**
• Wages and salaries	1,694,469	85,678		1,780,147
• Payroll taxes	710,413	35,522		745,935
• RATP employee benefit plan cost, net	28,190			28,190
Depreciation, amortisation and provisions	**527,148**	**309,854**		**837,002**
• Asset depreciation and amortisation	461,470	308,351		769,821
• Asset provisions	0	0		0
• Current assets - provisions	5,532	38		5,570
• Provisions for contingent liabilities	60,145	1,465		61,611
Other expenses	**28,737**	**552**		**29,288**

Income statement	Transport operations	Infrastructure management	Elimination of intercompany transactions	Epic
OPERATING INCOME (I)	**350,899**	**202,621**		**553,520**
Financial income	**230,228**	**0**	**(108,520)**	**121,706**
• From investments in subsidiaries and affiliated companies	9,346	0		9,346
• Other long-term investments and asset receivables	262	0		260
• Other interest and related income	101,698	0		101,698
	108,520	0	(108,520)	
• Provision write-backs and expense transfers	495	0		495
• Foreign exchange gains	8,608	0		8,608
• Proceeds from disposal of marketable securities	1,298	0		1,298
Financial expenses	**320,759**	**108,522**	**(108,520)**	**320,759**
• Interest and related expenses	307,302	2		307,302
		108,520	(108,520)	
• Amortisation and provisions	5,306	0		5,306
• Foreign exchange losses	8,151	0		8,151
• Losses on disposal of marketable securities	0	0		0
Net financial income (II)	**(90,531)**	**(108,522)**		**(199,053)**
Income before tax and non-recurring items (I + II)	**260,368**	**94,099**		**354,467**
Non-recurring income	**222,663**	**8,082**	**(5,803)**	**224,943**
• From operating transactions	26,863	75		26,938
• From capital transactions	181,552	2,121		183,673
• From leases	1,897			1,897
• Other	6,251	5,748	(5,803)	6,197
• Provision write-backs and expense transfers	6,100	137		6,238
Non-recurring expenses	**205,122**	**20,569**	**(5,803)**	**219,888**
• From operating transactions	2,063	23		2,086
• Other	201,473	16,746	(5,803)	212,416
• Amortisation and provisions	1,587	3,800		5,387
Net non-recurring income	**17,541**	**(12,487)**		**5,054**
Employee profit sharing	46,297	2,125		48,421
Income tax	0	0		0
Total income	**5,636,658**	**967,663**	**(1,087,551)**	**5,516,769**
Total expenses	**5,405,046**	**888,175**	**(1,087,551)**	**5,205,669**
Net income	**231,612**	**79,488**		**311,100**

6 • post-balance sheet events

None.

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