

2015

FINANCIAL
AND CSR
REPORT



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 here to presents a true and fair picture of the financial position of the Company and of all consolidated companies as well as a description of the main risks and contingencies facing them.

Chairwoman and Chief Executive Officer
Élisabeth Borne

A handwritten signature in black ink, consisting of a large, sweeping initial 'E' followed by a horizontal line and a small flourish.

Chief Financial Officer
Alain Le Duc

A handwritten signature in black ink, featuring a large, stylized initial 'A' followed by a horizontal line and a small flourish.

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FINANCIAL STATEMENTS



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MANAGEMENT REPORT



Financial results 4

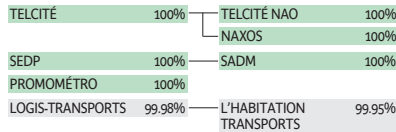
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ORGANIZATIONAL CHART OF THE RATP GROUP – DECEMBER 31, 2015

REAL PROPERTY
MARKETING
AND TELECOMS



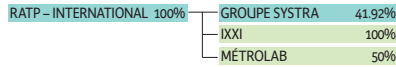
REAL PROPERTY, MARKETING AND TELECOM DIVISION

ENGINEERING DIVISION

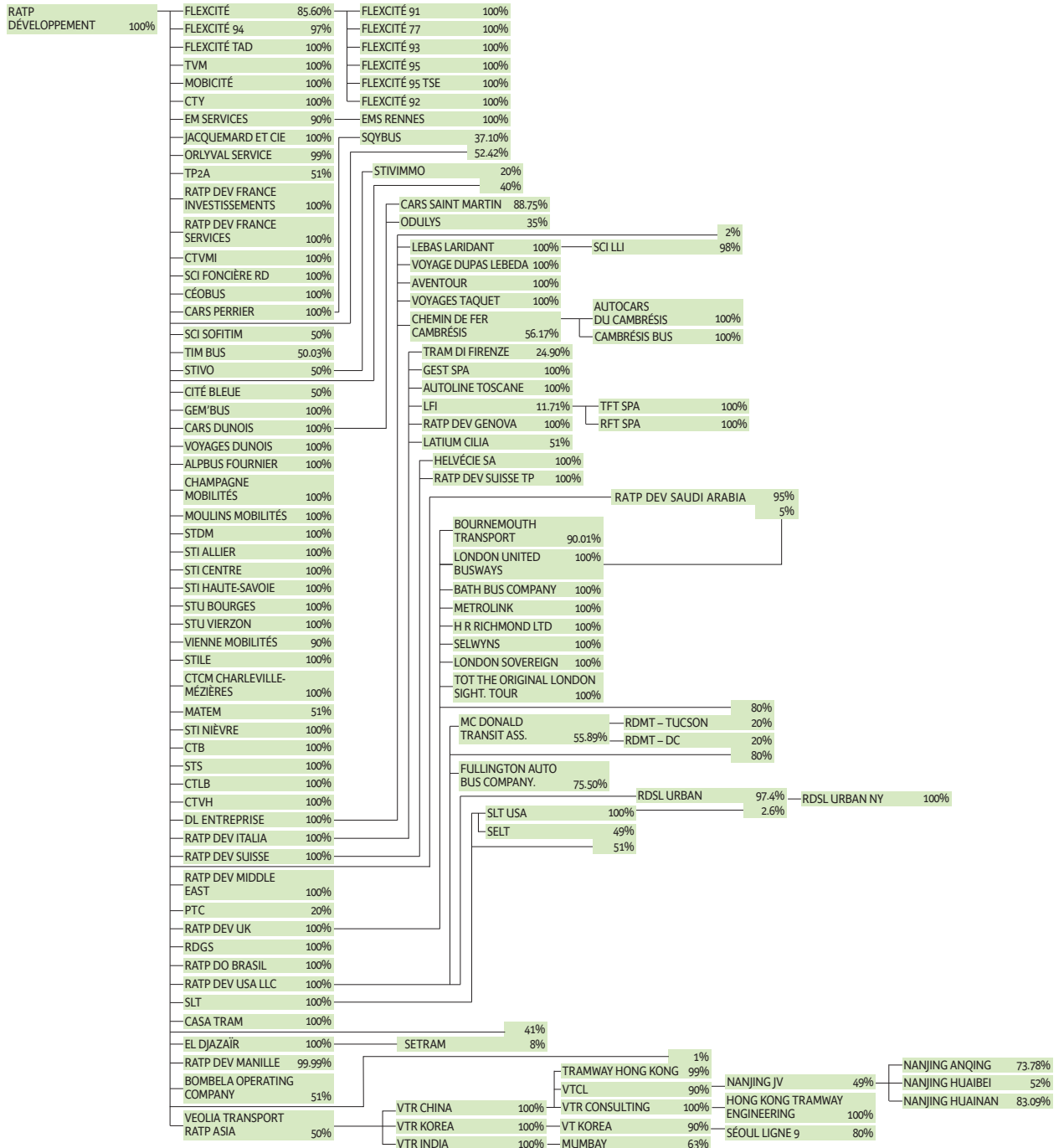
TRANSPORT DIVISION

UNCONSOLIDATED SUBSIDIARIES

ENGINEERING



TRANSPORT



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 State-owned Industrial and Commercial Public Utility (Epic) incorporated pursuant to the French law dated March 21, 1948. It is a legal entity under public law registered with the Paris Trade and Companies Register (RCS). Its head office is located at 54, quai de la Rapée, 75012 Paris. The aim of RATP is primarily to run a 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 2015

1.1 TRANSPORT

RATP (breakdown of RATP’s separate financial statements)

RATP’s revenue was up 1.4% from 2014. The increase in the service offer represents €32 million, or +0.7%. The index used to revise the RATP remuneration (Île-de-France transport authority index) was very low at +0.12% (up €4 million).

EBITDA was nearly stable compared to 2014 (up €2 million). Despite a difficult economic environment, operating income was preserved.

Recurring net income was €347 million in 2015, compared with €285 million in 2014, or an increase of €62 million. It benefited from a significant drop in financial expenses (€31 million), due to lower long-term rates and average outstanding net debt, as well as a favourable change in net provisions (€25 million). Given the impact of non-recurring items in 2015 (Logis-Transports partial asset contribution of €31 million, Voltaire disposal for €9 million, Nogent disposal for €12 million, extraordinary payment to the Île-de-France transport authority to close the 2012-2015 agreement (–€40 million), additional profit sharing payments for 2015 (–€10 million including social contribution) and indemnity payments from suppliers for €6 million) and in 2014 (supplier indemnities of €26 million), net income for 2015 was €355 million, up €44 million.

Recurring cash flow was €968 million in 2015, compared to €930 million in 2014, or an increase of €38 million. Given the impact of non-recurring items (supplier indemnities, payments to the Île-de-France transport authority, additional profit sharing payments), it amounted to €924 million compared to €956 million in 2014, down €32 million.

OTHER DEVELOPMENTS IN FRANCE

Business activity was buoyant compared to December 31, 2014:

- Previously operating under a temporary agreement since January 1, 2015, the Group now operates the Transvilles de Valenciennes network under a definitive agreement (seven-year agreement, 2016-2022).

- The operation, since January 1, 2015, of the Ondéa bus network of the Lac du Bourget municipality in Aix-les-Bains.
- The takeover of Open Tour Paris, in June, to reinforce the positions acquired or developed in 2014 in the “Sightseeing” segment.
- The acquisition of the Dupas Lebeda group, in August, which brought in €33 million in revenue in Nord-Pas-de-Calais, Somme and Aisne.
- New agreements:
 - The Pays de Laon township committee, the organizing authority for the Laon transport network (Nord-Pas-de-Calais-Picardie), awarded RATP Dev the market for the operation of the TUL network (seven-year agreement starting on January 1, 2016).
 - The Épernay community of municipalities (Pays de Champagne) awarded RATP Dev the market for the operation of its Mouvéo network for an eight-year period.
 - The STDM subsidiary won the market to operate the express bus line between Paris and Châlons-Vatry, the largest airport in the Champagne-Ardennes region, to ensure the transportation of passengers of low-cost airlines.
- Renewed agreements:
 - The operation and maintenance of the Vierzon network was renewed for an eight-year period.
 - The public service delegation agreement for public transportation in the Annemasse region was renewed for a six-year period starting from January 1, 2016.
- In a tight budget environment for local authorities, which could translate into reduced service offers, and increasing competition, particularly on school routes.

OTHER DEVELOPMENTS OUTSIDE FRANCE

Sharp increase in activity compared with December 31, 2014, reinforced by foreign currency trends:

- The impact in 2015 of the 2014 acquisitions of London Sovereign and The Original Tour contributed to the new growth in England. London operations benefited from an improved service offer, but suffered from two days of strikes at the start of the year; Metrolink benefited from the full-year operation of the extension of the tramway network.
- In Asia, the Group recorded in 2015 the effect of the takeover of the Hong Kong tramway in 2014.

- In the Middle East, RATP Dev, together with its local partner SAPTCO, started the Riyadh contract in Saudi Arabia for the creation, operation and maintenance of the bus service for 10 years.
- In the Philippines, RATP Dev started a technical support agreement in Manila to support the operation and maintenance of line 1 of the Philippine metro for a period of 20 years.
- In Africa (Morocco, South Africa), litigation proceedings and ongoing discussions with partners finished positively at the end of the year. The Group now controls 100% of the operating subsidiary of the Casablanca tramway (Casa Tram).
- The Group was awarded the operation of the Tuscany urban and intercity transport network for a period of 11 years. The transport network will comprise nearly 3,000 buses, and 100 million kilometers travelled per year. This major agreement therefore had no impact on the 2015 accounts.
- Based on the services it operates in three of the largest tourist cities in the world, RATP Dev launched Extrapolitan, an international alliance in the growing sector of tourist bus service.
- The Group continued its development with ongoing actions in all areas, in the Middle East (Saudi Arabia, Qatar) and in Asia (Philippines) for future metro operations, but also in preparation for the renewal of the Metrolink agreement in Manchester.

1.2 ENGINEERING

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

In 2015, the order book grew by more than €600 million in new orders. The following new agreements were significant in 2015: an agreement for the design and supervision of the construction of three tunnels under the Suez Canal, an additional agreement on line 3 in Cairo and the project supervision of infrastructure work on line 14 in the north of Greater Paris.

Overall, the engineering business saw a sharp uptrend and performed well, generating a slight increase in consolidated net income (of the Systra range).

Systra was particularly affected by the accident in Eckwersheim on November 14, 2015, which occurred at the end of the test campaign of the second section of the high speed line from Paris to Strasbourg, in which 11 people lost their lives and 42 others were injured. Systra is part of the team working with SNCF in charge of carrying out these tests. Two investigations are underway to determine the cause of the accident and identify the persons responsible.

1.3 REAL PROPERTY, MARKETING AND TELECOMS

Business remained relatively stable during the financial year for this division. The unfavourable economic environment and development work on the network nevertheless weighed down on revenue.

2 • Consolidated results as at December 31, 2015

The consolidated results are reflected in the following financial indicators:

- revenue, up 5.7% compared to December 31, 2014. The increase is 25.1% for the subsidiaries;
- operating income of €629 million represents a significant increase over 2014. However, 2015 was impacted by temporary factors (impact of changes in the discount rate on provisions in IFRS) and more peripherally by non-recurring items (revaluation of assets, real estate capital gains, extraordinary payment to the Île-de-France transport authority to close the agreement for 2012-2015 and the employee incentive supplement). The result is that apart from these items, operating profit was broadly stable for RATP and growing for the subsidiaries;
- net income attributable to owners of the Company was heavily impacted by the factors mentioned above. Apart from these factors, net income attributable to owners of the Company increased to €354.9 million, up from €295.2 million in 2014. It was up €38.6 million due to non-recurring items and €43.8 million, due to changes in IFRS provisions related to interest rates; it thus amounted to €437.3 million (€298.2 million in 2014);
- equity, up more than €537.3 million compared with year-end 2014;
- and net debt, which increased by €258.3 million from year-end 2014. It must be remembered that the positive working capital requirements at year-end 2014 had reduced net debt.

Group capital expenditure (before grants) amounted to €1,900 million and remained at a high level. Nearly 73% of the budget was devoted to the network and rolling stock maintenance and modernization programme. The rest of the budget was used to increase transport capacity.

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

2.1 CONSOLIDATED REVENUE

In millions of euros	12/31/2014	12/31/2015	Change	In %
TRANSPORT	5,209.1	5,508.4	299.3	5.7
RATP (a)	4,321.5	4,392.0	70.5	1.6
RATP Développement, RATPI and Ixxi	887.6	1,116.4	228.8	25.8
VALUATION OF REAL PROPERTY, MARKETING & TELECOMS	47.5	47.9	0.4	0.9
RATP (a): management mandate Promo	21.0	21.4	0.4	1.7
Promométre	0.2	0.1	0.0	(23.5)
Telecommunications	25.5	25.0	(0.5)	(1.9)
Real property	0.8	1.4	0.6	70.0
RATP group (b)	5,256.6	5,556.4	299.8	5.7
Contribution of subsidiaries (b-a)	914.1	1,142.9	229.2	25.1
Contribution of subsidiaries in %	17.4%	20.6%		

Group revenue increased €299.8 million (5.7%), of which €70.5 million for RATP and €229.2 million for the subsidiaries. The improvement in RATP's business was driven above all by the increase in the service offer controlled by the Île-de-France transport authority in a very low inflation environment, which led to a very low increase in remuneration.

76.4% of the Group's growth comes from the subsidiaries' contribution (€229.2 million). Their relative share of revenue was up from 17.4% at year-end 2014 to 20.6% at year-end 2015.

The overall depreciation of the euro had a positive currency translation effect of €65 million. As a result, the growth of subsidiaries excluding currency translation adjustments was €164.2 million.

The strong performance was rooted mainly in the full-year effect of activities acquired and set up in 2014. Among the most significant were, in the United Kingdom, the acquisition of London Sovereign and The Original Tour.

Growth in transport subsidiaries' revenue also arose from expansion in business with: the operation, since January 1, 2015, of the Valenciennes and Aix-les-Bains networks, the acquisition of 100% of the shares of the tourism activity of Open Tour Paris, the start of agreements in the Middle East and in Manila and the acquisition of the Dupas Lebeda group in northern France.

Real property, marketing and telecom companies, and in particular Telcité, manage to maintain their sales levels mainly through new agreements, which offset the effect of the difficult economic climate on prices.

2.2 OPERATING INCOME (EBIT)

In millions of euros	12/31/2014	12/31/2015	Change
TRANSPORT	500.6	613.6	113.0
RATP (a)	478.4	549.7	71.3
RATP Développement, RATPI and Ixxi	22.3	63.9	41.7
ENGINEERING (Systra group)	5.5	6.0	0.5
VALUATION OF REAL PROPERTY, MARKETING & TELECOMS	10.1	9.4	(0.7)
Promométre	1.7	1.2	(0.5)
Telecommunications	8.1	7.8	(0.3)
Real property	0.4	0.4	0.1
RATP group (b)	516.2	629.0	112.8
Contribution of subsidiaries (b-a)	37.9	79.3	41.4

Including net income from equity-accounted companies.

Operating income increased by €112.8 million, comprised of €71.3 million from RATP and €41.4 million from the subsidiaries. For RATP, the increase is due to IFRS adjustments applied to employee benefits and the decrease in provisions (€25 million). Apart from these items, Epic's operating profitability remained stable.

For the transport subsidiaries, the improvement in operating profitability does not include the net technical gain recorded with the takeover of Open Tour Paris, or €39.4 million. This is a clear improvement compared to 2014 with contrasting positions depending on the geographical area.

This is an indication of the solid performance of French business activities and the positive effects of the reorganization plans started in 2014, despite intensifying competition in the Centre region.

In the United Kingdom, the profitability of the operating units is impacted by the effects of strikes and increased operation and maintenance costs.

In Africa, the Group reestablished strong contractual relationships with its partners and/or customers, thereby recovering profitability in the area.

In Asia, profitability declined mainly due to the development operations conducted there and to the resizing of the teams now based in Hong Kong.

The contribution of Systra continued to increase.

The current economic context and work periods disrupted the marketing activity and the delay in the roll-out of 3G/4G had an impact on the telecommunications industry.

2.3 CONSOLIDATED NET INCOME

In millions of euros	12/31/2014	12/31/2015	Change
TRANSPORT	285.6	424.7	139.1
RATP (a)	276.4	378.8	102.4
RATP Développement, RATPI and Ixxi	9.2	45.9	36.7
ENGINEERING (Systra group)	5.5	6.0	0.5
VALUATION OF REAL PROPERTY, MARKETING & TELECOMS	7.1	6.6	(0.5)
Promométre	1.2	0.8	(0.4)
Telecommunications	5.6	5.4	(0.2)
Real property	0.2	0.3	0.0
RATP group (b)	298.2	437.3	139.1
Contribution of subsidiaries (b-a)	21.8	58.5	36.7

Net income attributable to the Group amounted to €437.3 million at year-end 2015, compared to €298.2 million at year-end 2014, up €139.1 million. Non-recurring and cyclical items strongly influenced net income, as follows:

	2014	2015
TOTAL NET INCOME ATTRIBUTABLE TO OWNERS OF THE COMPANY	€298.2 million	€437.3 million
Of which non-recurring items	+29.3	+38.6
Of which changes in IFRS provisions	(26.3)	+43.8
Net income attributable to owners of the Company, excluding recurring IFRS	€295.2 million	€354.9 million

RATP's contribution increased relating to the items mentioned above on operating profitability. The decrease in financial expenses also served to strengthen the development of Ebit.

The subsidiaries' contribution stood at €58.5 million at the end of 2015, up €36.7 million. Excluding non-recurring effects including the Open Tour, the subsidiaries' contribution increased in late 2015 to €5 million. The transport division was mainly responsible for this change.

2.4 CONSOLIDATED EQUITY

Changes in consolidated equity between December 31, 2014 and December 31, 2015 were as follows:

In millions of euros	12/31/2014	12/31/2015	Change
TRANSPORT	3,064.2	3,601.2	537.0
RATP (a)	3,041.9	3,534.7	492.8
RATP Développement, RATPI and Ixxi	22.3	66.5	44.2
ENGINEERING (Systra group)	45.2	45.7	0.5
VALUATION OF REAL PROPERTY, MARKETING & TELECOMS	28.1	27.9	(0.3)
Promométre	1.2	0.8	(0.4)
Telecommunications	24.6	24.7	0.1
Real property	2.3	2.3	0.0
RATP group (b)	3,137.5	3,674.7	537.3
Contribution of subsidiaries (b-a)	95.6	140.1	44.5

Consolidated equity increased €537.3 million from €3,137.5 million to €3,674.7 million. RATP accounted for €492.8 million of the increase and the subsidiaries accounted for €44.5 million.

RATP's equity was mainly affected by:

- net income for the period;
- the increase of the discount rate on employee benefits.

For the subsidiaries, significant items included:

- €44.2 million increase for the transport division, relating to the change in net income less the dividends paid to RATP, which benefited from the effects of the Open Tour operation;
- stability for the real property, marketing and telecoms subsidiaries, considering the dividends;
- stability for Systra due in particular to the opening of capital to employees through the repurchasing of shares held by some financial institutions and non-controlling shareholders.

2.5 CONSOLIDATED NET DEBT

Changes in consolidated net debt between December 31, 2014 and December 31, 2015 were as follows:

In millions of euros	12/31/2014	06/30/15	12/31/2015	Change	
				12/2015 - 12/2014	12/2015 - 06/2015
Net corporate debt	4,997.0	5,154.5	5,181.9	185.0	27.4
RATP leases and miscellaneous	2.1	(4.6)	0.5	(1.6)	5.1
Effect of IAS 39	(46.4)	(73.1)	(59.1)	(12.7)	14.0
Net debt Epic RATP (incl. lease)	4,952.6	5,076.8	5,123.4	170.7	46.6
Net debt of transportation subsidiaries	95.2	183.2	185.3	90.1	2.1
<i>Net debt – Transportation</i>	<i>5,047.8</i>	<i>5,260.0</i>	<i>5,307.0</i>	<i>259.2</i>	<i>47.0</i>
<i>Net debt – Engineering</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
<i>Net debt – Valuation of real property, marketing & telecoms</i>	<i>(27.9)</i>	<i>(19.5)</i>	<i>(28.8)</i>	<i>(0.9)</i>	<i>(9.3)</i>
CONSOLIDATED NET DEBT RATP GROUP	5,019.9	5,240.5	5,278.2	258.3	37.7
Net debt of subsidiaries	67.3	163.7	154.8	87.5	(8.9)

Consolidated net debt increased €258.3 million between December 31, 2014 and December 31, 2015. Subsidiaries accounted for €87.5 million of this increase, and RATP for €170.7 million. RATP had benefited from the positive effects of working capital at the end of 2014 of €123 million.

Subsidiaries' net debt increased in line with the development strategy implemented on the transport division and more specifically at RATP Dev.

2.6 CAPITAL EXPENDITURE

RATP group's capital expenditure amounted to €1,899 million (excluding acquisitions).

RATP's contribution amounted to €1,846 million, of which:

- €494 million to increase transport capacity (compared with €470 million in 2014);
- €1,337 million for modernization and maintenance (compared with €1,110 million in 2014).

To increase transport capacity, the Group invested €494 million. We highlight the following:

- €358 million for infrastructure relating to the State and regional contractual plan and projects. In financial year 2015, completion of extension work to metro lines 4, 11 and 12, a sharp increase in the extension work load of line 14 up to the Saint-Ouen town hall, including upgrades to the existing stations, as well as the finalization of the T6 and T8 lines, which are already in service;
- €136 million in capital expenditure for rolling stock to increase transport capacity, articulated buses, tramway rolling stock, MP05 and MP14 trains for line 14.

Capital expenditure to modernize and maintain infrastructure and rolling stock (excluding rolling stock for operations to extend network services) amounted to €1,377 million, comprising:

- €743 million for modernization and maintenance;
- €594 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). 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.

2016 will be marked by the impact of the renegotiation of the parent company's agreement with the Île-de-France transport authority; overall, a decrease in net income is expected of about €130 to €140 million. Nevertheless, during the period 2016-2020, RATP will be able to finance an ambitious investment plan without resorting to debt.

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 microhedging 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 THE INTERNAL CONTROL SYSTEM

The President's report on the preparation and organization of the work of the Board of Directors and on the internal control procedures reports, in section I, on the governance principles in place at RATP. The risk management and internal control systems are presented in section II of the report.

5 • Other information

5.1 CONSOLIDATED NET INCOME SINCE 2011

Year In millions of euros	Net income attributable to owners of the Company
2011	337.3
2012	284.8
2013	292.8
2014	298.2
2015	437.3

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 thousands of euros	2015	2014
Invoices due	16,734	10,789
<30 days	9,429	4,604
31 to 60 days	1,695	1,393
> 60 days	5,610	4,792
Invoices not yet due	222,781	147,127
<30 days	147,620	128,669
31 to 60 days	63,083	11,631
> 60 days	12,078	6,827

WORKFORCE, ENVIRONMENTAL AND SOCIAL INFORMATION

Foreword

In its third reporting year, RATP group has adjusted its CSR reporting scope. It has chosen to include the parent company and 24 RATP Dev subsidiaries operating in France, Europe or elsewhere in the world that are representative of the Group's core business, *versus* 16 in 2014. The changes in indicators compared with previous years mainly relate to the integration of eight new subsidiaries: four in France (CTVH, in charge of the network in Valenciennes, CTB, which operates the network in the Boulogne-sur-Mer region, Cars Perrier, and TVM in the Yvelines region) and four in the United Kingdom (London Sovereign, HR Richmond Ltd, which operate in London and the Epsom area, Selwyns Travel in Manchester and The Original London Sightseeing Tour [TOT]). Including these new subsidiaries means that the scope now covers entities representing 94.93% of consolidated revenue at December 31, 2015.

As regards qualitative information, the Group decided to include all of its first-tier subsidiaries (Telcité/Naxos, Ixxi, Promométro, SEDP and Logis-Transports) in addition to RATP Dev.

WORKFORCE INFORMATION

When presenting her strategic direction, the Group's Chairwoman and CEO reiterated that "making employee relations a major driver of wealth creation" remains a key objective for the Company. Accordingly, the effort to find a balance between economic performance and workforce-related performance is a driver of the Group's development.

In 2015, for the fifth straight year, the parent company obtained Top Employers Institute certification, which recognizes French companies for excellence in human resources policies and practices.

Breakdown by gender and geographical area

	Men			Women		
	12/31/2015	12/31/2014	12/31/2013	12/31/2015	12/31/2014	12/31/2014
France	37,640	36,404	36,314	9,533	9,284	9,176
Europe excluding France	4,657	3,427	2,930	551	411	309
Rest of world	4,610	4,506	977	809	758	301

1 • Employment

1.1 TOTAL HEADCOUNT AND BREAKDOWN BY GENDER, AGE AND GEOGRAPHICAL AREA

Total Group headcount

Parent + relevant subsidiaries	12/31/2015	12/31/2014	12/31/2013
Full time equivalents (FTE)	56,728	54,014	49,463
Physical headcount	57,801	54,790	50,007

The reporting system covers 24 subsidiaries compared with 16 the previous year, i.e. 94.93% of the Group in terms of revenue.

In 2015, the parent company hired 2,900 new employees, including 700 on government-subsidised youth employment plans.

Breakdown by age

% of physical headcount	12/31/2015	12/31/2014	12/31/2013
Under 26	4.18	4.41	7.73
26-35	27.23	27.85	27.41
36-45	32.45	32.54	33.74
46-55	28.80	28.98	29.20
56+	7.34	6.21	4.92

Breakdown by geographical area

% of physical headcount	12/31/2015	12/31/2014	12/31/2013
France	81.61	83.39	90.97
Europe excluding France	9.01	7.00	6.48
Rest of world	9.38	9.61	2.56

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 eight more international subsidiaries to the reporting scope.

Breakdown by gender

% of physical headcount	12/31/2015	12/31/2014	12/31/2013
Women	18.85	19.08	19.57
Men	81.15	80.92	80.43

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

1.2 COMPENSATION AND TRENDS

Compensation

	12/31/2015	12/31/2014	12/31/2013
Group's total gross payroll (in thousands of euros)	2,173,158	2,057,067	1,978,059
Parent company's average net monthly compensation per employee	2.20%	2.8%	2.8%

Average net monthly compensation is used to measure the average increase in salary arising from general, individual and category pay measures 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 2.2% for the parent company in 2015.

Given that the inflation rate was close to zero, that increase increased employees' real incomes by over 2% in the vast majority of cases.

There is an agreement providing for a real-income preservation allowance at the parent company to cater for situations where the salaries of some employees have not risen as fast as inflation over a four-year reference period. In 2015, 344 people received that allowance, down from 570 in 2014.

The management of the RATP parent company and representative union organizations changed employee savings arrangements in 2015: an amendment to the employee savings plan signed in November expands the range of investment funds and maintains the employer contribution in place at the end of the previous agreement. The principle of setting up a collective retirement savings plan (Perco) was approved, and a plan – also featuring an employer contribution – will be offered to employees in autumn 2016.

1.3 JOINERS AND LEAVERS

In whole numbers = absolute value	12/31/2015	12/31/2014	12/31/2013
Joiners	5,465	4,005	3,394
Leavers:	4,387	3,312	2,741
– Retirement	1,255	1,040	1,051
– Resignation	1,258	892	543
– Dismissal	958	802	611
Other ^(*)	916	578	536

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

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 four years, more than 13% 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 therefore a major characteristic of our employment policy. In 2015, over 700 people without employment or qualifications benefited from this policy through various government-subsidised employment support plans and vocational training contracts. The parent company met its pledge to provide 400 jobs under the French government's "emploi d'avenir" employment support plan, half in 2013 and half in 2014 in the Île-de-France region. The first young people qualifying under the plan were hired in 2015. More than 700 young people aged under 26 were also hired directly on open-ended contracts.

In 2015, RATP carried out its first assessment of undertakings made in the "contrat de génération" cross-generation agreement signed in 2013. Commitments in favour of jobs and keeping older adults in work were met. The system for welcoming and integrating new employees was strengthened. Finally, studies looking at the way in which working conditions are taken into account for employees nearing the end of their career were presented to unions.

This workforce policy, based on inclusion, access to jobs and keeping all people in work regardless of their age or qualification level, in accordance with the Company's tradition and values, has been integrated into the new contract signed with Stif, which provides in particular for an annual presentation to the transport authority's democratization committee.

2 • Organization of working time

2.1 ORGANIZATION OF WORKING TIME

Part-time employees

Physical headcount	12/31/2015	12/31/2014	12/31/2013
Proportion in the Group	4.17%	3.45%	3.30%

More than 96% of Group employees work full time. The parent company offers part-time working opportunities for employees seeking a better work-life balance.

Due to the specific working practices and organization of certain RATP Dev subsidiaries, some employees are contractually employed on a part-time basis, for example in order to take into account fluctuations in intercity transport.

2.2 ABSENTEEISM

Number of days absence per employee	12/31/2015	12/31/2014	12/31/2013
All reasons combined(*)	13.36	12.59	12.57

(*) 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

Management-employee dialogue is an important part of the Group's identity. In the parent company, it is based on an agreement on trade union rights and the quality of management-employee dialogue, signed in 2011 by all representative union organizations. The agreement is intended to foster constructive management-employee dialogue with the emphasis on collective negotiation. Each year, employer and employee representatives express their views about workforce relations through the report of the management-employee dialogue committee. At the Group level, an RATP France Group Committee has been in place since 2012, covering around 60 subsidiaries.

In 2015, new terms of office began at the parent company, following the election of staff representatives and works council members in November 2014.

The industrial conflict rate rose slightly at the parent company in 2015 after falling steadily for several years. However, it remains in line with the sector average, public and private sector combined. The industrial conflict rate was 0.51 day of strike action per RATP employee at the parent company *versus* 0.42 day in 2014.

The "social alarm" system plays an active role in preventing conflict with employees, as just 5% of alarms were followed by strike notifications in 2015, an improvement on the 6% recorded in 2014. French subsidiaries also use the system.

United Kingdom subsidiaries have a highly structured management-employee dialogue system and conflict prevention is a central part of it. It involves discussions with sector unions and other staff representation arrangements. For example, employees of HR Richmond in London have set up an elected committee of employee representatives rather than using a trade union. In France, Logis-Transports has formed several collective agreements through employee referendums, which have been validated by the industry joint committee.

3.2 COLLECTIVE AGREEMENTS

	2015	2014	2013
Number of agreements signed during the year	49	79	59

For the parent company, new transversal agreements have replaced previous agreements. They relate to the number and breakdown of seats on works councils, equality between men and women, employment of disabled people, the employee savings plan, the time savings account, and the policy in favour of housing and loans.

Agreements and amendments relating to the careers of operators and drivers have been signed with departments.

The Group's governance method is based on decentralized management-employee dialogue in which French subsidiaries have their own dialogue cycles for issues that fall within the framework of compulsory annual negotiations and on more specific matters (profit-sharing, cross-generation agreement, etc.). Accordingly, agreements have been signed, particularly regarding equality between men and women (Compagnie des Transports du Boulonnais – CTB, FlexCité 77, FlexCité 94, Timbus), the employment of older adults and disabled people (Compagnie des Transports du Valenciennois et du Hainaut – CTVH, FlexCité 94) and safety (TP2A).

Outside France, a collective agreement has been signed at RATP El Djazaïr (Algeria) and talks are underway on this matter within Setram, with a view to signing an agreement in 2016.

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.

As part of the new contract signed with Stif, the parent company has undertaken to carry out work to reduce employees' exposure to diesel emissions and fine particles in underground spaces. Undertakings regarding passengers are dealt with in the social section (section 2.1 "Measures to prevent, mitigate or remedy environmentally harmful air, water and ground emissions").

In terms of prevention, the parent company is supported by an independent occupational health department employing 33 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 Group entities, and prevention representatives are now in place in certain subsidiaries (FlexCité 93, STI Nièvre, Cars Dunois). In addition to these internal arrangements, doctors, occupational psychologists, ergonomists and osteopaths are used in certain cases (e.g. at TP2A).

Prevention also involves efforts to raise staff awareness about healthy lifestyles (TP2A, Timbus, Céobus, Hong Kong Tramways). At the parent company, around 20 occupational doctors and around 30 nurses have visited employees working at night to raise their awareness of the importance of healthy lifestyles, given their unusual daily routines.

In addition, the Group is taking practical measures to improve working conditions: buying more comfortable vehicles, automating certain arduous or dangerous tasks, renovating premises and altering operational processes. For example, Manchester has adjusted the number of trams with two carriages to limit the risk of malicious acts against drivers when changing between driving compartments at a terminus.

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 and employees themselves (under a “request for attention” procedure).

In 2015, several subsidiaries implemented new schedules for drivers and other categories of staff. The aim is to allow a better work-life balance, for example by limiting services involving long hours and by adjusting arrangements for working at night. These changes took place in Charleville-Mézières and at Gem’Bus, FlexCité 93, Céobus, Orlyval Service, but also in Manchester, Algiers, Casablanca and Switzerland. Several United Kingdom subsidiaries (London United Busways, London Sovereign, Bournemouth Transport Ltd) have also adopted a specific policy to improve arrangements for isolated workers.

4.3 WORK-RELATED ACCIDENTS (FREQUENCY, SEVERITY, OCCUPATIONAL ILLNESS)

	12/31/2015	12/31/2014	12/31/2013
Number of lost-time work accidents	2,740	2,740	2,649
Number of days leave (calendar days)	170,672	156,679	134,850
Number of hours worked	83,471,914	79,192,723	68,818,164
Frequency	32.83	34.60	38.49
Severity	2.04	1.98	1.96

The main causes of accidents vary little and mainly involve travel, falls on uneven surfaces and assault.

For the parent company, frequency has stabilized, 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 *département* level and continuing to make 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.

In the parent company, various arrangements have been adopted to prevent work-related accidents. For example, a prevention and safety booklet has been published for the 16,000 employees in the Bus department, providing advice for avoiding specific occupational risks, and bus centres have organized road safety operations in partnership with the police, particularly for users of two-wheeled vehicles, of which there are many in RATP’s workforce.

In South Africa, these issues are governed by the Occupational Health and Safety Act and supplemented by on-site audits. In the United Kingdom, several subsidiaries aiming to gain Occupational Health and Safety Assessment Series (OHSAS 1801) accreditation use systems to manage health and safety at work. Following on from the Safety Plan that it launched in 2014, Manchester has appointed a Head of Safety and Quality. The subsidiary is continuing its prevention work, particularly by following the recommendations made by the Head of the Railway Safety Unit after its audit on signalling compliance.

In subsidiaries that operate bus or tram networks, prevention actions are aimed in particular at reducing traffic accidents by working with local authorities to adjust accident-prone areas, analyzing the causes of reduced driver vigilance, and providing feedback on near-misses. In Île-de-France, FlexCité 93 has a comprehensive approach that covers driver recruitment, on-the-ground assessment and remedial action in the event of an accident. In several United Kingdom subsidiaries, the introduction of onboard cameras to improve incident management has indirectly led to an increase in driver vigilance and a reduction in accidents.

5 • Training

5.1 POLICIES

Training is a structural long-term driver of our performance at the workforce, human and economic levels. In the parent company:

- three in every four employees receive training each year;
- the 2015 training budget represented about 7% of total gross payroll, including 2% for induction training.

Two agreements set out the parent company’s commitments in terms of training: the continuing professional development agreement of January 10, 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 of this approach.

Subsidiaries, in addition to meeting their statutory obligations, provided extensive training relating to safety issues in 2015, with topics including preventing conflict situations and managing emergency and first-aid situations (TP2A, Vienne Mobilités, CTB, CTY, FlexCité 92, SEDP, Ixxi, Logis-Transports). STI Allier provided fire safety training to a third of its staff.

In the USA, Fullington Autobus Company, whose operations include school bus services, is investing heavily in training new drivers. Driver training now lasts for three to four weeks instead of 7-10 days previously, to ensure that drivers have fully adopted the Company's safety culture.

Support for people with reduced mobility was also the subject of specific training among the Group's subsidiaries, both in France (Cars Perrier, Céobus, Champagne Mobilités, STI Allier, etc.) and abroad (Metrolink RATP Dev Ltd), often in partnership with charities that specialize in that area.

Several subsidiaries are also investing in training their managers. Metrolink has started a programme that deals with various managerial issues, such as conflict prevention, leadership and regulatory developments. Similar programmes have also been developed at Casa Tram and RATP El Djazair.

Synergies allow the Group's expertise to be shared by all its various entities. For example, managers from Setram in Algeria came to Paris for a four-week training course in 2015. Similarly, staff from VLT Carioca, a Brazilian partner of the Group, gained more in-depth tram regulation and driving skills at the parent company's training centre. Several employees from the parent company also visited Morocco to pass on their skills in tram maintenance, operations and purchasing to their colleagues at Casa Tram.

5.2 TOTAL NUMBER OF TRAINING HOURS

	2015	2014	2013
Number of training hours	2,573,122	2,131,115	2,076,386

6 • Equality

6.1 GENDER EQUALITY

The fourth agreement on workplace gender equality within the parent company was signed in 2015 with the unanimous support of all representative union organizations. It follows on from the 2012 agreement, the objectives of which had been attained.

The new agreement contains four major commitments:

- to do everything possible to increase the proportion of female workers in the Company;
- to support the compensation of women who have taken maternity leave and employees who have taken adoption leave;
- to support work-life balance through reasonable meeting schedules and reasonable use of telephone calls and emails;
- to increase the proportion of women in management committees to reflect the proportion of female executives in each department.

The creation of a RATP women's network – an initiative of the Group's Chairwoman and CEO – supplements those commitments and makes them part of the Group's strategy.

In 2015, the proportion of women working for the parent company was 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, 30% of STU Bourges' employees are women. In 2015, a third of executives and a quarter of supervisors were women, as opposed to 8% in 2012. At Ixxi, the proportion of women is 30% and at Logis-Transports it is 50%. Open Tour, the Group's Paris sightseeing tour operator, has signed a contract in favour of gender equality in the workforce with the City of Paris and the accredited training fund collecting and distributing agency (OPCA) for the transport industry. Like other subsidiaries, it is also taking measures to enhance the work-life balance of its employees and of mothers in particular.

Gender equality

	12/31/2015	12/31/2014	12/31/2013
Proportion of women in the total physical headcount	18.85%	19.08%	19.57%
Proportion of women among senior executives	28.88%	30.42%	33.23%

Today, three of the Group executive committee's 10 members are women. In RATP's Board of Directors, elected in 2014, 11 out of 27 members are women (around 40%).

6.2 DISABILITY EMPLOYMENT AND INCLUSION

Disability employment and inclusion

France scope	12/31/2015	12/31/2014	12/31/2013
Number of people with disabilities hired	88	52	41
Total number of people declared to have a disability	1,685	1,493	1,439

These figures only apply to France (parent company and French subsidiaries in the scope).

The sixth agreement on disability employment was signed in 2011, and under it, the Group recruited 130 people with disabilities between 2012 and 2015. The agreement combined inclusion and re-inclusion measures (particularly as regards training) with provisions for adapting workstations, and aimed to take better account of all aspects of employee life, particularly in terms of environment.

In late 2015, a seventh agreement on disability employment at RATP was signed unanimously for the 2016-2019 period. Through that agreement, the parent company undertakes to continue its proactive policy in favour of people with disabilities and to ensure that all parts of the Company support it. The agreement has a target of recruiting at least 125 people with disabilities over four years. It also includes action to keep people with disabilities in work, based on criteria regarding the fair allocation of resources (adjustments to workstations, remote working, purchases of suitable equipment, etc.), to raise awareness among employees and to implement a solidarity policy *via* the sheltered sector by using support-through-work organizations and disability-oriented social enterprises.

The French subsidiaries are committed to employing and integrating disabled people. Around 20% of STI Centre's workforce now consists of workers with disabilities. In Île-de-France, Cars Perrier is working with Sameth – an agency that helps disabled people to stay in work – to provide the best support for its employees with disabilities. FlexCité 95 is a subsidiary specializing in transport solutions for people with reduced mobility, and in 2015 it recruited two people with disabilities to work as drivers' assistants.

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. By doing so, it undertook to comply with the Global Compact's 10 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 mainly acted in four areas through agreements with unions: disability (since 1994), social inclusion (since 1996), gender equality (since 2003) and age management (since 2009).

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 ("*Traitement du fait religieux dans les filiales françaises du groupe RATP*" – 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 first 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. To strengthen these arrangements further, the parent company has set up a general ethics delegation reporting directly to the Chairwoman and CEO. It will provide practical support to local managers, to ensure the effective application of the secularism clause that forms part of each employee's employment contract and that is included in internal regulations.

All subsidiaries, French and international, abide by the same principles in accordance with their national legislation. As regards recruitment, for example, the Haute-Savoie subsidiaries use a simulation method, which "gives everyone a chance", to quote the French nationalemployment agency.

In the United Kingdom, Metrolink RATP Dev Ltd has introduced training to give employees a better understanding of how the Equality Act 2010⁽¹⁾ affects the Company and its customers. In Bournemouth, top management has undertaken training on these matters, and an initiative to promote mutual respect has been introduced in the workforce.

In South Africa, the law⁽²⁾ prohibits all forms of discrimination in the workplace. Bombela Operating Company (BOC) has a dedicated compliance committee in this area and has implemented a specific plan supported by statistical diversity reporting.

In English-speaking countries, statistics on diversity are disclosed to the transport authorities, in accordance with legislation.

(1) United Kingdom act of Parliament dealing with equal opportunities and non-discrimination.

(2) Employment Equity Act No. 55 of 1998.

7 • Promoting and observing the International Labour Organization (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 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.

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

In France, telecoms subsidiary Telcité has adopted a responsible purchasing charter, which applies to both the subsidiary and its suppliers. It sets out formally the parties' commitments regarding the environment, human rights, labour standards and efforts to combat corruption.

For many years, all RATP Dev 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⁽³⁾. In South Africa, a code of conduct governs the procurement function.

ENVIRONMENTAL INFORMATION

1 • General environmental policy

RATP group seeks to uphold major commitments to protecting the environment, going well beyond our legal and regulatory obligations. Part of that involves energy transition and efforts to take into account climate change, which lie at the heart of our sustainable development policy.

The Group has a proactive policy of limiting the environmental impact of its industrial activities. We work with manufacturers to experiment with innovative technologies, in order to develop energy-efficient and environmentally friendly transport solutions. We have embarked on broad forward-looking discussions with local elected representatives and experts on the future of bus

travel in Île-de-France between now and 2025 as part of the Bus2025 project. Internally, we will implement the new "Défis 2025" corporate approach and in 2016 we will hold the first "Trophée environnement" awards, which aim to capitalize on and share best practice in this area.

The 21st Conference of the Parties to the United Nations Framework Convention on Climate Change (COP21) gave the Group the opportunity to assert its commitment to sustainable cities at the highest level. The Group's ambition is to embody the notions of sustainable travel and smart cities in its day-to-day operations, for the benefit of passengers in France and abroad. Our objective is to meet the highest global standards and aim for excellence in all areas – and particularly environmental excellence – in order to be an acknowledged leader in urban public transport and in sustainable, smart travel.

1.1 ENVIRONMENTAL PRACTICES

In 2009, the parent company set out its environmental priorities in a risk/opportunity analysis after consultation with its stakeholders (local elected representatives, NGOs, civil society). These priorities were reviewed internally in 2015 as part of the Group's new guidelines.

Each RATP group department and subsidiary adopts environmental priorities depending on its activities. Responsibilities are delegated to the departments and subsidiaries regarding compliance with environmental regulations (environmentally protected facilities and others) and the introduction of environmental management systems that have ISO 14001 accreditation.

SEDP (the Group's property engineering subsidiary) is accredited by OPQIBI (an engineering certification organization) regarding the energy audits it carries out on industrial, commercial and residential buildings that have the RGE label (recognition of environmental protection). In May 2015, SEDP adopted its own sustainable development policy. The Logis-Transports subsidiary also seeks to obtain Habitat & Environnement and Effinergie accreditations for its activities.

ACTIONS

The parent company has an environmental management system at each of its industrial sites. It has made a commitment to Stif to obtain ISO 14001 certification for all sites by 2020. It played an active role in compiling the guide to applying ISO 26000 for transport operators, and as part of that work it hosted the professional information workshop organized by public transport and rail union UTP in February 2015.

At RATP Dev, subsidiaries are also making progress in introducing environmental management:

- in France, Compagnie des Transports du Valenciennois et du Hainaut (CTVH) has started an ISO 14001 certification programme;

(3) An international benchmark for best labour practices as recognized by the ILO.

- in the United Kingdom, The Original London Sightseeing Tour’s environmental policy is overseen by the management committee. Metrolink RATP Dev Ltd in Manchester has successfully renewed its ISO 14001 certification and has defined four priority targets in this respect: reduce energy consumption through systematic checks, reduce pollution and waste, raise staff awareness through e-learning programmes and seek to adopt best practice;
- in Morocco, Casa Tram has adopted an environmental management system approach.

Certified industrial sites

	12/31/2015	12/31/2014	12/31/2013
Number	71	69	66

Industrial sites with an environmental management system

	12/31/2015	12/31/2014	12/31/2013
Number	84	82	77

1.2 EMPLOYEE TRAINING AND AWARENESS IN ENVIRONMENTAL PROTECTION

Training provided by the Group includes numerous cross-discipline and specific modules (waste management and the ADR⁽¹⁾, environmental audits, etc.). At the local level, all of RATP’s industrial sites that have an environmental management system raise awareness among their staff and suppliers about the Company’s environmental policy, compliance obligations and emergency situations that must be addressed.

ACTIONS

In 2015, 7,894 hours of cross-discipline training were devoted to training and awareness for employees of the parent company and involved 1,159 employees. They were supplemented by other educational initiatives:

- participation in workshops (Ademe⁽²⁾, City of Paris, Agence parisienne du climat);
- coordination of internal networks;
- internal communications available to all employees (a COP21-focused climate blog entitled “Yes, we COP!”);
- efforts to raise awareness among subcontractors and suppliers about the Group’s environmental commitments.

SEDP has raised awareness among all of its 80 employees regarding sustainable development and has provided more specific training to half of them regarding the eco-management of sites and the eco-design of projects.

Environmentally friendly driving training

Training provided to the parent company’s bus drivers focuses on the link between driver behaviour, fuel consumption and premature

wear and tear on equipment. This training is an integral part of a driver’s induction and the continuing professional development of 14,000 drivers. An annual competition called “Éco-challenge” recognizes the bus routes and maintenance centres that achieve the greatest reductions in fuel consumption.

Environmentally friendly driving forms the basis of the environmental training efforts of RATP Dev subsidiaries. In Paris, Open Tour has installed environmentally friendly driving boxes in one third of its vehicles. TP2A in the Savoie region will hold an environmentally friendly driving challenge in 2016. In the United Kingdom, HR Richmond Ltd has installed onboard cameras to make drivers more accountable by providing feedback about their driving, particularly in the event of an incident or accident. Metrolink RATP Dev Ltd raises its employees’ awareness about environmentally friendly driving once a month *via* intranet conferences. In the United States, Fullington Auto Bus Company made environmentally friendly driving its main project in 2015.

Training hours

Parent company	12/31/2015	12/31/2014	12/31/2013
Number	7,894	7,480	7,168

1.3 RESOURCES USED TO PREVENT ENVIRONMENTAL RISKS AND POLLUTION

RATP is committed to reducing all forms of pollution that affect the health of passengers, local residents and staff, and to remaining vigilant about and preventing emerging risks. It carries out ongoing monitoring and analysis work.

Underground air quality is the subject of special attention and an ongoing action programme involving:

- a continuous monitoring network in three metro and RER stations;
- specific measures at various points of the underground network;
- improvements in air circulation in stations;
- modernization of rolling stock.

MANAGING AND HANDLING ENVIRONMENTAL RISKS

The Risk Management Unit supports the departments and subsidiaries in their risk mapping. Environmental risk mitigation plans and specific committees have also been put in place.

Resources devoted to preventing environmental risk and pollution:

- 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;

(1) ADR: European agreement concerning the international carriage of dangerous goods by road.

(2) Ademe: Agence de l’environnement et de la maîtrise de l’énergie (French environment and energy conservation agency).

- safety adviser on the transport of hazardous goods and technical representatives (ICPE environmentally classified facilities, noise and vibration, air quality, electromagnetic compatibility);
- development of ISO 14001 certification approaches and roll-out of the environmental management system across all industrial sites.

For RATP Dev subsidiaries:

- a series of energy audits as part of qualifying for the government ESOS (Energy Saving Opportunity Scheme) for United Kingdom subsidiaries;
- recruitment of a senior expert to oversee the sustainable development approach, raise standards and encourage management to take into account environmental issues (McDonald Transit in the United States);
- an integrated prevention and safety/quality policy and annual audits by a government-accredited organization (Bombela Operating Company in South Africa).

ACTIONS

ICPE environmentally classified facilities

RATP group operates environmentally classified facilities (known as “ICPE” in French), which may give rise to various risks including fire, explosions, noise and various types of pollution. Environmentally classified facilities are listed by type of facility, depending on the quantity and hazardous nature of the substances used or stored at a site, along with the environmental risks inherent in the site’s activities. At end-2015, the parent company operated 173 environmentally classified facilities across 62 sites. These facilities most commonly consist of maintenance workshops, cleaning stations, fuelling centres in bus stations, covered warehouses and storage locations, heating facilities, battery charging stations (including charging of electric vehicles), and joinery and metalworking workshops.

Electromagnetic fields

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

Underground air quality

This issue is dealt with in the section on the prevention of air emissions (see section 2.1).

Acoustics and vibration

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

Flooding risk

Flooding is a recognized 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 an officer responsible for the

plan and set up a dedicated structure to cope with potential flooding of the Seine and Marne rivers. Continuous vigilance is exercised and drills carried out regularly.

Low-environmental-impact worksites

The parent company has produced a guide to ensuring low-environmental-impact worksites. The guide helps to prevent environmental risks during works phases.

In Île-de-France, the Group intends to set an example with the track and ballast replacement project for line A of the RER. In the first summer of works in 2015, an impact assessment was carried out to better understand the areas in which action was needed. For the remainder of the project (2016-2021), an ongoing improvement approach, with the input of experts, will aim to achieve a rapid and effective improvement in the project’s environmental impact in numerous areas such as diesel engines and ballast recycling.

The parent company carries out environmental checks and audits across all of its worksites. In 2015, it signed the City of Paris’s seventh good worksite management protocol.

SEDP implemented a “low-impact worksite” charter for works and operational subcontractors. Logis-Transports obtained Habitat & Environnement accreditation from Qualitel, which includes “clean worksite” criteria.

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

At end-2015, RATP group was not bound by any material regulatory obligation to provide financial guarantees regarding the main environmental risks mentioned in section 1.3. Accordingly, no provisions are set aside in respect of environmental risks.

2 • Pollution and waste management

2.1 MEASURES TO PREVENT, MITIGATE OR REMEDY ENVIRONMENTALLY HARMFUL AIR, WATER AND GROUND EMISSIONS

RATP monitors the compliance of its ICPE environmentally classified facilities and puts in place a series of measures such as anti-pollution kits, awareness-raising and compliant storage. It works to ensure that discharges into the sewerage system are compliant across all its sites. It has a range of initiatives to make buses an exemplary mode of urban transport from the sustainable development point of view, *via* the Bus2025 plan (see section 3.3).

Several RATP Dev subsidiaries have adopted environmental risk prevention policies:

- Open Tour in Paris, Société des Transports Départementaux de la Marne (STDM), Champagne Mobilités and STI Centre have renewed their status as signatories to the “Objectif CO₂”⁽¹⁾ road transport charter. As part of this initiative, STI Centre has gained approval for its particulate filter system;
- a risk audit and analysis prompted Metrolink RATP Dev Ltd in the United Kingdom to strengthen its existing systems and increase the capacity of its wastewater retention tanks and storage areas;
- McDonald Transit in the United States has taken major steps at its sites regarding the prevention of river water pollution, equipment storage, water recycling and waste management;
- BOC in South Africa has adopted a global risk prevention policy involving reducing waste and preventing soil pollution by industrial products related to rail maintenance.

ACTIONS

Preservation of urban air quality

Bus2025

In 2014, RATP took on the challenge of converting its fleet of 4,500 buses in the Île-de-France region to run on electricity and biogas through Bus2025, an ambitious plan that meets Stif objectives. By 2025, RATP wants its fleet to consist entirely of low-emissions vehicles, with 80% running on electricity and 20% on biogas. That is consistent with the target of reducing GHG emissions by 20%, which forms part of the Île-de-France urban transport plan and of RATP’s obligations under French new act on energy transition for green growth. Bus2025 will reduce RATP’s carbon footprint by 50%.

Fleet modernization and renewal at RATP Dev

RATP Dev subsidiaries have a policy of ongoing modernization of their diesel vehicles and/or their replacement with vehicles that meet Euro 6 emissions standards or with hybrid diesel/electric or biofuel/electric vehicles:

- in France, 40% of STI Allier’s fleet meets Euro 5 and 6 standards. CTVH in Valenciennes has replaced its previous company cars with locally made hybrid cars. Cars Perrier has equipped all of its fleet with particulate filters;
- in the United Kingdom, the number of hybrid buses operated by London United Busways (LUB) is increasing every year. In 2015, LUB had 194 hybrid buses out of 885, equal to 17% of its fleet, whereas it had 110 hybrid buses in 2014 and 82 in 2013. The rest of the fleet is equipped with SCR (Selective Catalytic Reduction) technology. HR Richmond Ltd’s fleet will be fully Euro 6-compliant by 2020. This is a flagship initiative that puts the company among the leading urban transport operators in the United Kingdom;
- in the United States, McDonald Transit has started to introduce hybrid diesel/electric vehicles into its fleet.

Improving underground air quality

Underground air quality is continuously monitored in RATP sites. The metrics and annual report relating to this monitoring have been posted on the www.ratp.fr website since 2008. Periodic measurement campaigns are carried out to back up this ongoing supervision.

In 2015, a new plan of action to improve internal air quality was defined as part of the new 2016-2020 contract signed with Stif, to reduce the exposure of employees and passengers to particles and diesel emissions.

The replacement of rolling stock with trains that have high-performance electric braking systems reduces particulate emissions. For more than 10 years, RATP has also been implementing a major investment plan to create, replace and improve ventilation systems that circulate air underground. Under that plan, €95 million was spent between 2004 and 2015 and €45 million is expected to be spent between 2016 and 2020.

Water quality

The parent company has equipped most of its industrial sites with industrial waste water treatment plants. All industrial sites now analyze and self-monitor their industrial waste water. At head office, the parent company has experimented with a water-based environmentally friendly cleaning procedure developed by a French SME. This procedure uses an electrolysis system to make biodegradable detergents and disinfectants on-site, and was introduced at two new office sites in 2015 (17,700 m²).

RATP Dev subsidiaries have purchased industrial equipment such as mud and oil separators, pre-discharge fuel separators and wastewater retention and decanting tanks.

- Vienne Mobilités and TP2A in Savoie have ensured the compliance of their storage locations by purchasing wastewater retention and decanting tanks. STI Allier and STI Nièvre empty mud separators related to cleaning stations at least once per year. Cars Dunois uses double-skin AdBlue tanks⁽²⁾;
- Metrolink RATP Dev Ltd and LUB in the United Kingdom have installed numerous wastewater retention and decanting tanks. Bournemouth Transport Ltd uses “green” water. Finally, in the United Kingdom and United States, subsidiaries use “green” maintenance products that are solvent-free and/or soap-based, in order to avoid discharges that pollute soil.

2.2 MEASURES FOR PREVENTING, RECYCLING AND ELIMINATING WASTE

The Group has adopted a circular economy approach. In 2015, it took part in the circular economy conference organized by the City of Paris.

For several years, the parent company has carried out selective waste sorting at its industrial and office sites with the aim of achieving better control over all waste products. It has set the target of reducing waste production by 5% in the 2013-2020 period. Today,

(1) Objectif CO₂ charter: created in 2012 by DREAL (Direction régionale de l’environnement, de l’aménagement et du logement) and Ademe (Agence de l’environnement et de la maîtrise de l’énergie) on the basis of four voluntary commitments to reduce CO₂ emissions.

(2) AdBlue: aqueous solution used in SCR (Selective Catalytic Reduction) to convert NOx in diesel exhaust fumes into nitrogen and water vapour.

the parent company recovers almost 97% of its hazardous waste and 100% of its non-hazardous waste.

All Group subsidiaries have a proactive approach to managing and sorting waste (recycling of scrap metal, WEEE⁽¹⁾, etc.) For some subsidiaries, waste management is a key part of their environmental policy: in the UK, Bournemouth Transport Ltd reports monthly on its percentage of recycled material. In Algeria, Setram is planning to introduce a QHSE (Quality, Health, Safety, Environment) management system in 2015 regarding waste management.

ACTIONS

Waste recovery

The parent company sorts and recovers by category all waste produced at its industrial sites and worksites: hazardous waste (oils, solvents, used cleaning cloths, aerosols, etc.), non-hazardous waste (wood, cardboard, rubber, scrap metal, etc.) and waste from office sites (paper, cardboard, WEEE, cartridges and toners, plastic caps, etc.).

As part of its involvement in the local waste prevention plan for the city of Paris, the parent company has started a prevention initiative at its Jules-Vallès office site. The target is to reduce waste production at this site by 10% over a period of two years. Quarterly reporting is taking place, in order to review the initiative at the end of 2016.

Since 2014, restaurant food waste has been sorted and dehydrated at the Group's head office following the introduction of decree No. 2011-828 of July 11, 2011 into the French Environmental Code. The biowaste produced is collected by a specialized service provider.

Promométro sorts and recovers waste cardboard produced by stores in the network. RATP Dev subsidiaries have also adopted best practice in a number of areas:

- in France, the TIM Bus subsidiary (urban transport in Magny-en-Vexin) recycles paper *via* a Recy-go⁽²⁾ contract, recovers used batteries and arranges community collections of plastic caps;
- in the United Kingdom, Bournemouth Transport Ltd recycles unclaimed lost property *via* charities;
- in the United States, where quality and safety allow, McDonald Transit uses processed and recycled items and reconditioned parts instead of new parts.

Uniform recycling

When we introduced new uniforms for 27,000 operational employees, we introduced a community-based system for collecting and recovering old uniforms involving Le Relais de Soissons, a company promoting social integration that is part of Emmaüs France. This is a major environmental issue, because in France only 15% of textile

waste is recycled. The initiative collected 26 tonnes of textile waste, and 87% of the material was recovered.

Office and industrial premises involved in selective waste sorting

	12/31/2015	12/31/2014	12/31/2013
Number	163	145	126

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

Non-hazardous waste (total quantity) excluding site works

	12/31/2015	12/31/2014	12/31/2013
Tonnes	15,569	21,520	17,076

Hazardous waste (total quantity) excluding site works

	12/31/2015	12/31/2014	12/31/2013
Tonnes	5,347	4,275	4,849

2.3 NOISE AND OTHER FORMS OF BUSINESS-SPECIFIC POLLUTION

RATP's strategy regarding noise pollution and vibration is based on five fundamental principles:

- reducing noise at source;
- preventing pollution through careful management;
- adopting remedial solutions (acoustic protection, acoustic rail grinding, etc.);
- maintaining constant dialogue with stakeholders (local residents, elected officials, etc.);
- investing in research programmes.

ACTIONS

"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 with measures to reduce the noise or vibration at the person's home.

(1) WEEE: Waste Electrical and Electronic Equipment.

(2) Recy-go: paper collection service offered by the La Poste group.

In 2015, the parent company recorded 93 more complaints than in 2014. However, this increase was not due to any major deterioration in the quality of our infrastructure but rather reflects local residents' greater sensitivity to noise because of several factors (multiple exposure, accumulated sound levels during a day, socio-cultural effects, deterioration in living conditions, etc.). Similarly, increasing numbers of passengers are paying close attention to service quality (intelligibility of announcements broadcast, noise from equipment, etc.), which is shown by the type of complaints received in 2015.

During periods of construction and real-estate works, the parent company and Logis-Transports adopt the following arrangements: district steering committees involving their teams, contractors, elected officials and local residents, systems that continuously monitor noise and vibrations generated during the works, and local websites designed in collaboration with a digital technology company that promotes social inclusion.

Stakeholder complaints about noise and vibrations

	12/31/2015	12/31/2014	12/31/2013
Number	734	624	426

Noise reduction

To reduce noise and vibrations, RATP takes several types of action in its network, examples of which are provided below:

- worksites: a noise and vibration management plan and upstream modelling of the impact of works so that work methods and/or techniques can be adjusted accordingly (working hours, processes, communication with local residents and the local authorities);
- replacement of existing rolling stock with quieter equipment: the RER's latest MI09 trains reduce noise by 3.5 dB(A) compared with the MS61 trains and by 1.5 dB(A) compared with the MI84 trains;
- installation of specific systems: an anti-vibration mat under the ballast in particularly sensitive areas (on line A of the RER following track and ballast replacement work);
- as part of future projects: upstream acoustic and vibration impact studies in order to quantify the preventative solutions required to avoid disturbance to local residents, with particular care taken to avoid creating noise black spots resulting from single or multiple exposures to noise.

In addition, the parent company provides prefects in the affected regions with information about its infrastructure and noise maps prepared in accordance with European Directive 2002/49/EC. It also plays an active role in the preparation of environmental noise prevention plans by the central government, local authorities and public-sector intercommunal co-operation entities concerned.

In 2015, the parent company spent €2.3 million on acoustic rail grinding on its metro, RER and tram networks.

RATP Dev subsidiaries are also experimenting with several noise and/or vibration reduction systems:

- Metrolink RATP Dev Ltd has carried out tests to reduce brake squeal when cornering by spraying friction-reducing compounds onto the rails;

- Gest in Florence has trialled two vibration-reduction systems: an automatic noise-reducing lubrication system which injects lubricant onto flanges and running surfaces on two tram bogies, and a lubrication system using ducts in the rail on the stretch of track before a bend, in order to lubricate wheel flanges on both rails when trains pass by;
- in South Africa, BOC has installed noise-reducing walls along sensitive areas. Noise levels are measured twice a year to check compliance with local standards.

Persons^(*) exposed to noise levels above the maximum limit specified by European Directive 2002/49/EC

Parent company	12/31/2015	12/31/2014	12/31/2013
Number	583	620	716

(*) Residents exposed to noise levels above the maximum limit.

In 2015, the completion of the first phase of work to address noise black spots, which took place over four years as part of an Ademe/RATP agreement covering the scope of the parent company, involved installing acoustic insulation on the façades of 17 homes (windows, shutters, ventilation grille, doors, etc.). Pre-works acoustic and thermal analysis of all homes in noise black spots showed that six homes were already up to standard. Three owners refused to have remedial work done, even though their homes were eligible. Accordingly, in 2014 and 2015, 37 people's living standards were improved under this programme. Of the 17 homes on which work was done, the figures only include those on which work was completed during the year and whose acoustic performance meets the regulatory noise-reduction requirements.

3 • Sustainable use of resources

3.1 WATER CONSUMPTION AND WATER SUPPLY ACCORDING TO LOCAL CONSTRAINTS

The sustainable use of water is an integral part of the Group's environmental performance. To make the best possible use of water resources, the parent company reuses part of its seepage water⁽¹⁾ and uses systems to recycle water used for washing. In this respect, it took part in the "2020 smart and sustainable city" workshops organized by the City of Paris in 2015.

ACTIONS

Recovery of seepage water

The parent company seeks positive ways to make use of seepage water. Some of the water is taken back to the natural environment – i.e. the River Seine, the Canal Saint-Martin and the Canal Saint-Denis – to avoid sending good-quality water to wastewater treatment plants. The Company reuses other water, for example to water grassed platforms on the T3b tram line.

(1) This means water collected by pumping stations located in the metro/RER network, which protect tunnels from flooding risk.

In 2014, the Company signed a partnership agreement with Eau de Paris to look at injecting some seepage water into the city's non-drinking water network.

Regular campaigns also take place to raise staff awareness of water issues at industrial and office sites, involving posters and consumption monitoring scorecards.

Recycling of water used for washing

Some water treatment facilities on the rail network are equipped with recycling systems. Since 2012, the new storage and maintenance sidings in the Paris tram network have all been equipped with a water recycling system that considerably reduces their water consumption. For bus centres, the total percentage of water recycled in 2014 was around 70%.

In 2015, several RATP Dev subsidiaries invested in high-performance bus and train washing systems that make very efficient use of resources. Cars Perrier has adopted a system for recycling water used for washing. In the United Kingdom, Metrolink RATP Dev Ltd uses recycled water to wash its tram facilities. In the United States, McDonald Transit has upgraded its washing system to maximize water recovery, and Fullington has reduced washing of its school buses as far as is contractually permitted (*i.e.* once a week). In South Africa, a daily recycling system for water used to wash trains is enabling BOC to reuse water for at least six months.

Sites equipped with a water recycling system

	12/31/2015	12/31/2014	12/31/2013
Number	68	51	51

In 2015, the parent company's reported water consumption was based on invoices received until January 28, 2016.

Total water consumption supplied through a public network (regardless of use)

	12/31/2015	12/31/2014	12/31/2013
m ³	1,186,106	1,207,034	920,531

3.2 CONSUMPTION OF COMMODITIES AND MEASURES TAKEN TO USE THEM MORE EFFICIENTLY

The parent company is committed to an eco-design and eco-specification approach in all of its infrastructure, building, rolling stock and information system projects. As part of this approach, it encourages staff to select products and systems that consume less energy, have longer lives and deliver better economic performance. Stations and industrial sites are designed to minimize their impact on the environment. Environmental specifications are applied when purchasing rolling stock.

Work done by SEDP meets all relevant energy performance criteria. Promométo has introduced an environmental criterion (LED lighting, refrigerated displays, etc.) into its tender scoring process. This criterion makes up one third of the overall score.

The parent company also has an overall commitment to reducing consumption of raw materials in its logistics operations. The Boissy-Saint-Léger logistics platform is ISO 14001 certified, and accordingly seeks to reduce its consumption of raw materials.

ACTIONS

Eco-design approach

The parent company has guidelines for factoring sustainable development into all phases of projects.

- In the project study phase, this means looking for environmentally friendly solutions.
- In the works phase, it involves environmentally responsible construction and worksites with low environmental impact.
- During the operation and maintenance phase, it includes adjusting temperatures according to the season, using specific materials, recovering rainwater, and using green roofs and photovoltaic panels.

The eco-design approach can be seen in the new storage and maintenance sidings for tram lines and the extensions of metro lines 1, 4 and 14.

- The storage and maintenance sidings on the T2 tram line in Bezons and the T3b line at Porte de Pantin feature energy-efficient ventilation and heating systems based on heat pumps connected to geothermic sensors and an earth contact cooling tube system. 900 m² of photovoltaic panels have been installed on the roofs of storage and maintenance sidings on the T3 line to produce electricity. For the storage and maintenance sidings on the T8 line, thermal insulation was included at the design phase, and they feature recycling of site water, 1,600 m² of green roofs, 144 photovoltaic panels and a geothermal system.
- A geothermal heat pump system has been installed in the diaphragm walls of two metro stations as part of the line 14 extension works. This system, which should cover 100% of the station's heating and air conditioning requirements, is a first for a metro station of this size.

The approach is also being implemented at RATP Dev. In France, the Céobus subsidiary has built an eco-designed depot that includes a system for recovering and treating water used to wash buses and coaches, underground lubricant storage tanks and green roofs.

SEDP systematically applies the following approaches:

- for projects involving delegated project management, an eco-design approach that aims to reduce the environmental impact of structures over their lifetimes, *via* HQE BREEAM and LEED⁽¹⁾ certifications;
- and for office buildings, environmental specifications for materials used in non-structural works, including materials rated A+ for air quality and materials with NF or EU Ecolabel accreditation.

(1) BREEAM: BRE Environmental Assessment Method – LEED: Leadership in Energy and Environmental Design.

Including eco-design criteria in contracts

The LED lighting contract for the parent company's underground metro and RER network included several eco-design criteria, which rewarded the project that had the least environmental impact over its lifetime.

Signature of the Grand Paris CSR charter

On October 5, 2015, RATP, SNCF Réseau and Société du Grand Paris signed a Corporate Social Responsibility (CSR) charter in partnership with the regional prefecture. The charter includes consideration of health and safety issues from the design phase of structures and during the works phase.

Paper policy

The parent company is continuing its policy of reducing paper consumption. It monitors how many reams of paper it consumes, controls the settings of its photocopiers and carries out awareness-raising campaigns at its office sites. It also favours the use of environmentally friendly communication media and paper by making the greatest possible use of recycled paper and paper with PEFC (Programme for Endorsement of Forest Certification) and/or FSC (Forest Stewardship Council) certification. In accordance with 2013 French regulations, it intends to:

- take greater account of the environmental impact of printed products;
- reduce end-of-life management costs;
- make paper more recyclable.

All subsidiaries also have a paper policy: printers are set to print on both sides of each sheet of paper, use of photocopiers is restricted by requiring a user login, and paper is recycled and/or eco-certified. Metrolink RATP Dev Ltd has made reducing its paper consumption a key part of its environmental policy, and aims to reduce the volume of paper it consumes per employee. Subsidiaries are also digitizing all of their documents. Open Tour is making e-tickets and smartphone tickets more widely available. Logis-Transports has introduced a socially responsible purchasing policy, which requires suppliers to take into account criteria for reducing their use of resources, such as the use of recycled paper.

3.3 ENERGY CONSUMPTION, MEASURES TAKEN TO IMPROVE ENERGY EFFICIENCY AND USE OF RENEWABLE ENERGY

Public transport uses relatively little energy per passenger. A passenger's journey by metro or RER uses one tenth of the energy as the same journey made by car, while a bus journey uses half the energy. Nevertheless, the parent company is committed to reducing its energy consumption by 15% between now and 2020, and its GHG emissions by 20% per passenger-kilometer compared with the reference year of 2004.

ACTIONS

Modernizing the rolling stock

In 2015, we continued our programme to upgrade the rolling stock on the Paris metro, with MF01 trains being gradually introduced on line 9 after equipping lines 2 and 5 since 2014. Energy consumption readings from high-voltage substations in 2014 confirm the reduction in consumption arising from these new trains, which is as much as 40% on line 2 compared with the previous generation of trains.

The modernization of rolling stock on line A of the RER is also continuing with the arrival of MI09 trains. Energy consumption readings from the 21 MI09 meters in 2015 show a 30% reduction compared with MI2N trains.

Pragmatic measures at RATP Dev

- In Paris, Open Tour has carried out major bus maintenance work, adjusting and tuning engines, using fuel additives, and reducing dead mileage by creating local storage parking lots.
- Compagnie de Transport du Lac du Bourget (CTLB) monitors energy and raw material consumption, and its management efforts are supported by giving staff an incentive to achieve savings.
- Gem'Bus in Geneva and STIHS Touriscars in the Rhône-Alpes region have both introduced electronic monitoring of fuel consumption using Wincarb software. This software constantly optimizes timetables in order to avoid energy-consuming dead mileage.
- In the United Kingdom, LUB has introduced a new type of biodiesel that contains 20% biofuel.
- In the United States, McDonald Transit has carried out a comprehensive cost analysis. Fullington Auto Bus Company has purchased more energy-efficient coaches, which consume 28 litres of fuel per 100 kilometers instead of 43.
- In Algeria, RATP El Djazair and Setram carry out checks on petrol vouchers provided for company cars.

Regenerative braking

Regenerative braking is a major contributor to reducing the energy consumption of rail rolling stock. With this system, when brakes are applied, the electric engine works as a generator that recovers the vehicle's kinetic energy and converts it into electricity. The energy thus recovered can power the vehicle's other functions or another train that is accelerating nearby.

On the RER A line, MI09 trains are equipped with this system, which reduces energy consumption per passenger by 20-55% depending on the trains being replaced: 55% compared with MS61 trains, 31% compared with MI84 trains and 20% compared with MI2N trains.

In the United Kingdom, Metrolink RATP Dev Ltd is experimenting with a speed limiter on tram lines. Trials will continue in 2016 with a view to the widespread adoption of this technology.

Use of renewable energy

From the design phase of projects onwards, the parent company now systematically looks at whether it is appropriate to use renewable energies (see point 3.2).

100% of stations lit using LED technology

In 2013, the parent company launched a huge relamping programme across its stations. By the end of 2016, all lighting at its 303 metro stations and 66 RER stations will rely on LED technology. This project should deliver a 50%-plus reduction in the electricity needed to light metro and RER passenger areas and a similar reduction in related greenhouse gas emissions. RATP will be the first network of its size to use exclusively LED lighting.

RATP Dev subsidiaries have also carried out relamping projects. In France, Cars Perrier has replaced neon lighting with LED lighting in its workshops. In 2015, Bournemouth Transport Ltd installed LED lighting in its garage and workshop.

Property portfolio

RATP implements an active energy performance policy during the renovation or construction of its tertiary and industrial sites. Examples include:

- the energy-efficient overhaul of head-office technical systems, which in April 2015 was awarded operational HQE (high environmental quality) certification in the sustainable building and sustainable management categories, with certification renewable every year for five years;
- installation of a heat pump at a storage and maintenance siding, covering 90% of the site's heating requirements (3,000 m²);
- bioclimatic design of the Boulogne-Billancourt maintenance workshop for metro line 9, in order to improve energy performance.

Development of an urban transport ecosystem

The "porte-à-porte" programme aims to help customers get around and give them a major incentive to stop driving cars. The programme is based on four areas of development:

- new services across the transport chain;
- multimodal information;
- alternatives to driving cars;
- enhanced ticketing for seamless journeys.

The parent company provides 1,200 freely accessible covered bike racks at 94 stations in its network. These bike spaces are now geolocated in the RATP app. Other initiatives are also underway:

- a partnership with a start-up called Sharette to experiment with everyday car-sharing;
- a partnership with Taxis G7 including a priority phone number and a 15% reduction on WeCab taxis during the track and ballast replacement work on RER line A;
- integration of real-time information on the availability of Vélib' bikes as part of the RATP app.

Total energy consumption

	12/31/2015	12/31/2014	12/31/2013
ktoe (thousand tonnes of oil equivalent) ^(*)	290.78	258.36	256.55

(*) 1 ktoe = 11.63 GWh.

Breakdown of energy consumption by use

In %	12/31/2015	12/31/2014	12/31/2013
Rail traction	34.6	37.5	36.7
Bus traction	45.4	40.7	39.5
Buildings	20.0	21.8	23.8

3.4 GROUND USE

(Parent company scope)

The parent company is one of the last industrial companies to conduct operating and maintenance activities in city centres. RATP's land use policy has two objectives: to develop its production facilities and optimize the land used by its industrial sites by making them an integral part of the city and to promote a mix of uses combining housing, industrial employment and infrastructure. Land use mix is a fundamental component of RATP's property policy. The parent company has developed an approach, in association with the City of Paris, to upgrade the urban fabric and revitalize the local districts.

ACTIONS

Ateliers Vaugirard project

The Ateliers Vaugirard project includes the creation of a street, social housing, a nursery and green spaces. Environmental protection is central to the project in terms of energy performance, integration into the landscape and ensuring a low-impact worksite. The development of 440 new homes was designed by teams of architects, landscapers and sustainable construction specialists. The homes have "Habitat & Environnement" certification and the business spaces will meet NF high environmental quality standards.

4 • Climate change

4.1 GREENHOUSE GAS EMISSIONS

RATP group is continuing its efforts to ensure continuous improvement in its transport systems' energy efficiency and to set the standard in terms of design and operations.

The parent company's climate policy aims to reduce its carbon footprint. It conducts an audit of its greenhouse gas emissions every three years. The last audit was in 2015, and it revealed a 10% decrease in greenhouse gas emissions from energy consumption per passenger-kilometer over the 2004-2014 period. This very positive result stems directly from RATP's energy policy.

ACTIONS

COP21

In 2015, the 21st Conference of the Parties to the United Nations Framework Convention on Climate Change (COP21) took place. For the first time, representatives of 196 countries met in Paris to reach a global agreement on the climate.

RATP played a major part in the event, transporting and welcoming the thousands of people who attended the COP21 site and supporting various events, including the meeting of 1,000 mayors. It provided almost 200 drivers and 100 buses to take participants between the event’s various sites, including hybrid buses, buses running on natural gas, electric minibuses and the Bolloré group’s experimental Bluetram electric vehicles.

By playing a proactive role in the various COP21 round-tables and debates, RATP also put forward its vision of sustainable transport connected with the smart city, for the benefit of passengers.

Through advertising in the metro and RER, RATP helped to raise awareness of climate issues among civil society; for example, it supported the communication campaign of the COP21 organizers and held photography exhibitions.

The COP21 debate continued within the parent company, which set up an internal blog called “Yes, we COP!” for all of its 45,000 employees. This discussion forum allowed all staff to find out about climate change issues, follow conferences, discover initiatives adopted by RATP’s various departments, and discuss and propose new ideas (see point 1.2).

Bus2025: buses in the city of tomorrow

Bus2025 is a plan to make buses a 100% clean and sustainable form of transport in the city of tomorrow. It is organized around three major strategic aims:

- supporting changing travel patterns, consistent with regional planning and development;
- anticipating the expectations of regions and passengers to provide the bus system of tomorrow together with innovative services;
- rolling out environmental 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 transport methods.

As part of COP21, RATP exclusively presented 12 “low-emission” vehicles made by 11 manufacturers from around the world. These vehicles represented various alternatives to 100% diesel vehicles, echoing the experiments carried out by RATP’s bus maintenance department into electric, biogas, biofuel and hydrogen buses.

Involvement in the Efficacy Institute for energy transition

The Efficacy Institute for energy transition was set up by the French 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 various levels (buildings, districts, city). RATP is one of the institute’s 35 partners, and it is leading the “Station energy hub” programme.

Experiments with Ademe on a quantification method

In 2015, the parent company carried out experiments with the French environmental and energy control agency (Ademe) on a new method of quantifying greenhouse gas (GHG) emissions. The method measures the impact of an action in terms of GHG emissions with the aim, at the upstream stage, of making more informed decisions and, at the downstream stage, of measuring the action’s impact.

Aubervilliers-line 12 projects: an example of integration

As part of the environmental arrangements for the project to extend line 12 to Aubervilliers, the proximity of the Canal Saint-Denis allowed materials and excavation residues to be transported on water. By doing this, between 40,000 and 50,000 return journeys by truck were avoided.

The tables below show a notable increase in greenhouse gas emissions from buildings and transport services, which results from the extension of the reporting scope (eight additional subsidiaries taken into account in 2015) and from the development of service especially for the parent company (more passenger-kilometer).

Greenhouse gas emissions from buildings^(*)

	12/31/2015	12/31/2014	12/31/2013
Tonnes of CO ₂ equivalent	99,249.7	92,577	91,631

^(*) See methodological note.

Greenhouse gas emissions from transport services^(*)

	12/31/2015	12/31/2014	12/31/2013
Tonnes of CO ₂ equivalent	623,668	522,081	480,855

^(*) See methodological note.

Group indicator, excluding the Orlyval Service and Metrolink subsidiaries.

4.2 ADAPTING TO THE IMPACTS OF CLIMATE CHANGE

The parent company is concerned by climate change at various levels: management of its rail infrastructure network, operation and maintenance of transport systems (passenger transport, stations, information and communication systems), purchases of bus and rail rolling stock and the design of new infrastructure (buildings and rail infrastructure).

The main climate risk relates to the flooding of underground networks. The parent company has therefore started a process to analyze the network’s vulnerability to groundwater. The risk of a 100-year flood of the Seine is dealt with in the section on measures to prevent environmental risk (see point 1.3).

ACTIONS

Moderate heating and cooled ventilation in the RER

Since 2009, in most trains on RER lines A and B, heating systems turn on when the temperature falls below 15°C. The overall energy saving can range from 5% to 30% depending on the train model. Cooled ventilation systems cool the air blown into trains and help remove the heat generated by passengers. This ventilation system consumes less energy than mechanical ventilation.

Prevention measures at RATP Dev subsidiaries

RATP Dev subsidiaries have prevention plans suited to the severity of local weather conditions: risks of snow and flooding (France and the United Kingdom with specific winter plans), and risks of tornadoes and typhoons (in the United States, China and Hong Kong).

Société du Téléphérique du Salève (STS HelvéCie) has an electronic surveillance system that determines whether conditions are suitable for the cable cars to run. In Algeria, RATP El Djazaïr has installed anti-flood doors on part of its metro line B that is susceptible to flooding.

5 • Protecting biodiversity

Efforts to protect biodiversity mainly involve planting vegetation around the networks and infrastructure, and respecting local biodiversity. In this respect, RATP intends to contribute to the Mairie de Paris' targets in its areas, *i.e.* 100 hectares of green roofs and walls, including 30 hectares used for urban agriculture by 2020.

As part of the agreement signed with the City of Paris to create 2,000 homes, SEDP has set aside five hectares for green roofs and gardens, with a third of the space being used for urban agriculture.

ACTIONS

The parent company's office buildings (head office, Noisiel and Neuilly-Plaisance) have 3,963m² of green surfaces, maintained without plant protection products by a support-through-work organization (Esat)⁽¹⁾.

There is scope for greening 33,000 m² of building surfaces by 2020.

The parent company has also set up a 200 m² urban agriculture showcase in partnership with AgroParisTech (Paris Institute of Technology for Life, Food and Environmental Sciences). On platforms on the RER B line, it has experimented with eco-pasture, which is an alternative technique for managing green spaces that limits the use of mechanized equipment.

RATP Dev subsidiaries are greening the platforms of tram lines and their office and industrial sites. In 2015, Metrolink RATP Dev Ltd was recognized in the Light Railway Awards for the green redevelopment of the Deansgate-Castlefield tram stop. In the United

States, Fullington Auto Bus Company has planted local species when renovating buildings and has installed biological drainage channels in dry regions. BOC has entered into a space maintenance contract involving local vegetation, in accordance with its Environmental Management Project.

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 up to five euros in the rest of the economy⁽²⁾.

1.1 IMPACT ON EMPLOYMENT AND REGIONAL DEVELOPMENT

The Group is a major participant in regional and national economies, and supports employment and economic development in the regions in which it operates. As well as its workforce in Île-de-France, the parent company creates direct and indirect jobs all across France through its purchases. The €2,604 million of invoiced purchases made in 2015 indirectly created some 25,738 jobs in its supply chain. This figure is higher than in 2014, mainly due to the increase in spending on rail and bus rolling stock over the period (a €134 million increase over 2014 in this business area).

Number of direct/indirect jobs

	2015 ^(*)
Direct/indirect jobs created through purchasing (invoiced purchases)	25,738
Direct jobs	10,887
Indirect jobs	14,851

(*) Change of methodology in 2015.

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.

As part of the partnership signed in 2012 with the Association pour le Droit à l'Initiative Économique (Adie), the Foundation is pursuing its programme to support microcredit. In Île-de-France, Adie has opened a branch in a metro station to help entrepreneurs having trouble financing their projects, and it has other initiatives in French regions where RATP Dev operates, *i.e.* Charleville-Mézières, Boulogne-sur-Mer, La Roche-sur-Yon, Vierzon and Rennes.

(1) Esats are French medico-social organizations that support people with disabilities and aim to integrate them into the world of work.

(2) Source: *Public transport: creating green jobs and stimulating inclusive growth*, International association of public transport (UITP), January 2013.

1.2 IMPACT ON NEIGHBOURING AND LOCAL POPULATIONS

RATP group plays a major role in the regions in which it operates, helping to enhance social cohesion and taking action on social issues.

As regards housing, RATP has for more than 20 years adopted a proactive policy, particularly *via* Logis-Transports, its rental management subsidiary. At the end of 2014, the parent company signed an agreement with the City of Paris to build 2,000 homes in Paris by 2024, including at least 50% social housing, as part of a redevelopment plan for its industrial sites. In 2015, a project began to modernize a Paris bus centre, which will create 650 homes, including 350 homes for students and 170 social housing units.

In 2015, the parent company has been involved in tackling violence to women, an initiative led by its Chairwoman, who has made it one of her key strategic aims. RATP's network provides extensive publicity for the French government's information campaign relating to sexual harassment and violence on public transport and for the campaign by the United Nations' Secretary-General to eliminate violence against women and girls, and information on existing safety alert systems has been increased. The parent company has supported exploratory walks by women in the network to identify areas in which the transport experience could be improved through practical measures.

In another area, Logis-Transports has run a campaign to reduce anti-social behaviour in its properties, to raise awareness and increase accountability among its tenants, and to help to change behaviour.

The Foundation runs programmes that take action in the districts where the Group operates. In 2015, 214 projects were supported, directly benefiting almost 23,000 people⁽¹⁾. The "Destination Entraide" programme has supported 45 associations and around 19,000 beneficiaries. These projects are usually led by entities set up by local residents, for example "Un canapé pour tous", a writing workshop created in the 19th *arrondissement* of Paris to encourage neighbours to meet each other and to put new emphasis on the individual and collective history of this traditionally working-class neighbourhood.

(1) At October 31, 2015.

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 co-operate permanently with the institutions.

The parent company's relations with Stif, the transport authority in the Île-de-France region, are governed by a five-year contract containing a number of quantitative targets in terms of the range of services and their quality, with a bonus/penalty system.

Relationships with the transport authorities go further than contractual undertakings. In 2014, the parent company launched the Bus2025 project, which is exploring the future of bus services in the next 10 years against a background of changes in the institutional landscape, the introduction of part of the Grand Paris Express network and the planned energy transition in rolling stock. That project continued in 2015. The working group consisting of representatives of Stif and SGP, elected representatives and experts in the fields of transport, the environment and town planning, met several times in themed workshops. A summary of the work done, entitled "*Inventons ensemble le bus de demain*", has been published. Discussions with institutions are continuing, with the aim of implementing energy transition in RATP's bus fleet.

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 the sharing of industrial and commercial risks. Subsidiaries form partnerships with local authorities, and those partnerships ensure a dynamic relationship with the people who have authority over regions. Subsidiaries actively contribute to transport-related discussions: RATP Dev's partnerships with the Ville de France association 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 reforms currently in progress. In 2015, RATP Dev and Fédération des villes de France carried out a joint study to develop public transport solutions for cities with very strict budget constraints. Subsidiaries are now also often involved with the efforts of authorities in charge of public safety in urban centres, through local or departmental safety contracts (STU Vierzon, Timbus) and working groups (Bournemouth, Hong Kong), and those of other major city entities.

Internationally, the Group and Agence française de développement have signed a co-operation agreement to promote French expertise in mobility and urban transport in supporting sustainable development in emerging-market countries, particularly in sub-Saharan Africa.

2.1.2 PASSENGER ASSOCIATIONS

Listening to passenger associations is a key priority for us and always has been, and two representatives of those associations sit on RATP's Board of Directors.

In Île-de-France, an agreement signed in 1996 created an authority that holds ongoing discussions with approved associations. The subjects dealt with are selected by the associations and RATP, and an annual report is prepared on their work. In 2015, discussions included rail safety and security, along with major projects (automation of metro line 4, development plans for RER lines A and B, Bus2025 project, accessibility). Subjects related to the latest developments at RATP were also covered, such as the track and ballast replacement project on RER line A, the introduction of the single-fare Navigo pass, the new contract with Stif, and the Chairwoman's strategic direction.

Similarly, subsidiaries are constantly seeking to enhance their understanding of customers' expectations. For some subsidiaries, their only contact is the transport authority, while others maintain close relations with passenger associations: in London, Manchester, Bournemouth and Hong Kong, discussions are led by the transport authorities, the chamber of commerce or user committees. In France, these discussions take place through associations, user committees (Boulogne-sur-Mer, Charleville-Mézières, Aix-les-Bains, FlexCité 77) and consumer associations (TVM). The same is true in the United States (McDonald Transit).

The Group also has contact with the passenger community through 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. These digital arrangements were supplemented in late 2014 by a Twitter account dedicated to customer service. Some subsidiaries also use the Internet and social media to strengthen their contact with passengers (Vienne Mobilités, Champagne Mobilités, STD, Gest). Since early 2016, a new website has enabled customers to refer disputes regarding the commercial terms of transport tickets, service qualities and infringements to the RATP mediator⁽¹⁾.

2.1.3 ENVIRONMENTAL PROTECTION ASSOCIATIONS

The parent company sits on the Board of Directors of Airparif, an association that monitors air quality in Paris, and is a member of Bruitparif, which monitors noise levels in Île-de-France. The parent company also works with the French environmental and energy control agency (Ademe). Since 2010, it has been working to reduce noise black spots identified in the towns of Arcueil, Cachan and

Gentilly. Its experts are in contact with local residents affected by noise or vibration. It is also bound by four-way agreements (region, *département* and municipality) to promote sustainable travel in the Île-de-France region. These aspects are dealt with in the environmental section of this report.

Some subsidiaries maintain relations with structures that have environmental responsibilities. In South Africa, BOC holds regular discussions with environmental departments at the local, provincial and national levels, not just to prevent its activity having any impact on the environment, but also to alert the authorities where pollution is detected with no connection to the subsidiary. In France, an example is the co-operation agreement between the Société du Téléphérique du Salève and the Nature and Montagne associations, and TP2A's collaboration with the Prioriterre NGO to create company transport plans.

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 are continuing to make our bus and RER networks increasingly disability friendly⁽²⁾: today, 100% of tram lines and Paris bus lines, 65% of suburban bus lines, metro line 14, and 63 of RATP's 65 RER stations are accessible. The parent company also has a service policy to facilitate equal access to transport. Its 28,000 customer-facing employees are trained to meet the specific needs of people with reduced mobility.

The parent company co-ordinates ongoing collaboration with associations, aiming to achieve continuous progress, based on an agreement with nine associations representing people with disabilities or reduced mobility. In 2015, it organized sessions in which people with sensory deficits assess innovative facilities such as warning strips, sound guidance systems, tactile guide strips, signage and Braille handrails. In December, line 10 was the first Paris metro line to be awarded the S3A label, which shows its commitment to welcoming, informing, supporting and ensuring access to people with mental disabilities. The approach will be rolled out across metro line 14 and RER line B from 2016. The parent company has also continued its educational efforts to change how people with disabilities and reduced mobility are viewed, via "Accessible ensemble", a series of animated films that won awards at four international film festivals in 2015.

Within this field, French subsidiaries have adopted initiatives in several areas, often in partnership with associations (Association des paralysés de France and Jaccede.com): CTY offers to accompany all people with reduced mobility when taking their first bus journey; CTB and Orlyval Service have made their website more accessible and FlexCité's new website has received the Accessiweb silver label; and FlexCité and Céobus use subcontractors that employ people with disabilities. Outside France, subsidiaries are very active in this area, particularly in the United Kingdom. In Manchester, RATP Dev

(1) In 2014, the mediator's scope was expanded to include RATP Dev's subsidiaries in the Paris region.

(2) The Paris metro is recognized as an exception by the legislator.

is continuing its partnership with Disability Design Reference Group, and Epsom Coaches can now carry older adults with mobility scooters. In the United States, McDonald Transit remains an acknowledged leader in supporting people with disabilities. In China, Hong Kong Tramways works with some twenty official departments and associations responsible for assisting people with disabilities.

2.1.5 ASSOCIATIONS PROMOTING INCLUSION

The parent company works closely with associations and other organizations that promote professional inclusion. It uses various inclusion-oriented organizations and entities that help young people and/or adults, such as: Pôle Emploi and its local offices, Écoles de la Deuxième Chance (E2C), local inclusion and employment plans, and various associations supporting recruitment under “*emploi d’avenir*”, CAE employment support and vocational training contracts. In the same vein, in 2015 we took part in some sixty employment forums in partnership with the local authorities. We are also developing “*Ateliers de mobilité*”, an educational approach to teach socially vulnerable people how to use transport systems (reading maps, understanding the various transport alternatives). The aim is to enable them to travel more independently, and particularly to help them find jobs and thus facilitate their social integration. In 2015, almost 200 mobility workshops attended by around 2,000 people were organized by employees of the parent company, and around 40 by Agir ABCD and the Fondation Agir Contre l’Exclusion (FACE) under an outsourcing agreement.

Subsidiaries are also heavily involved in these efforts: Logis-Transports has entered into a partnership with an association that offers an audiovisual and multimedia diploma course in conjunction with Paris VIII University. STI Nièvre co-ordinates an employers’ consortium in support of qualifications and workforce inclusion for prospective ambulance and bus drivers. STI Centre has set up an operational job preparation system, providing training to around 30 jobseekers in 2015, all of whom found jobs. Cars Dunois, along with several subsidiaries in London, is committed to retraining people who used to work in the military. STU Vierzon, Vienne Mobilités and TP2A make it easier for people to return to work by offering free transport in their first month at work after a spell of unemployment. Metrolink RATP Dev Ltd has taken part in Talent Match, a national initiative to make young people more employable.

In 2015, the RATP group Foundation continued its local partnerships to promote professional inclusion. Some relate to young people who have fallen behind at school, others focus on young graduates from priority districts, rural revitalization zones or deprived backgrounds, and women struggling to find work. It also renewed its support to for the project led by the Val Bio association to encourage workforce inclusion through work in green spaces.

2.1.6 RELATIONSHIPS WITH EDUCATIONAL INSTITUTIONS

The Group has a long tradition of partnerships with educational institutions.

In 2015, the parent company signed an agreement with a provider of work-study programmes to inform technology and industrial systems apprentices about its careers in maintenance, operations and passenger service.

Subsidiaries’ partnerships with education institutions are based on five main themes:

- awareness about the use of public transport for primary and secondary school pupils (Algiers, Oran, Casablanca, Vierzon, Aix-les-Bains, La Roche-sur-Yon);
- road safety and accident prevention (wearing seatbelts): TimBus helped raise awareness among primary school children during a two-week programme to support vulnerable transport users. Frequent coach evacuation drills are also organized, particularly on school routes;
- compliance with rules: Metrolink RATP Dev Ltd has organized a competition for children aged 9-14 regarding anti-social behaviour on public transport. The competition involved designing TV and radio adverts regarding the consequences of anti-social behaviour and fare-dodging. Around 15 of the adverts were posted on social media and the most popular were shown at HOME, Manchester’s international centre for contemporary visual art. In France, the city of Valenciennes has also taken action in this area, and STU Vierzon prints a code of conduct on its school transport map, in collaboration with schools;
- opening up jobs in the transport business to pupils in difficulties or those in the technological streams (Epsom Coaches in London, Fullington Auto Bus Company in the United States);
- increasing access to universities: subsidiaries in the United Kingdom welcome engineering students from various schools. London has links with Coventry City College and the College of North West London relating to engineering apprenticeships and training, while Manchester has links with Bolton College and Leeds University. In Italy, Gest welcomes engineering students from the University of Florence.

The RATP group Foundation is also highly active in the area of education. Since 2009, through its “*Trajets d’avenir*” programme, it has provided educational scholarships for students from poor backgrounds to enable them to access long-term study and the top educational institutions. The Foundation also provides collective assistance and support for accredited mentors from the Group. Under partnerships with the University of Cergy-Pontoise, Telecom Paris-Tech and Telecom SudParis, HEC and INSA Centre Val-de-Loire in Bourges, Sciences-Po and the Sizanani NGO for the University of Johannesburg, meetings are organized with Group managers to provide a bridge to the world of work. 83 students benefited from this programme in 2015.

Finally, the Foundation has increased its commitment to the collective philanthropy programme “*Alliance pour l’éducation*”, which works to stop secondary-school students falling behind with their studies, by getting a larger number of employees to support the school outreach project.

2.2 PARTNERSHIPS

In the Île-de-France region, the parent company aims to promote culture and sport through partnerships and events that it holds in its spaces. Those events aim to make the passenger journey more agreeable and to make an active contribution to urban culture.

In 2015, the parent company forged over 100 partnerships with key municipal players and major cultural institutions:

- 60 cultural partnerships dedicated more specifically to music, literature and heritage. Since 2013, RATP has made photography the spearhead of its cultural policy, based around an ambitious programme enabling its passengers to discover contemporary photographic work;
- a dozen sporting partnerships, including the partnership with the Fédération Française de Rugby, particularly around the 2015 Rugby World Cup. The ninth edition of the “Mercredis du Rugby” campaign attracted 300 secondary-school children from priority education zones in Île-de-France, to address behavioural issues on public transport in a fun way;
- over 30 institutional partnerships, including around 10 in connection with COP21, with entities such as the European Commission, the Mairie de Paris, the WWF, the Seine-Saint-Denis regional authority and Agence française de développement.

Subsidiaries also play an active role within partnerships and philanthropy initiatives:

- as regards cultural partnerships, in France, CTVH is helping to restore a work of art in relation to the reopening of the Musée des Beaux-Arts in Valenciennes; in the United Kingdom, RATP Dev is sponsoring the biennial Manchester International Festival; Bournemouth welcomes artists in residence and exhibits their work on its buses; and in Algeria, Setram was a partner of the “Constantine, Capital of Arab Culture” event;
- as regards sporting partnerships, numerous subsidiaries are partners of local clubs, including women’s basketball, rugby and handball clubs, and Orlyval Service supports disability sport;
- as regards humanitarian and charitable partnerships, the United Kingdom subsidiaries and their employees regularly organize and are heavily involved in fund-raising activities. In 2015, Manchester raised funds for the National Cancer Research Institute, and Epsom Coaches donated £9,000 collected during its 95th anniversary open days to a charity. In France, TP2A provides free transport for Les Restos du Cœur, while Sqybus and Cars Perrier provide buses for collecting toys and giving them to deprived children at Christmas.

RATP Dev’s work with the Foundation also results in partnerships in new regions served by the Group:

- in late 2015, to support the upcoming launch of the first tram line in Washington, the Foundation started to work with the Horton’s Kids association to finance a cultural and sporting programme for secondary school children living in deprived districts along the tram line’s route;
- in South Africa, in conjunction with BOC, the Foundation provided financial support to the Alliance Française’s African conference, which took place in October 2015 in Johannesburg, and helped provide French-language books to Mondeor High School⁽¹⁾.

To celebrate its 20th anniversary, the Foundation also encouraged Group employees to give up their spare time to help around 30 associations leading projects to support the communities in which the Group operates. Overall, the Foundation arranged for around 260 people to do over 2,000 hours of volunteer work, in Île-de-France and the French regions, but also in South Korea, South Africa and India.

(1) A large multicultural school in the province of Gauteng, served by Gautrain.

3 • Sub-contractors and suppliers

For this reporting period, information on sub-contracting and suppliers only covers the parent company. For RATP Dev, non-energy purchasing volumes are extremely low and the local contexts in which it operates are extremely varied. The contribution of our subsidiaries is therefore limited to qualitative information.

The parent company’s responsible purchasing policy is based on incorporating CSR into purchasing practices, reducing its environmental impact, developing socially responsible purchases, building and maintaining balanced relationships with suppliers and involving suppliers in this approach. Internal guidelines, resources including a purchasing guide and practical information sheets, and training for purchasing staff are also provided.

In 2015, 10 buyers undertook the responsible purchasing training module, which is a mandatory part of the training course for new buyers. The aim is to raise their awareness about CSR issues, help them acquire new skills and share best practice.

Training

	2015	2014	2013
Number of buyers trained (since 2012)	143	133	113
Percentage of buyers trained in 2015	84%	83%	70%

In 2015, *Le Moniteur* magazine awarded its sustainable purchasing trophy to the parent company for its overall approach regarding the adoption of new uniforms for 27,000 operational employees. That approach included workforce audits of production sites, traceability of materials used, usage of recycled materials and recycling of old uniforms.

3.1 INTEGRATION OF SOCIAL ISSUES INTO THE PURCHASING POLICY

The parent company pays particular attention to working conditions at suppliers and illegal working (see General Instruction IG 530 on illegal working and workforce audits).

Through its purchasing, it aims to support the implementation of public policy in favour of employment.

For several years, RATP has been including workforce inclusion clauses into contracts where appropriate, particularly those regarding building works (civil engineering, electricity, heating and air conditioning, and metal works) and services (cleaning, IT relocation). It has continued its qualitative initiatives in support of effective workforce inclusion systems. This internal process allows RATP to monitor how companies awarded new line extension projects meet their workforce inclusion obligations.

Purchases from the sheltered sector amounted to €707 thousand in 2015, 50% more than in 2014, which reflects the extent to which buyers are committed to supporting people with disabilities. The range of work sourced from support-through-work organizations (Esats) and disability-oriented social enterprises (EAs) increased in 2015 to include catering, large-format printing, transportation of the parent company's disabled workers, purchases of chocolates and

calendars, upgrading of medical furniture, and the production of protective covers for work done on rail equipment in pits.

In October 2015, the parent company, SNCF and Société du Grand Paris signed a CSR commitment for Nouveau Grand Paris contracts aiming to promote workforce-related best practice relating to integration, working conditions, combating illegal working and access to these contracts for SMEs.

Inclusion

	2015	2014	2013
Number of inclusion hours achieved (clauses and direct purchases)	291,000	290,000	140,000
Number of beneficiaries of inclusion mechanisms	515	536	320
Number of contracts with an inclusion clause (in progress)	131	90	83
Amount of purchases from the sheltered sector (invoice amounts excluding taxes)	€707,000	€472,000	€630,000

Logis-Transports also includes economic and workforce inclusion clauses in all its works contracts.

Outside France, workforce-related issues are generally taken into account in purchasing processes *via* legislation in force. Manchester has developed an audit programme to check that subcontractors and suppliers meet contractual requirements in the areas of health, safety and the environment. In the same field, the

London subsidiaries follow the Ethical Trading Initiative Base Code. In Italy, suppliers must include a specific document about their compliance with statutory workforce-related obligations in their tender documents. In South Africa, subcontractors and suppliers are inspected to check that they comply with statutory obligations and with their sustainable purchasing commitments.

3.2 IMPORTANCE OF SUB-CONTRACTING AND MAKING CSR A CONSIDERATION IN SUPPLIER AND SUB-CONTRACTOR RELATIONS

For the parent company's 4,899 suppliers in 2015, the results were as follows:

Suppliers

	2015	2014	2013
Number of (direct) suppliers to the parent company	4,899	4,724	4,524
Proportion of suppliers based in France (in percentage)	97	95.8	95.8
Proportion of SMEs among direct suppliers (in percentage)	67	64	63 ^(*)
Total purchases from SMEs (in millions of euros)	453	361	343 ^(*)
Invoiced purchases from SMEs as a proportion of total invoiced purchases (28% excluding energy and rolling stock)	17	16.6	14.8 ^(*)

(*) Data adjusted for methodology adopted in 2014.

The parent company has an active policy of supporting SMEs and innovation. It makes it easier them to win contracts in various ways: apportionment, electronic procedures, consideration of alternatives, and incentives to submit proposals as joint contractor or sub-contractor. The parent company has also acted ahead of schedule to lower the financial capacity required of candidates.

Each year, Pacte PME carries out a survey of the parent company's SME customers to define the customer-supplier relationship and identify areas for improvement. The results of the survey were presented to around 20 SMEs, providing an excellent opportunity for discussion with buyers.

4 • Fair commercial 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 President'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.

Specific arrangements apply as part of the purchasing and supplier relations policy. A code of conduct and ethics governs supplier relations (General Instruction 499b). This commitment is shown by the CSR commitment for Nouveau Grand Paris contracts signed by the parent company, and by the responsible purchasing charter for Telcité and its suppliers, both signed in 2015 (see sections 7 and 10.1).

For clothing contracts, workforce audits are performed at production sites. The results of these audits, which are carried out by an independent firm, dictate the awarding of contracts and corrective measures can be demanded of suppliers. In 2015, 10 audits were carried out, and one production site was rejected as a result (in Morocco).

Audits

	2015	2014	2013
Number of social audits conducted during the year (clothing)	10	7	10
Total number of audits since 2000	72	62	55
Total number of audited sites rejected since 2000	6	5	4

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. It involves a firm grip on technical requirements, procedures and staff expertise.

Safety is a constant concern, throughout the life of equipment. At the design phase, safety requirements form an integral part of specifications, safety dossiers are prepared and pre-commissioning testing is carried out, while during the equipment's life, closely controlled maintenance, incident monitoring, feedback and inspections take place.

A dedicated railway safety unit was created in 2012 and reports directly to the Chairwoman. It operates within the parent company and within Group subsidiaries as part of an annual rail safety audit programme validated by the Group's Executive Committee. In 2015, its work concerned supervision of metro and RER tracks, the availability of speed control systems, the management of automatic rail lines (metro line 1 and Orlyval) in poor weather conditions, and the compliance of signalling on the Manchester tram network. The unit also audited Téléphérique du Salève in the Savoie region of France.

At the same time, policy and management regarding rail safety and fire safety in the Paris rail network have been reviewed to take into account changes in RATP's internal organization, the external environment and fire safety.

The Group's acknowledged expertise in rail safety has been used by French and European authorities. The rail safety unit contributed to the amendment of French decree 2003-425 relating to guided public transport safety by sharing the Group's feedback with government departments. It also took part in work done by the European authorities as part of European mandate M/486 for the adjustment and creation of electrotechnical standards in the urban rail (metro and tram) field.

NOTE ON EXTRA-FINANCIAL REPORTING METHODOLOGY FINANCIAL YEAR 2015

General framework

French decree No. 2012-557 on social and environmental reporting implementing the Grenelle II law was published on April 24, 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.

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 its Statutory Auditors, appointed as an independent third party.

Reporting scope

For its third year of reporting, the scope chosen by RATP group includes the parent company and 24 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 was extended to 16 RATP Dev subsidiaries in 2014 and to 24 in 2015, and 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 scope of the parent company.
- "Employee training in environmental protection and quality" and "Ground use": this information is not currently available at subsidiary level.
- "Water consumption and water supply according to local constraints": this information is not currently available in Morocco and South Africa.

Social information

Two disclosures were made on purchasing: "Integration of social issues and the importance of sub-contracting" and "Importance of sub-contracting and making CSR a consideration in supplier and sub-contractor relations", are provided only for the parent company scope given RATP Dev's low purchasing volumes.

Reporting schedule

In order to include the extra-financial information (CSR) in the Company's financial report, the CSR reporting schedule has been brought into line with the financial reporting schedule and covers the 2015 financial year. Workforce, environmental and social information is reported for the full calendar year, *i.e.* January 1, 2015 to December 31, 2015 (twelve months).

Organization and internal control

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:** The Human Resources department (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 (GHG). This data is 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. It is overseen jointly by the Group's Finance, Communications and Executive management departments.

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. A mapping of the information systems is available to the independent third party.

Reporting tools

- 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 and/or data collection.
- 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.

Methodological characteristics and limitations

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

Workforce information section

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 December 31, 2015. There may be slight imprecisions, but tests show that they can be considered as not material.

- Total Group headcount in full time equivalents (FTE): the RATP Dev subsidiaries include, in addition to the State-owned Industrial and Commercial Public Utility, employees on short-term contracts who have been recruited to meet an increase in activity.
- Absenteeism: the Finance department has developed an adjustment mechanism to reconcile the results and enable consolidation of the data.

Environmental section

The information calculated on the basis of meter readings or invoices does not include the data that was missing at the time the management report was drafted. Missing information is not currently estimated in the presented data.

The data of four environmental indicators (number of certified sites, number of sites with an environmental management system and office and industrial premises involved in selective waste sorting) were updated.

Water consumption: as specified above, the water consumption reported by the parent company is calculated on the basis of the water bills received before the drafting of the management report.

Electricity consumption and greenhouse gas emissions: the reporting scope includes traction energy consumption induced by the provision of transportation services and the energy consumption of buildings. The fuel consumption of secondary vehicles (service vehicles, company cars) and power generators are not included in the reporting scope.

Persons exposed to noise levels above the maximum limit specified by European Directive 2002/49/EC: the indicator is calculated without regard to the index used. The limits defined by the directive are: 73 dB(A) for the Lden index (24h day) and 65 dB(A) for the Ln (night) index for rail. Thus the proposed indicator represents the total number of persons exposed to noise levels above the maximum limit of the directive for the Lden and Ln indexes, regardless of the type of exposure.

Social information section

In 2015, RATP adopted a new method of calculation for the indicators related to the number of direct and indirect jobs created in order to better understand the impact of its business in the economy. The parent company's invoiced revenue is treated as a demand that generates a level of production in the various sectors of the economy, which is then translated into indirect jobs based on their respective production levels.

REPORT BY ONE OF THE STATUTORY AUDITORS

This is a free English translation of the designated independent third party's report issued in French and it is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Report by one of the Statutory Auditors, appointed as independent third party, on the consolidated human resources, environmental and social information included in the management report

Year ended December 31, 2015

To the shareholders,

In our capacity as Statutory Auditor of the Epic RATP, (the "Company"), appointed as independent third party and certified by Cofrac under No. 3-1049⁽¹⁾, we hereby report to you on the consolidated human resources, environmental and social information for the year ended December 31, 2015, included in the management report (hereinafter named "CSR Information"), pursuant to article L. 225-102-1 of the French Commercial Code (*Code de commerce*).

Company's responsibility

The Board of Directors is responsible for preparing the Company's management report which, as part of the voluntary approach of the Epic RATP, includes the CSR Information required by article R. 225-105-1 of the French Commercial Code in accordance with the reporting protocols used by the Company (hereinafter the "Guidelines"), summarized in the management report 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 (*Code de déontologie*) of our profession and the requirements of article L. 822-11 of the French Commercial Code. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements, French professional standards and applicable legal and regulatory requirements.

Statutory Auditor's responsibility

On the basis of our work, our responsibility is to:

- attest that the required CSR Information is included in the management report or, in the event of non-disclosure of a part or all of the CSR Information, that an explanation is provided in accordance with the third paragraph of article R. 225-105 of the French Commercial Code (Attestation regarding the completeness of CSR Information);
- express a limited assurance conclusion that the CSR Information taken as a whole is, in all material respects, fairly presented in accordance with the Guidelines (Conclusion on the fairness of CSR Information).

Our work involved six persons and was conducted between October 2015 and April 2016 during a six weeks intervention period. We were assisted in our work by our CSR experts.

(1) Whose scope is available at www.cofrac.fr.

(2) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

We performed our work in accordance with the French professional standards and with the order dated May 13, 2013 defining the conditions under which the independent third party performs its engagement, and with International Standard ISAE 3000⁽²⁾ concerning our conclusion on the fairness of CSR Information.

1. Attestation regarding the completeness of CSR Information

Nature and scope of our work

On the basis of interviews with the individuals in charge of the relevant departments, we obtained an understanding of the Company's sustainability strategy regarding human resources and environmental impacts of its activities and its social commitments and, where applicable, any actions or programmes arising from them.

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 is not disclosed, we verified that explanations were provided in accordance with article R. 225-105, paragraph 3 of the French Commercial Code.

We verified that the CSR Information covers the scope of consolidation, *i.e.* the Company, its subsidiaries as defined by article L. 233-1 and the controlled entities as defined by article L. 233-3 of the French Commercial Code within the limitations set out in the methodological note, presented in the management report.

Conclusion

Based on the work performed and given the limitations mentioned above, we attest that the required CSR Information has been disclosed in the management report.

2. Conclusion on the fairness of CSR Information

Nature and scope of our work

We conducted around thirty interviews with the persons responsible for preparing the CSR Information in the departments in charge of collecting the information and, where appropriate, responsible for internal control and risk management procedures, in order to:

- assess the suitability of the Guidelines in terms of their relevance, completeness, reliability, neutrality and understandability, and taking into account industry best practices where appropriate;
- verify the implementation of data collection, compilation, processing and control process to reach completeness and consistency of

the CSR Information and obtain an understanding of the internal control and risk management procedures used to prepare the CSR Information.

We determined the nature and scope of our tests and procedures based on the nature and importance of the CSR Information with respect to the characteristics of the Company, the human resources and environmental challenges of its activities, its sustainability strategy and industry best practices.

Regarding the CSR Information that we considered to be the most important, listed in Appendix 1:

- at parent entity level, we referred to documentary sources and conducted interviews to corroborate the qualitative information (organization, policies, actions), performed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and the consolidation of the data. We also verified that the information was consistent and in agreement with the other information in the management report;
- at the level of a representative sample of entities⁽³⁾ selected by us on the basis of their activity, their contribution to the consolidated indicators, their location and a risk analysis, we conducted interviews to verify that procedures are properly applied and to identify potential undisclosed data, and we performed tests of details, using sampling techniques, in order to verify the calculations and reconcile the data with the supporting documents. The selected sample represents on average 84% of headcount and between 77% and 100% of quantitative environmental data disclosed.

APPENDIX 1

Human resources indicators

- Total Group headcount and breakdown by gender, age and geographical area
- Proportion of women among senior executives
- Group's total gross payroll and parent company's average net monthly compensation per employee
- Joiners and leavers, including breakdown of the number of leavers by reason of leave
- Proportion of part-time employees
- Absenteeism
- Number of collective agreements signed during the year
- Work-related accidents: frequency rate and severity rate
- Number of training hours
- Total number of people with disabilities, number of people with disabilities hired

Environmental indicators

- Number of certified industrial sites, number of industrial sites with an environmental management system
- Total quantity of non-hazardous waste and hazardous waste
- Persons exposed to noise levels above the maximum limit specified by European Directive 2002/49/CE
- Total water consumption supplied through a public network

For the remaining consolidated CSR Information, we assessed its consistency based on our understanding of the Company.

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

We believe that the sampling methods and sample sizes we have used, based on our professional judgment, are sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures. Due to the use of sampling techniques and other limitations inherent to information and internal control systems, the risk of not detecting a material misstatement in the CSR Information cannot be totally eliminated.

Conclusion

Based on the work performed, no material misstatement has come to our attention that causes us to believe that the CSR Information, taken as a whole, is not presented fairly in accordance with the Guidelines.

French original signed by:

Paris-la Défense, April 1, 2016
KPMG SA

Philippe Arnaud
Partner

- Total energy consumption and breakdown of energy consumption by use
- Greenhouse gas emissions (from buildings and from transport services)

Qualitative information

Human resources information

- Organization of dialogue between management and employees
- Anti-discrimination policy

Environmental information

- Company's general environmental policy and environmental practices
- Resources devoted to preventing environmental risk and pollution
- Measures to prevent, mitigate or remedy environmentally harmful air, water and ground emissions

Social information

- Regional, economic and social impact of the Company's business in terms of employment and regional development, and on neighbouring and local populations
- Integration of social issues in the purchasing policy
- Importance of sub-contracting and making CSR a consideration in supplier and sub-contractor relations
- Passenger safety measures

(3) Reviewed entities: Epic RATP, Céobus, Bombela Operation Company (BOC), Casa Tram, Setram.

REPORT BY THE PRESIDENT



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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 must be viewed as a procedure put into place by the Company for all employees, with the aim of ensuring:

- 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 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 2015. The second part provides an overview of the organization of the risk management and internal control and audit 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 8, 2016. 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 25, 2016.

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. 84-276 of April 13, 1984 (details are provided in Appendix 1). The Board has adopted rules of procedure in accordance with article 6-12 of decree No. 59-1091 of September 23, 1959 on the legal form of RATP. These rules may be updated on the basis of the Board’s governance.

The Board of Directors is chaired by Ms. Élisabeth Borne, who was appointed President and Chief Executive Officer of RATP by the decree of May 21, 2015 for the period 2014-2019.

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 the technical and technological modernization of transport, 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 President and 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 President and 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 President and 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.

(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* of July 4, 2008).

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. 59-1091 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 2015

1.2.1 APPOINTMENT OF THE PRESIDENT AND CHIEF EXECUTIVE OFFICER

Following the resignation of Mr. Pierre Mongin, approved by decree of April 15, 2015, the Board was convened for an extraordinary session on May 4, 2015 for the purpose of proposing the appointment of a new President and Chief Executive Officer.

The Board proposed to the Government that Ms. Élisabeth Borne be appointed to exercise the powers and duties of CEO. She was appointed President and Chief Executive Officer of RATP by the decree of May 21, 2015.

Ms. Élisabeth Borne had previously received the unanimous vote of the competent commissions of the French National Assembly and Senate on May 12 and 13, 2015.

1.2.2 DEVELOPMENT AND NETWORK MODERNIZATION POLICY

The Board had to deal with the development and the modernization of the network: extension of the network, improving infrastructure, operation of existing networks, rolling stock, property-related decisions.

Without prejudice to the decisions related to the Greater Paris project, the Board decided on the phase 1 extension of the T1 tramway line in Colombes.

Infrastructure

2015 was rich in terms of infrastructure; many preliminary projects were approved:

- the extension of the storage and maintenance sidings and the required adaptations for the extension of the T7 line in Juvisy (January); the creation of a new train turning system at the Étoile station – under the RER line A master plan;
- the creation of a rectifier station at the Chennevières station (January);
- the setting up of a railway turntable, garage and conductors for trains at Marne-la-Vallée–Chessy (June);
- the creation of an additional access way to the platforms of the Bussy-Saint-Georges station (August);
- restructuring of the Vincennes RER station line A (October).

In March, the contract for the design, supply, installation and implementation of low voltage power sources, as part of the metro renewal project, was approved.

In May was decided to create an access way at Porte de Choisy line 7 as an intermodal transfer to the T9, an RER connection at Saint-Germain-en-Laye as part of the extension project of the West tangential and access way to Nogent-sur-Marne as part of the PDU urban travel plan.

In June, decisions were made on:

- the creation of a shunting neck at the Orsay station (improvement work on RER B);
- the impacts of RATP's extension work on RER Éole;
- the renewal of the track signalling and improvements to garages and dispatchers at Saint-Rémy-lès-Chevreuse;
- the upgrade of the track signalling of line B (southern part).

In October, the Vincennes station was restructured, and the contract for the construction and renewal of 378 heavy and compact escalators was approved.

In addition, the future work sites of the track and ballast renewal of the RER A line were presented in March. The first phase of the project took place in the summer. In November, a detailed report was made on the operation. The project was a success both on an operational level and in terms of the service and information provided to passengers; some adjustments, normal for a project of this magnitude, will be made for the remaining phases.

Rolling stock

Two important milestones are to be noted: in January, the contract for the study and provision of rubber-tired trains for lines 1, 4, 6, 11 and 14 of the Paris metro and Greater Paris network was approved, and the contract for the implementation of the automated train operating system (SAET) on line 4 was approved in November.

Land use

Property-acquisition decisions were made for these land use projects, in particular in regard to the redevelopment of the Châtelet-Les Halles hub (January) and the extension of metro line 11.

1.2.3 INDUSTRIAL AND ENGINEERING POLICY AND GREATER PARIS

In May, the preliminary project for the RATP/GPE line 15 South interconnections was approved. This project is very important; the Greater Paris Express will be a powerful driver for a more balanced development of the Île-de-France region, and a major challenge in terms of the construction and operation of new networks. The line 15 South of the Greater Paris Express is a 33 kilometer-long stretch, running entirely underground, which will connect 16 stations from Pont de Sèvres to Noisy-Champs in 35 minutes and is expected to provide 300,000 trips every day.

The commissioning of the line, initially planned for 2020, was pushed back by the SGP at the end of April to 2022.

In addition, the President attended the parliamentary conference on Greater Paris in the fall, which was a resounding success. All key players in the project attended the conference, which was opened by the French Minister of Public Service, Marylise Lebranchu. The discussions focused on transportation issues and regional planning.

The President also participated in the Greater Paris Steering Committee, chaired by the French Transportation Secretary. A report was made on the overall progress of the Greater Paris Express. The public hearing on the line 15 West began in September 2015 and ended on October 29, 2015. The hearings on lines 17 North, 18 and 15 East will be held during the first half of 2016, and all investment operations for the Greater Paris Express will be voted on before the end of the year.

The Board was informed of the progress of the CDG Express project.

1.2.4 SOCIAL AND WORKFORCE ENVIRONMENT

2015 began with the adoption of the training plan (January) and the presentation of a major project concerning the accessibility of the networks for people with reduced mobility (PRM).

The French law of February 11, 2015 on “equal rights and opportunities, participation and citizenship of people with disabilities”, whose aim is to make transportation accessible to people with any type of disability on all sections of the transport circuit, had required that all public transportation networks be completely accessible by 2015, save for the historical Paris metro and areas deemed unfeasible for technical reasons. However, this exemption is based on the need to organize an alternative transportation option which, in this case, will be provided by the surface network. This is the case with the on-demand transport network “PAM” which promotes mobility, managed by the Île-de-France transport authority and deployed in the Île-de-France *départements*, five of which are operated by FlexCité, a subsidiary of RATP Dev.

In this context, RATP initiated a major consultation process by creating an advisory committee that includes nine associations, with the purpose of working in advance of new projects. The work of this committee, both in terms of the development of new projects and problem-solving approaches, was unanimously praised at the annual meeting with these associations in December 2014.

In March, the Board approved the Company’s supplementary social protection plan.

In May, the financial statements of the CCAS (local social welfare centre) for 2014 were approved; its forward budget was approved in November.

In addition, the President signed the Greater Paris CSR Charter under the aegis of the Prefect of the Region and the Chamber of Commerce and Industry, together with Société du Grand Paris (SGP) and SNCF. Going beyond merely quantitative results (awarded contracts generated 290,000 inclusion hours in 2014), RATP is implementing highly qualitative approaches by defining specific inclusion strategies that are regionalized for each project in which the RATP group Foundation participates.

Alongside these actions, RATP continued in 2015 its social housing policy through its subsidiary Logis-Transports. The Board approved the Company’s policy in November.

In August, the urban development project for the Nogent-Baltard business park was approved.

2015 was also the year of the approval of the Group’s sustainable development report for the year ended December 31, 2014 (meeting on March 13, 2015).

1.2.5 CONTROL OVER THE COMPANY’S FINANCIAL INFORMATION AND COMPETITIVENESS

The Board approved the consolidated and parent company financial statements at its meeting on March 13, 2015, as well as the position as at December 31, 2014 of current assets and current liabilities.

In November, the parent company’s budgets and investment programmes were adopted and the Group’s budget was discussed. The imminent application of corporate income tax, as part of a tax normalization procedure, must be noted.

Moreover, the directors received a report on the procurement activities in the Company in March, and the policy for the year was presented in November.

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 Dev, the most significant subsidiary in terms of revenue. Some transactions were discussed by the Board (e.g. the consultation for the operation of the Tuscany network, the acquisition of sightseeing companies [Open Tour]).

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.

In addition, the Board is regularly informed about the outlook for subsidiaries.

The budget, as well as the consolidated financial statements of RATP group, was also presented to the Board in November.

1.2.7 CLOSE MONITORING OF QUALITY OF SERVICE

Numerous actions were undertaken in 2015 to improve quality of service, notably:

- passenger information was discussed in May;
- the modernization of the ticketing system was presented at the Board meeting in June; fraud prevention was discussed in October.

1.2.8 RISK MANAGEMENT AND RAILWAY SAFETY

The Board discussed Group risk management in June. The process entailing the definition of a guideline, risk mapping and the implementation of risk management plans and action plans was underlined.

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

1.2.9 BOARD GOVERNANCE EVALUATION MISSION

During the meeting in August, the President mentioned the launch of the assessment procedure on Board governance and tasked the Leaders Trust firm with interviewing the directors.

The aim of this consultation is to better understand the expectations, suggestions and priorities of the stakeholders and to discuss any changes in the Board's governance.

1.2.10 THE PRESIDENT'S STRATEGIC GUIDELINES

In accordance with article 1 paragraph 3 of the Board of Directors' Rules of procedure, the Board met to debate the major guidelines proposed by the President (Board meeting of October 30, 2015).

Three priorities were announced:

- strive for excellence in passenger services, relying on the skills of the Group's employees;
- promote innovation in all areas of the Group;
- assert its position as a key player in sustainable cities.

Ten projects will be rolled out.

1.2.11 INSTITUTIONAL RELATIONS

The President regularly reported to Board members on her meetings with the Company's institutional partners and elected regional (Île-de-France) and national representatives, and on hearings, particularly before the Board of Directors of the Île-de-France transport authority.

2015 was the year of the drafting, negotiation and signature of the agreement between RATP and the Île-de-France transport authority for the next five years (2016-2020). This agreement allows the Company to protect and strengthen its business model, because RATP now has the means to self-finance the maintenance and renewal of its network.

It also provides a financial outlook for the next five years, which is essential in order to prepare for the future, and allows the Company to:

- undertake an exceptional investment programme in order to continue to ensure the safety of the network, notably in regard to railway safety, a fundamental pillar of operations;
- modernize and extend the network, thereby putting RATP at the forefront of the development of transport in the Île-de-France region.

It is based on a realistic productivity assumption that is compatible with maintaining the quality of our service and the preservation of the working conditions of employees. It provides a fair compensation scheme, based on financial results through an employee profit sharing programme. It guarantees a continually improved transport service for passengers. It strengthens the human presence by recruiting additional staff to join the Company's safety and security service (Groupe de protection et de sécurisation des réseaux, or GPSR), agents to accompany night buses and operators as part of the readjustment of bus travel times. Finally, it allows for a normalization of the tax situation.

2015 was also the year of the COP21. The President participated in a round table discussion for the event in which she highlighted RATP's role in the process. RATP signed a partnership agreement with the COP21 General Secretariat to become an official partner of the event, which took place from November 30 to December 11. Through this agreement, RATP has committed in particular to strengthening, in collaboration with the Île-de-France transport authority, its transport services while welcoming and guiding the participants with the help of its 5,000 metro and train station employees.

1.2.12 SUSTAINABLE DEVELOPMENT

During her presentation of RATP's strategic guidelines, the President stressed that the Company must be a major player in the development of a sustainable city. The Île-de-France transport authority and RATP would like to turn the Île-de-France region into a model for an urban public transportation network with very low carbon emissions.

In this context, additional emphasis will be placed on activities promoting eco-responsibility. Starting in 2014, the Company launched a major technological and ecological project to convert its bus fleet to electric power by 2025, as part of its "Bus2025" plan. RATP's aim is to have a 100% green fleet in Île-de-France by 2025, made up of electric and renewable natural gas buses, in order to meet the objectives of the Île-de-France Urban Mobility Plan for the 20% reduction of greenhouse gas emissions.

Already in early December, on the occasion of COP21, Jean-Paul Huchon, Chairman of the Board of Stif, and Élisabeth Borne, President and CEO of RATP, presented 12 clean energy models in Paris.

1.2.13 LEGAL ENVIRONMENT

In March, a resolution was passed to create an *Official Journal* to record RATP's proceedings.

2 • Risk management and internal control and audit functions

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

Risk management and internal control play complementary roles in controlling the Company's activities⁽¹⁾:

- “the risk management system aims to identify and analyze the Company's main risks; risks that exceed acceptable levels set by the Company are 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⁽²⁾ standard 2120.

In this spirit, RATP group's approach is based on the principle of three lines of defence as defined by COSO 2013 and clarified by the French audit and internal control institute (Ifaci) and the French association for corporate risk management and insurance (Amrae):

- the first line is represented by operational management, who ensures the rapid achievement of results and the control of the work processes by monitoring day to day activities; it thus constitutes a first line of defence against not achieving our goals;
- the second line is represented by cross-company functions, which continuously monitor operating activities, as well as the risk management and internal control functions;
- the third line of defence is borne by the internal audit function at the department and executive management level.

2.1 RISK IDENTIFICATION AND MANAGEMENT

2.1.1 ROLE OF THE RISK MANAGER

The role of the Risk Manager, who operates at RATP group level and reports to the Staff Director, 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 risk mapping considered as a priority; risks are broken down according to their nature (strategic/commercial, operational, human resources, financial/economic, regulatory);
- 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 risk management 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 manages 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.

(1) AMF reference framework, revised in July 2010.

(2) IIA: Institute of Internal Auditors.

2.1.2 DEPLOYMENT OF THE RISK MANAGEMENT PROCESS IN THE GROUP

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

At year-end 2015, all Epic departments updated their mapping, and all the Group's major subsidiaries either updated their existing maps or prepared their first map, and more than half of the risk management plans for these maps have been completed.

The 2015 risk map is in progress following the three-year plan of the method applied by RATP group. It was completely redone on the basis of interviews with each of the Group's senior executives and surveys conducted within management committees. The selection of 25 major risks for the Group was carried out by the Executive Committee; assessments will be undertaken in early 2016 and presented to the Audit Committee in June 2016.

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 and the risk map were updated in 2014. In 2015 this framework was completely rebuilt and the selected major risks are currently being assessed.

As mentioned above, implementation in less significant subsidiaries of RATP Dev began in 2013 and concerned some thirty subsidiaries at year-end 2015. Risk mapping enables the risk specific to each entity to be identified alongside risk affecting all subsidiaries, RATP Dev and Epic. The process is therefore cascaded to all Group levels, from the corporate level to operational entities and customer service, with genuine mutual benefits.

2.1.3 CHANGES IN RISK MANAGEMENT

After an analysis of the maturity of RATP's risk management was conducted at year-end 2014, the Group approved a risk management improvement programme. It consists of three main components:

- the establishment of a risk committee to ensure better monitoring of risk mitigation actions;
- the implementation of an RMIS (Risk Management Information System), bringing together risk management, internal audit, internal control and insurance management;
- the creation of a training programme on risk awareness for managers.

The corresponding projects will be implemented in 2016.

2.1.4 COMPANY-WIDE RISK

At year-end 2015, the specific mapping of threatening events for each of the identified Company-wide risks in the Group's mapping was more than 90% complete.

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 RATP's core business as provider of railway and road transportation services;
- human resources/workforce of a Group employing more than 55,000 people (labor-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 risk management plans 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.

2.1.4.1 Development risk

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

Security and health risks for RATP group employees who contribute to the Group's development as missionaries or expatriates were thoroughly analyzed in 2014, and the action plans are being implemented as:

- general instructions;
- a dedicated structure integrated into the DGMR;
- an information system for risk management internationally.

2.1.4.2 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).

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 implemented at Ixxi and SEDP.

On December 1, 2015, the Group established an Ethics Committee reporting directly to the President. The committee's mission is to provide practical help to local managers and ensure that the principles of non-discrimination, secularism and neutrality are strictly respected.

2.1.4.3 Cyber crime risks

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.

2.1.4.4 Legal risks

The Company's legal department provides advice and analysis, draws up contracts, handles claims and disputes and provides legal training for all the Company's business activities. It prepares for or initiates change, makes proposals to the public authorities, 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. It ensures the Company's legal representation in all jurisdictions.

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 2015, as in the previous year, the legal affairs department devoted a considerable amount of time to developments in the following strategic areas:

- the application of EU and French competition law;
- the transposition of directives on public procurement and concessions and changes to the regulation on public passenger transport services and to the fourth railway package;
- the monitoring of network development projects (including the Greater Paris project);
- the drafting of guidelines on environmental law and urban planning procedures, and the implementation of the reform in environmental law;
- the development of the Company's actions on various Internet and electronic communication methods;
- the analysis of legal risks, notably in regard to the monitoring of projects, and the defining and enforcing of contracts in order to ensure the Company's performance;
- monitoring relations with the Île-de-France transport authority (legal aspects of various common issues, particularly those related to asset ownership) and negotiating the next agreement with the Île-de-France transport authority;
- the protection of RATP's business assets (problems related to the status of Vitaly Important Operators) and the security of the information systems;
- monitoring developments in personal data protection (EU regulations) and provision of data to the public (open data);
- legal aspects of the fight against fraud and the control of territory: recovery of fines, improving texts relating to security and fraud, participation in the Transportation Safety Committee, actions in support of people in precarious situations;
- questions related to the implementation of Group actions;
- assistance to subsidiaries in their development and in their operation.

2.1.4.5 Financial risks

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 medium-term, four-year business plan (current and 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 reviews 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 price developments; changes in staffing levels are also reviewed and analyzed 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 by, the objectives of the Île-de-France transport authority's contract for the quality of service portion and production, and secondly, the analysis of the objectives specific to each department; for the financial portion, analysis by major causes (see above) 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 ten-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 enable 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 2015 to improve internal control included:

- updating master plans created during the contracting process with the Île-de-France transport authority over the period 2016/2020. This update was designed and proposed in line with the capacity to fund for a period of five years;
- the strengthening of the investment decision process through the establishment of the first commitments boards.

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

2.1.4.6 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 TTM Committee, and an annual report on the work of the Procurement Board.

During 2015, significant work included:

- the setting up of the future SI-HA with the selected publisher and the deployment in a pilot department at year-end before the two other waves during the first three months of 2016;
- the transposition of the EEC Directive Special Sectors into French law, the lobbying by RATP in collaboration with the legal department and the subsequent adjustments to the guidelines for purchases and training;
- the increasing importance of the Purchasing Academy and the first training modules on financial aspects and economic culture (which did not exist in the previous training system) and the purchasing policy module;
- the participation of purchasing in the new pilot programmes for paperless/simplified systems (bidding by Company registration number, “Tell us once” or bidding with links to digital storage areas) before adapting the purchasing guidelines;
- the formation of a transversal CSR approach (inclusion in projects, advance purchasing visibility and reporting).

2.1.4.7 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 practice. Various measures were taken such as:

- 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.

2.1.4.8 Human resource risks

These risks can be broken down into three categories:

Psychosocial risks

Significant developments were made in 2015 to complement the services provided by the support and advisory platform:

- the continuation of the “psychosocial risks: understand and take action” training programmes for all team managers, heads of human resources, health and safety committee members and staff, and department heads;
- integration into the new HR training curriculum of a section on the role of the HR manager in terms of the prevention of psychosocial risks;
- strengthening collaboration of the consulting and support platform with the occupational health officers.

Workplace safety risks

2015 was marked by the deployment in all departments of the assessment process for work hardship in accordance with applicable laws. The first four legal factors were assessed.

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

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.

Labor dispute prevention

As implemented in the Company since 1996 and required by law since August 21, 2007 and March 19, 2012, 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 the department 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, a binding statement of agreement is drafted and signed by the parties further to the meeting. The same applies if no agreement is reached; in this case a statement of disagreement is drafted and signed.

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

Thereafter, and only in case of disagreement, the trade unions that served the notice to bargain have the opportunity during the following month to file a strike warning on the same issue. The warning shall not take effect until five clear days after filing.

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 labor disputes, as 95% of matters dealt with by collective bargaining did not result in strike action.

2.1.4.9 Corporate risks 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;
- analyze 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;
- organize feedback sessions on fire safety in railway systems;
- 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 of the General Safety Control is responsible, together with the concerned departments, for improving the fire safety level of the guided public transport systems.

It 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.

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 analyze 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.

2.1.4.10 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 analyzed in detail, and risk management plans are implemented to detect weaknesses and find means of reducing RATP's exposure to such risks. The risk management 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 analyze 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) and ongoing action plans are reviewed.

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.

2.1.4.11 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, 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.

In the agreement with the Île-de-France transport authority for 2016-2020, RATP committed to certifying all of its industrial sites as ISO 14001 by 2020 (70% of industrial sites certified ISO 14001 by year-end 2015). This process is monitored under the Group quality certification plan 2015-2017.

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 findings of the French agency for food, environmental and occupational health and safety (ANSES), published in the summer of 2015, confirm the risk of employee exposure to underground particles. RATP has had an experimental protocol for measuring exposure since 2014.

This protocol will be validated by a steering committee made up of external experts before the actual implementation of the workplace exposure measures in 2016. The measures will concern infrastructure maintenance employees in particular.

Electromagnetic fields

RATP's Electromagnetic Fields 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.

2.1.4.12 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, the Communication department, etc.) and/or external parties (e.g. Île-de-France transport authority, Maritime Transport Board, prefectures, etc.);
- provide immediate information to the public to limit passenger crowds on the lines affected by the incidents.

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. Crisis management training is provided regularly to employees likely to be asked to work in the crisis room in case of the triggering of a crisis organization procedure.

To improve its resilience, 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 *départements* where RATP operates, the Paris fire brigade, and departmental fire and rescue services, etc.).

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 2015 included:

- the continuation of a series of internal training sessions at the Permanent Support unit. Five internal sessions were held during the year;
- the installation in June 2015 of the event management section of the computer application GEXBUS (management of exceptional bus events). Similar to the operating management system for heavy snow that was put into place last year, this application will allow the monitoring of the line-by-line coverage rate of the network throughout the day and will provide a precise view of traffic conditions to ensure that passenger information is appropriate, accurate and responsive;
- the transmission of live video into the operations room of the Permanent Support unit (8 simultaneous channels) from all fixed surveillance cameras on the networks since February 2015. This has proven particularly useful for the management of passenger flows, verifications and the dynamic management of incidents (visualizing the arrival of emergency squads and other services);
- 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;
- participation in the crisis management exercise in case of a major flood of the Seine, organized by the City of Paris over a two-day period.

In 2015, the crisis training module was redesigned and training was provided by the employees of the Permanent Support unit to 108 people in 18 Company departments likely to participate in a crisis team.

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 facilities were used during one of the unit's training exercises.

The heavy snow management provisions of all operating departments were reviewed.

The RER A track and ballast renewal project and COP21 provided the opportunity to develop specific incident management scenarios.

A repatriation procedure for Disneyland visitors in case of an unannounced strike is now in effect.

In 2015, the crisis management procedure and the opening of the crisis room were triggered by the following events:

- unannounced work stoppage by RER line A conductors on January 29, 2015;
 - traffic stoppage on RER line A due to a fire in the Nanterre-Prefecture station on October 9, 2015;
 - terrorist attacks in Paris and Saint-Denis on November 13, 2015.
- Business continuity plans:
- the update of the "flu pandemic" Business Continuity Plan has been in place since March 2012. A condensed assessment procedure for the risk of an Ebola outbreak was developed;
 - the IG 493 flood risk protection plan was updated and put into effect;
 - the Business Continuity Plan for flooding was launched to be finalized in 2017;
 - the creation of a Business Continuity Plan for heavy snow covering network operating conditions during the winter.

Planned crisis management developments include:

- the 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.) in case of emergency;
- construction of a Command and Fire Safety unit (PCSI) next to the Permanent Support unit, which is already underway.

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 January 2015 RATP group developed, together with RATP Dev, an agreement on the logistics system for crisis management. It defines the arrangements for the provision and use of the PC COM room, as well as setting up of human resources within the subsidiary.

Moreover, in February 2015, as part of its policy regarding crisis communication drills, crisis center organized a drill to simulate a construction accident during the track and ballast renewal work on RER line A. In October 2015, it participated in a major drill organized by the Company's General Safety Control, in partnership with the Paris fire department.

In 2015, the Crisis Communication Plan (IG 465) was not triggered as such, but the unit responsible for crisis management and communication on sensitive matters was mobilized several times to provide supervision and advisory missions. It was present at the crisis room every time it was activated.

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. *département* prefectures, Paris civil security force, etc.) to protect populations against pandemics, storms, flooding, or terrorist attacks. In January 2015, following the raising of France's Vigipirate system to "Threat of Terrorist Attacks", the team was mobilized to coordinate the actions and measures defined by the plan and requested by the authorities (e.g. displaying the logo, instructions in institutions, etc.). In June 2015, following the trigger of the heatwave warning plan by the French government, it implemented the measures contained in the agreement signed with the INPES (e.g. information, displays, audio announcements).

In addition, with the aim of raising awareness about the crisis procedures among Company employees, the team presents its activities to any executive committees, units and entities that request it (in 2015, MOP and ING).

Moreover, it continues to develop its networks outside the Company, with presentations in various "*grandes écoles*" and French government offices (in 2015, National School of Administration, Écoles des Ponts, École des ingénieurs de la Ville de Paris, French Delegation for Defense Information and Communication, etc.) and regularly conducts exchanges with other companies (in 2015, ADP, Areva). Finally, it continues its collaboration with 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". 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 representative is 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 60) 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.

In case of a major collective accident, the comprehensive care of victims requires that attention be shared between:

- a crisis room;
- a presence on the scene of the accident, depending on its perimeters;
- mobilizing the Customer Service call centre through the opening of a toll-free line and the use of Sinus to 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 on 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 Support unit.

Furthermore, a partnership has been established between the RATP and the Fenvac (the National federation of victims of group attacks and accidents – SOS Disasters and Terrorism) by the signing of an agreement renewed annually since 2013.

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 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 FUNCTION FOR OPERATIONAL MANAGEMENT

Within RATP group, internal control is considered an important factor in its commitment to excellence and to meeting the highest international standards.

As part of an approach focused on global performance and progress, it facilitates:

- improved operating management through the sharing of results between managers and their teams, throughout the management chain;
- the implementation of control tools to provide reasonable assurance on risk control and the achievement of the objectives expressed in the Company strategy.

At the local level, the RATP internal control is under the direct responsibility of local managers who exercise first level controls closest to operations. This first level control ensures the regular assessment of the effectiveness of the implemented work procedures.

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. The internal control function helps operational management conduct first level controls.

The activity of the internal control system, under the responsibility of the Internal Audit unit, was established by the President in two successive mission statements in order to ensure:

- the identification of obligatory first level controls to be deployed in operating units aligned with significant risks;
- the development of control support tools for managers responsible for their implementation;
- reporting of control results.

In 2015, the internal control network continued to improve the framework for implementation of first level controls in each department.

In addition to the four network meetings, supplemented by a one-day seminar and several working groups, three consulting missions were conducted by the auditors of different operating and maintenance departments in order to provide support in the formalization of their key control procedures in line with the major risks in their risk mapping.

The focus this year was on the gradual involvement of operating employees in the development of control tools and on the construction of an internal communication system deployed at all levels of the Company.

In order to create the internal control system within the RATP, various Company documents – general instructions, a charter and department certification and guidelines – are also being developed.

In a spirit of continuous improvement, the aim of Internal Control within RATP group is to adopt the best practices of the profession on a continual basis.

2.3 THE AUDIT FUNCTION: TWO ADDITIONAL LEVELS OF CONTROL

Beyond the first level controls permanently assured by operating managers, two levels of control are also periodically applied within the Company.

2.3.1 SECOND LEVEL CONTROLS: AUDIT AND BUSINESS LINE INSPECTION STRUCTURES

Audit/inspection structures attached to different Company departments intervene independently of the management chain.

The second level control conducted periodically by these structures covers the entirety of a department's processes and units (audit and/or technical inspection missions). In particular, it allows the implementation and the effectiveness of the first level controls to be assessed.

2.3.2 THIRD LEVEL CONTROLS: COMPANY-WIDE FUNCTIONS

The Internal Audit department

It reports to the President, is responsible for the following on behalf of Executive Management:

- internal audits to “provide assurance on the level of control over operations by auditing and assessing the business activities of RATP group”⁽¹⁾. In November 2013, the scope of action was expanded with the implementation of flash audits for the evaluation of the status of action plans;
- providing guidance on change management (e.g. Rex, formation of internal controls, etc.).

(1) Instruction 432D of November 2013, article 2.2.

(2) Members of the Executive Committee, department heads and chief operating officers.

(3) Instruction 541 of November 2011.

The Group Audit procedure supports the Company's Executive Management in its decision making process:

- 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).

The Internal Audit work is part of an annual plan established on the basis of input from members of the Executive Committee⁽²⁾ and the main risks identified during RATP'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, which is submitted to Head of Internal Audit for approval. Implementation of the plan is monitored by Internal Audit staff and the individual who commissioned the audit, and a progress report is made at 6, 12 and 18 months. Action plans resulting from audits of particular importance are reviewed by the Executive Committee.

This rigorous monitoring of post-audit action plans allows the percentage of audits that resulted in action plans to be measured, as well as their progress.

Lastly, the Head of Internal Audit also plays the role of Inspector General⁽³⁾, which is separate from internal audit, intended to inform the President about sensitive topics or issues likely to impact the Group's economic interests.

Inspectorate General for Fire Safety (IGSI)

It 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 endeavors of the Inspectorate General for Fire Safety in 2015:

- inspections prior to the installation of the platform facings on line 1;
- the arrival of the Marks and Spencer store in the RER A station of Châtelet-Les Halles;
- the start of construction work on the multi-modal site of Châtelet-Les Halles on the station's monitoring centre, including the central fire safety post, new access ways at Berger and Place Carrée and the expansion of the transport centre;
- the examination of ten building permits, one for the proposed station La Boissière on line 11 and nine building permits in existing stations including, among others, the Champs-Élysées-Clemenceau line 1 station and the Arcueil-Cachan RER B station for interconnection work with the line 15 on the Greater Paris Express;
- the issuance of three favourable opinions on the file for the Symphony project for the centralized monitoring of fire safety including the Gare de l'Est station;
- the issuance of five favourable opinions on authorization applications for the renovation of existing stations as part of the Opal4 project for platform facings.

The Railway Safety unit

It reports to the President and is responsible for monitoring railway safety procedures throughout the Company. It enforces the railway safety policy, structures and guidelines set by executive management through a systemic approach, defined by the President.

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.

2.4 EXTERNAL AUDIT

As a State-owned company, RATP is subject to French government controls, *via*:

- the Economic and Financial Control Board for Transport⁽¹⁾;
- the French Procurement Board, set up by the order of January 11, 1973⁽²⁾ and chaired by a representative of the National Audit Office.

In addition, RATP's annual financial statements and consolidated financial statements are subject to audit and the condensed half yearly consolidated financial statements are reviewed by the Statutory Auditors (Mazars/KPMG).

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 fifth agreement with the Île-de-France transport authority was signed on November 5, 2015 for the period from January 1, 2016 to December 31, 2020. The Île-de-France transport authority is entitled to perform audits and controls on all matters relating to the agreement.

Improving 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 OHSAS 18001. The certifications, which are issued by independent bodies, relate to both management systems and performance in terms of environmental issues and service quality.

In 2015, a Group Quality Certification plan was launched for the 2015-2017 period. In line with the Company's strategic guidelines (Bus2025, the objective of becoming a world leader in tramway transportation, automated metro excellence, improvement of the RER, the objective of winning the tender for line 15), this certification plan includes certifications specific to each department, unit, process, subsidiary or operating unit.

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.

(1) As a public service company (Epic), RATP is subject to economic and financial control by the State (decree No. 2002-1502 of December 18, 2002).

(2) Amended by the order of March 23, 2005 (*Official Gazette of April 13, 2005*).

The financial statements of RATP parent company 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 consolidated financial statements.

3.1.3 THE 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⁽¹⁾.

Following a call for tender, new Statutory Auditors were appointed for the 2015 financial year and for a term of six years (Mazars/KPMG).

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 programme, and risk management policy.

3.1.5 ACCOUNTING SEPARATION OF INFRASTRUCTURE MANAGEMENT AND TRANSPORT OPERATIONS

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 parent company financial statements have incorporated these provisions.

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 are 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 prepared every six months according to a timetable set at the closing of each period by the Finance department.

The production of the consolidated financial statements is managed by a section of the Company's Accounting unit for the whole Group in order to ensure that the consolidated financial statements are prepared in accordance with current standards and regulations and that the information provides 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

A financial information project, made available to employees of the finance department, was initiated in 2015. It was implemented in two parts.

The first concerned the update of the Intranet site dedicated to employees of the Finance department. This new site will provide information and news on the finance profession.

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

The second was the transmission of professional documentation in an electronic document management system. This tool, more powerful in terms of search and archiving features, will provide employees in the Finance department (management controllers, accountants, treasurers, tax specialists, etc.) with the documentation required for their professional activities. These reference materials range from management principles to forms and fact sheets. All subjects related to economic performance on the basis of procedures identified by the AMF are covered.

These two tools will be made available to employees in the Finance department in January 2016.

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.

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 2015, one risk out of the ten identified resulted in the implementation of a risk management plan which was followed by an action plan;
- organizing and monitoring the internal control process;
- describing and implementing the reliable audit trail for issued and received invoices, in order to meet the new demands of the tax administration.

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

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.

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 the 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 General Inspection/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

APPENDIX 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 the transport and mobility area,
 - 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 programme 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' meeting 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, 2015 (term of office 2014-2019)

Name	Role	Other positions
GOVERNMENT REPRESENTATIVE		
Ms. Élisabeth BORNE	President and Chief Executive Officer (President & CEO) of RATP	Chairperson of the Supervisory Board of RATP Dev, Chairperson of the Supervisory Board of Systra, member of the "Fer de France" interprofessional organization
Messrs. Denis CHARISSOUX	Deputy Director of the 4 th sub-directorate – Budget department	Director of SNCF Réseau, of the French National Urban Renewal Agency (Anru), of the French Environmental and Energy Control Agency (Ademe), of the Société du Grand Paris (SGP), of the Public Company for the Development of La Défense-Seine Arche (Epadesa), of the French Financing Agency for Transport Infrastructure (Afitf), of the French National Agency for Water and Aquatic Environments (Onema), of the Center for Studies on Risk, Environment, Mobility and Infrastructure (Cerema) and of Météo France
Jean-François CARENCO	Prefect of Île-de-France and Prefect of Paris	Director of SNCF-Mobilités, 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
Augustin DE ROMANET	President and Chief Executive Officer of Aéroports de Paris	Director and Vice-President of the Board of TAV Havalimanlari Holding A.S. (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
Gilles LEBLANC	Regional and interdepartmental Director for Île-de-France Infrastructure and Planning	Director of ADP, Ports de Paris, EPA Plaine de France, Grand Paris Aménagement (GPA), Epfif, Epadesa and Epaorsa
Roland PEYLET	State Councilor	No other position
Ms. Marie-Anne BACOT	Member of the Environment and Sustainable Development Council	Director of the Institut des Hautes Études en Aménagement et Développement des territoires en Europe (Ihedeat)
Solenne LEPAGE	Director of Transport and Audiovisual Equity Investments	Director of SNCF-Mobilités, ADP, Air France-KLM
Catherine SUEUR	Inspector General of Finance	None
LOCAL AUTHORITY REPRESENTATIVES FROM AREAS DIRECTLY AFFECTED BY THE COMPANY'S ACTIVITIES		
Ms. Annick LEPETIT	Member of Parliament for Paris, Paris Councilor	President of the "Paris Batignolles Aménagement" planning company, Member of the Supervisory Board of the Peryay-Vaucluse Public Health Group
Mr. Gilles CARREZ	Member of Parliament for Val-de-Marne, Mayor of Perreux-sur-Marne	None
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 SNCF Réseau Corporate Strategy Board, Board member of Greentech SA (Greentech Energy System)
Chiara CORAZZA	Deputy Managing Director of Paris – Île-de-France Capitale Économique	Member of the Board of Directors of APRIL, non-profit member of the Board of Directors of the Arab International Women Forum (AIWF)
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)	None
Stéphane BERNARDELLI	Unaf (National Union of Family non-profit Organizations)	Board member of Unaf, Head of Transport Member of the Consumers and Users Advisory Board of the SNCF, the High Committee on the Quality of Service in Public Transports (HCQST) and the High Committee on the Railway System Member of the Family High Council, Board member of the Caisse Nationale des Allocations Familiales (Cnaf), Board member of the Caisse Nationale d'Assurance Maladie des Travailleurs Salariés (Cnamts)
TRANSPORT BUSINESS EXPERT		
Mssrs. Xavier GIRRE	Chief Financial Officer of EDF France	Director and Chairman of the Audit Committee of the FDJ Director of the Audit Committee and Board of Directors of Électricité de Strasbourg Member of the Audit Committee and Supervisory Board of ERDF Member of the Board of Directors of EDEV Member of the Supervisory Board of EDF Assurances Permanent representative of the Director of EDF Immo in Soflo.
Patrice RAULIN	Former Chairman of Société Lyon-Turin Ferroviaire (rail tunnel), École nationale des travaux publics de l'État, of the Société Française du Tunnel du Fréjus and the Supervisory Board of Aéroports de Lyon	Volunteer co-administrator of Foncière du Mouvement Habitat-Humanisme, member of the APRR Procurement Board
EMPLOYEE REPRESENTATIVES		
Mssrs. Abdel Halim LALOUANI	FO union member	Director of Logis-Transports
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
Karen MARQUEZ	SUD union member	Director employee of the RATP staff pension fund (CRP)
Claire JEUNET-MANCY	CFE-CGC union member	Member of the Board of Directors of Telcité and Naxos and of Groupe Mutualiste RATP
Mssrs. Fabrizio PIRAS	CGT union member	Director of Logis-Transports and the RATP Foundation
Philippe RICHAUD	CGT union member	None
Michel RIZZI	CGT union member	None
Gilles ROUE	CGT union member	Director employee of the RATP staff pension fund (CRP), Director of Promométre and SEDP

6 • Changes in the composition of the Board in 2015

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

Mr. Mongin, member of the panel of representatives of the French State, resigned and was replaced by Élisabeth Borne (see 1.2.1 above).

By the decree of April 28, 2015, Mr. Careno was appointed member of the Board of Directors in his capacity as Prefect of Île-de-France and Prefect of Paris to replace Mr. Daubigny.

A change in function for the Deputy Managing Director of Radio France, Ms. Sueur, who returns to her original employer, the French Inspectorate of Finance.

There was no change among the directors currently in office. However it should be noted that Mr. Girre was appointed Chief Financial Officer of EDF.

Among the employee representatives, Ms. Jeunet-Mancy was newly elected on the CFE-CGC list, replacing Mr. Ternois.

APPENDIX 2 BOARD MEETINGS AND WORK IN 2015

Meetings	Number	Business	Number
Board of Directors		Discussions	29
. January 30			
. March 13			
. May 4 (extraordinary Board meeting)			
. May 29	8		
. June 26			
. August 27			
. October 9			
. November 27		Deliberations	48
		Of which:	
Technical and Technological Transport Modernization Committee	6	. Contracts > €60 million	3
		. Preliminary projects	11
		. Additional project outlines	0
Economic Strategy Committee	7		
Innovation and Customer Service Committee	7		
Audit Committee	4		
Working groups	1		
Seminar	1		
TOTAL	34		

APPENDIX 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 issues bonds linked to the EMTN programme⁽¹⁾. The update of this programme, 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 parent company 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.

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.
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 are 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.
5. In 2015, in the Company's Accounting unit, a project was initiated to better formalize and strengthen internal control work.

(1) Euro Medium Term Notes.

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 reviews 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 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. In support of the management control of subsidiaries, this section ensures that the source information provided by the consolidated entities is consistent. It 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, and then justified globally at the Group level. 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 analyzed and cross-checked against information from previous months and from budgets and forecasts.

STATUTORY AUDITORS' REPORT

Statutory Auditors' report on the report of the Chairperson of the Board of Directors of RATP on internal control and risk management procedures

Year ended December 31, 2015

In our capacity as Statutory Auditors of RATP and further to your request, we present our report on the report drawn up by the Chairperson of your Company on internal control and risk management procedures for the period ended December 31, 2015.

It is the responsibility of the Chairperson to report on the internal control and risk management procedures implemented within RATP and to provide the other information required by article L. 621-18-3 of the French Monetary and Financial Code.

It is our duty to impart to you our observations on the disclosures in the Chairperson'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 Chairperson's report.

In particular, this consists of:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of accounting and financial information on which the information presented in the Chairperson's report is based, and 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 Chairperson's report.

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

Paris-la Défense and Courbevoie, April 1, 2016
The Statutory Auditors

KPMG Audit
Department of KPMG SA
Philippe Arnaud
Partner

Mazars
Lionel Gotlib
Partner

CONSOLIDATED FINANCIAL STATEMENTS



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STATUTORY AUDITORS' REPORT

Statutory Auditors' report on the consolidated financial statements

Year ended December 31, 2015

In compliance with the assignment entrusted to us by the Commissioner to the French State Holdings Agency, we hereby report to you, for the year ended December 31, 2015, on:

- the audit of the consolidated financial statements of RATP, as appended hereto;
- the evidence supporting our opinion;
- the specific verifications required by French law.

The Board of Directors is responsible for the preparation of the consolidated financial statements. It is our duty to express an opinion on these financial statements 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. Those standards require that we plan and perform our work to obtain reasonable assurance that the consolidated financial statements are free from material misstatement. An audit involves checking, using sampling techniques or other methods of selection, to obtain evidence justifying the amounts and information 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 accordance with the provisions of article L. 823-9 of the French Commercial Code relating to the justification of our assessments, we draw your attention to the following matters:

- Note 1.3 to the consolidated financial statements describes the basis for the preparation of the financial statements and in particular the items for which the Company's management exercises judgment or makes estimates and assumptions that have an impact on the application of accounting policies, on assets and liabilities, and on receivables and payables. This note also specifies that the estimates made at December 31, 2015 were based on assumptions that may be subject to change. Consequently, actual results may differ significantly from said estimates. We have assessed the appropriateness of the adopted arrangements and the disclosures about these judgments, estimates and assumptions, and we have verified the correct implementation of the adopted arrangements;

- Note 2.9 to the consolidated financial statements on "Asset impairment" presents the cash-generating units defined at Group level and the arrangements for the implementation of impairment tests, and Note 14 on "Asset impairment tests" presents the principal assumptions used to determine recoverable value, the results of the impairment tests. We have reviewed the methods used to perform these impairment tests and the sensitivity of recoverable values, the consistency of the assumptions used and cash flow forecasts and verified the appropriateness of disclosures thereof;
- Note 2.16 on "Employee benefits" and Note 22 on "Provisions for employee benefits" describe the post-employment and other long-term benefits provisioned in the balance sheet, as well as the method used to measure the provisions. We reviewed the manner in which these benefits and provisions had been identified, measured and recognized, and we verified the appropriateness of the disclosures thereof.

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 verifications

In accordance with professional standards applicable in France and as required by law, we have also specifically verified the information presented in the management report of RATP group.

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

Paris-la Défense, April 1, 2016
 Courbevoie, April 1, 2016
 The Statutory Auditors

KPMG Audit
 Department of KPMG SA
 Philippe Arnaud
 Partner

Mazars
 Lionel Gotlib
 Partner

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

The financial statements are presented in thousands of euros.

1 • Income statement

	Notes	12/31/2015	12/31/2014
Revenue (of which revenue from financial concession assets €158 million in 2015 and €156 million in 2014)	4	5,556,355	5,256,589
Other income from ordinary activities	4	458,717	571,498
Revenue	4	6,015,072	5,828,088
Cost of sales		(759,201)	(840,171)
Other purchases and external charges		(875,522)	(820,147)
Taxes other than income tax	8	(249,916)	(236,305)
Payroll costs	5	(3,121,935)	(3,019,363)
Other operating expenses		(54,427)	(49,192)
EBITDA		954,070	862,910
Depreciation and amortization allowance		(370,955)	(351,167)
Provisions, net	23	4,717	(3,690)
Gain on disposal of assets	6	1,233	(6,550)
Gain on other consolidation scope changes	6	35,330	3,431
Impairment		(17)	(14)
Other operating income (expenses)		13	294
Income from equity-accounted entities	16	4,617	11,011
Operating income after share of net income from equity-accounted entities		629,008	516,226
Financial income	7	60,241	9,201
Financial expenses	7	(233,803)	(216,420)
Net financial expense		(173,562)	(207,219)
Pre-tax income		455,446	309,007
Income tax	8	(9,595)	(6,150)
Consolidated net income		445,850	302,857
Attributable to owners of the company		437,253	298,191
Attributable to non-controlling interests		8,598	4,665

2 • Other comprehensive income

Other items of comprehensive income are shown net of tax.

	12/31/2015	12/31/2014
Net income	445,850	302,857
Gains and losses on remeasuring available-for-sale financial assets	(1,948)	0
Change in the fair value of cash flow hedges	13,978	(21,254)
Foreign currency translation differences	3,766	8,794
Share from equity-accounted entities of comprehensive income that may be reclassified to profit or loss	2,983	4,664
Total other comprehensive income that may be reclassified to profit or loss	18,780	(7,795)
Remeasurement of defined benefit liability (asset)	84,040	(121,130)
Share from equity-accounted entities of comprehensive income that may not be reclassified to profit or loss	(48)	(775)
Total other comprehensive income that may not be reclassified to profit or loss	83,992	(121,905)
Income and expense recognized under other components of comprehensive income	102,772	(129,700)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	548,623	173,157
Attributable to owners of the company	539,175	165,945
Non-controlling interests	9,448	7,212

Taxes only concern subsidiaries. RATP Epic was not subject to corporate income tax in 2015.

The tax effects of other components of comprehensive income are disclosed in Note 8.

CONSOLIDATED BALANCE SHEETS

Assets				Equity and liabilities			
	Notes	12/31/2015	12/31/2014		Notes	12/31/2015	12/31/2014
Goodwill	9	370,226	254,520	Capital stock		433,367	433,367
Intangible assets	10	608,757	605,323	Reserve for assets allocated by the State		250,700	250,700
Property, plant and equipment	11	5,494,467	5,323,994	Reserves		2,553,422	2,155,201
				Retained earnings		437,253	298,191
				Equity attributable to owners of the company		3,674,742	3,137,459
Equity accounted investments	16	137,005	142,418				
Available-for-sale financial assets	17	39,147	7,947	Non-controlling interests		33,506	33,194
Derivative financial instruments – non-current	28	284,153	275,697				
Financial concession assets – non-current	13	3,942,450	3,771,769	Equity		3,708,248	3,170,653
Other financial assets – non-current	18	518,561	578,642				
Deferred tax assets	8	31,041	23,488	Provisions for employee benefits	22	681,493	758,796
				Other provisions – non-current	23	158,289	151,505
Non-current assets		11,425,807	10,983,798	Loans and borrowings – non-current	24	5,394,705	5,005,813
				Derivative financial instruments – non-current	28	48,652	41,189
Inventories	19	198,210	178,934	Deferred tax liabilities	8	36,362	28,167
Trade and other receivables	20	943,168	770,803	Other trade creditors		586	2,810
Tax receivables		17,158	14,437	Non-current liabilities		6,320,087	5,988,280
Derivative financial instruments – current	28	88,324	28,436	Other provisions – current	23	61,743	62,678
Financial concession assets – current	13	272,536	269,159	Loans and borrowings – current	24	2,274,965	2,924,510
Other financial assets – current	18	455,869	696,669	Derivative financial instruments – current	28	31,288	24,470
Cash and cash equivalents	21	1,051,687	1,317,508	Trade payables and related accounts	25	2,049,613	2,084,949
				Income tax liabilities		6,815	4,204
Current assets		3,026,952	3,275,946	Current liabilities		4,424,424	5,100,811
TOTAL ASSETS		14,452,759	14,259,744	TOTAL EQUITY AND LIABILITIES		14,452,759	14,259,744

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	12/31/2015	12/31/2014
Consolidated net income		445,850	302,860
Income from equity-accounted entities		(4,617)	(11,011)
Depreciation and amortization		382,931	392,099
Depreciation and amortization of concession assets	13	297,565	308,098
Gains from asset disposals		(76,840)	3,453
Other non-cash items		1,332	(5,917)
Cash flow from operations after net financial expense and tax		1,046,222	989,583
Adjustment of tax expense (income)		9,595	6,150
Change in working capital excluding investments and grants	26	(23,146)	94,282
Income taxes paid		(14,556)	(22,371)
Net cash provided by operating activities		1,018,115	1,067,644
Effect of scope changes		(77,234)	(68,458)
Purchase of property, plant, equipment and intangible assets	10 and 11	(1,122,839)	(772,122)
Purchase of concession assets		(777,599)	(882,441)
Purchase of other financial assets		(2,392)	0
Change in loans and advances granted		(8,736)	(10,422)
Change in working capital relating to investments and concession assets		(34,746)	46,893
Investment grants received excluding concession assets	10 and 11	507,773	277,828
Investment grants received for concession assets		383,947	345,562
Change in investment grants to be received		(141,173)	(7,135)
Proceeds from disposals of property, plant equipment and intangible assets		28,090	182,736
Proceeds from financial assets		1,575	
Dividends received from equity-accounted entities		6,905	5,883
Net cash used in investing activities		(1,236,430)	(881,675)
Non-controlling interests – share of changes in capital		(592)	396
Proceeds from issuance of borrowings		597,442	242,904
Repayment of borrowings		(601,346)	(507,944)
Change in commercial paper		(109,955)	536,618
Change in cash collateral		118,922	(16,218)
Increase in accrued interest		(9,119)	(3,827)
Dividends paid to non-controlling interests		(9,926)	(3,718)
Other cash flow from financing activities		4,710	9,173
Net cash from financing activities		(9,864)	257,384
Effect of changes in the exchange rate		(54)	4,741
Net change in cash and cash equivalents		(228,232)	448,094
Cash and cash equivalents at January 1		1,229,899	781,805
Cash and cash equivalents at December 31	21	1,001,667	1,229,899
Net change in cash and cash equivalents		(228,232)	448,094

Non-monetary flows amounting to €33.1 million relating to the partial asset contribution operation in favor of Logis-Transport (Notes 6 and 17) are excluded from the line items “Purchase of financial assets” and “Proceeds from disposals of property, plant and equipment and intangible assets” of the consolidated statements of cash flows.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital	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, 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)
Acquisition of subsidiary with NCI									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
Net income for the period							437,253	437,253	8,598	445,851
Other comprehensive income			5,894	84,118	(1,948)	13,857		101,921	850	102,772
Total comprehensive income for the period	0	0	5,894	84,118	(1,948)	13,857	437,253	539,175	9,448	548,623
Other transactions with owners of the company							(2,045)	(2,045)	(2,533)	(4,578)
Dividends									(7,398)	(7,398)
Other changes							153	153	795	948
BALANCE AS AT DECEMBER 31, 2015	433,367	250,700	11,868	(98,224)	(224)	(32,356)	3,109,612	3,674,742	33,506	3,708,248

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 State-owned industrial and commercial public utility (Epic) created by the law of March 21, 1948. It is a legal entity under public law, registered with the Paris Trade and Companies Register. Its head office is located at 54, quai de la Rapée, 75012 Paris, France.

The aim of RATP is primarily to run a 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.

The Île-de-France transport offer is defined by the Île-de-France transport authority (Stif). RATP’s activity as operator is governed by multi-year agreements with the Île-de-France transport authority. As part of these agreements, RATP undertakes to provide a benchmark transport service defined in terms of quantity and quality, and receives compensation based on the direct revenue and flat-rate contributions paid by the Île-de-France transport authority.

Since the adoption of French law No. 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, 2015 were approved by the Board of Directors on March 25, 2016.

1 • Accounting standards

1.1 ACCOUNTING POLICIES

Pursuant to European regulation No. 1606/2002 of July 19, 2002 on international standards, the consolidated financial statements of the Group have been prepared as at December 31, 2015 in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union.

Information on these standards is available on the European Union’s website at: http://ec.europa.eu/finance/company-reporting/ifrs-financial-statements/index_en.htm

1.2 IFRS DEVELOPMENTS AND ACCOUNTING CHANGES

1.2.1 STANDARDS, AMENDMENTS AND INTERPRETATIONS MANDATORY FOR THE FIRST TIME IN 2015

IFRIC 21 – Levies: interpretation published in May 2013, which covers the recognition of various taxes and other deductions, other than income tax. This interpretation specifies that a tax liability must be recognized when a tax generating event occurs. This text has no material impact on the financial statements of RATP group.

Other standards that were mandatory for the first time in 2015 had no impact on the Group’s financial statements.

1.2.2 STANDARDS, AMENDMENTS AND INTERPRETATIONS ADOPTED BY THE EUROPEAN UNION AND THAT WERE NOT MANDATORY FOR THE PREPARATION OF THE 2015 CONSOLIDATED FINANCIAL STATEMENTS

The Group has not applied early the other standards, amendments and interpretations adopted by the European Commission and that are effective for financial years beginning on or after January 1, 2016. The Group does not expect any significant impact on its financial statements.

1.2.3 STANDARDS, AMENDMENTS AND INTERPRETATIONS PUBLISHED BY THE IASB BUT NOT YET ADOPTED BY THE EUROPEAN UNION

New standards published by the IASB but not yet adopted by the European Union are as follows:

- IFRS 9 “Financial instruments” will be effective for accounting periods beginning on or after January 1, 2018. This standard primarily introduces changes in the way financial instruments are

classified and measured and also how hedges are recognized. The impact of this standard will be analyzed in further detail in 2016;

- IFRS 15 “Revenue from contracts with customers” will be effective for accounting periods beginning on or after January 1, 2018. This standard will replace IAS 18 “Revenue” and IAS 11 “Construction contracts” by introducing a new model for recognizing revenue. The impact of this standard will be analyzed from 2016 as part of the agreement with the Île-de-France transport authority for the 2016-2020 period;
- IFRS 16 “Leases” will be effective as of January 1, 2019 and will replace IAS 17. This standard will result in recognizing lease rights and obligations as assets and liabilities, without distinguishing between operating leases and finance leases. The impact of this standard will be analyzed as of 2016.

The Group does not plan to apply these new standards early.

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, 2015.

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);
- liabilities, including provisions for contingencies, primarily those for decommissioning (Note 23), and items relating to employee benefits (see Note 22) and contingent liabilities (see Note 32.2);
- 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 were consistently applied to the reporting periods presented.

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;
- rolling stock and the related maintenance equipment (returnable assets), which are owned by the Île-de-France transport authority as of January 1, 2010. The Île-de-France transport authority will take possession of the assets once the operating rights expire. Implementation decree No. 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 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 as follows:

Type of asset

	Infrastructure Management	Transport Operations		
	Fully-owned assets	Returnable assets	Reversionary assets	Fully-owned assets
Nature of assets	Infrastructure assets.	Rolling stock and related maintenance equipment.	Assets required for operations: <ul style="list-style-type: none"> • 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 for Infrastructure management is collected <i>via</i> Transport operations.	Article 14 of French decree No. 2011-320 sets forth the arrangements governing the remuneration 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 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.	NA
Assets eligible under IFRIC 12 – Service Concession Arrangements	No	Yes ⁽¹⁾	Yes ⁽¹⁾	No

(1) Assets eligible under IFRIC 12 were not recognized as property, plant and equipment, but as financial concession assets or intangible assets (Notes 2.8 and 13).

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, joint operations and associates.

The Group includes controlled subsidiaries. Control is presumed to exist when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. 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 ceases to control a subsidiary, it derecognized the assets and liabilities, as well as any non-controlling interests and other recyclable 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. Changes in ownership interest in a subsidiary that do not result in a loss of control are recognized in equity.

Transactions between consolidated entities are eliminated.

Entities that are jointly controlled by the Group and other shareholders and classified as joint ventures are accounted for by the equity method. 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 direct rights to the assets and direct 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 are accounted for using the equity method; significant influence is presumed to exist when the Group holds 20% or more of 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 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 close to a 100% stake, the company was not consolidated because the Group deems it does not have control, pursuant to IFRS 10, for the following reasons:

- low-cost housing regulations impose financial and statutory constraints (e.g. restrictions on distributable profit and liquidating dividend rights), which limit the rights to variable returns to which RATP may be entitled;
- 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 granted to HLM Logis-Transports;
- although RATP exercises influence over certain aspects of HLM Logis-Transports' management, its influence cannot be qualified as control. 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 classified as available-for-sale financial assets and are measured at their acquisition cost, less impairment losses, where applicable.

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 fair value 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 (minority 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 attributable to owners of the Company;
- 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 under other comprehensive income if they relate to net foreign investments or cash flow hedges.

2.3 GOODWILL

Subsequent to initial measurement, goodwill is stated 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 allocated to the divested business.

2.4 INTANGIBLE ASSETS

2.4.1 RESEARCH AND DEVELOPMENT COSTS

Development costs are recognized as fixed assets from the date management makes the investment decision if, and only if, the costs can be measured reliably and the Group can prove the technical feasibility of completing the intangible asset, the existence of likely future economic benefits and its intention – as well as the availability of sufficient resources – to complete the development and use the asset. Internal procedures ensure that records are available on the date management takes the investment decision.

Development costs are amortized over the useful lives of the associated assets.

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

Categories

	Method	Term
Railway infrastructure major asset	Straight-line	70 to 140 years
Railway infrastructure component asset	Straight-line	15 to 60 years
Building shell and brickwork	Straight-line	70 to 100 years
Building fixtures and fittings	Straight-line	6,66 to 30 years
Tracks	Straight-line	12,5 to 50 years
Automated train operating system (SAET) and track signalling	Straight-line	5 to 35 years
Rail rolling stock Straight-line	Straight-line	15 to 40 years
Road rolling stock	Straight-line	4 to 10 years
Plant equipment, fixtures and fittings	Straight-line	5 to 50 years
Other plant, property and equipment straight-line	Straight-line	3 to 15 years

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

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, less impairment, where applicable.

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, 2.8 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 EPIC's public service business are amortized over ten years.

2.5 PROPERTY, PLANT AND EQUIPMENT

As stated in Note 1.4, only RATP's fully-owned assets and subsidiaries' property, plant and equipment are recorded in the consolidated balance sheet. They are first measured at acquisition or production cost, or at their fair value in the case of a business combination. They are subsequently carried net of accumulated depreciation and impairment losses.

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, RATP does not capitalize interest.

When property, plant and equipment are subject to decommissioning obligations, the estimated cost of this obligation is initially included in the acquisition cost of the asset and provisioned (see Notes 2.15 and 23).

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 of the underlying asset 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 and 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 its 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 concession assets are 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 with 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 agreements 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 (CGUs).

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 for EPIC RATP correspond to Infrastructure management (IM) and Transport operations (TO) activities resulting from the accounting separation since 2012 (see Note 2.21).

The other CGUs are defined at subsidiary level in terms of the business or geographical area: France/Switzerland, Italy, USA, United Kingdom and Asia. Since 2015, the “Sightseeing” business has comprised a new CGU. These CGUs are included in the TO (Transport Operations) operating segment.

An impairment 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 CGU is compared to its recoverable value. The recoverable value of a CGU is the higher of its 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 on the transaction date, financial assets are measured at fair value, plus direct transaction costs.

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 for unlisted securities, the fair values 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.

Impairment tests are performed when there is an indication that the present value of the flows using the initial effective interest rate is lower than the carrying amount. Impairment is recorded in the income statement.

2.10.3 DERIVATIVE FINANCIAL INSTRUMENTS

The Group uses interest rate derivative instruments, currency derivatives or commodity derivatives (fuel) to manage its exposure to interest rate, exchange rate and diesel price escalation risk.

These instruments are only used for risk management purposes. These risks are managed according to objectives 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 derivative instrument are recognized under other comprehensive income (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 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

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 are held exclusively to meet the Group's short-term cash requirements.

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;
- long-term deposits redeemable with no risk to invested capital, measured at their nominal value;
- collateral deposits.

2.14 EQUITY

2.14.1 CAPITAL STOCK

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.

2.14.2 RESERVE FOR ASSETS ALLOCATED TO RATP

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.

2.15 PROVISIONS

A provision is recognized at the reporting date if the Group has a current 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.

This obligation may be legal, regulatory, contractual or implicit.

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 unlikely that an outflow of resources will be required or for which the obligation amount cannot be measured in a reliable manner.

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

The organization of RATP's pension funding scheme ensues from the application of the following decrees:

- decree No. 2005-1635 of December 26, 2005 regarding the RATP pension fund (CRP-RATP);
- decree No. 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 No. 59-157 of January 7, 1959 on passenger transport services in the Île-de-France region;
- decree No. 2005-1637 of December 26, 2005 regarding RATP pension fund resources;
- decree No. 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 scheme on July 13, 2009 by a decision addressed to the French authorities.

RATP pays employer contributions into the CRP-RATP employees' pension fund. Pursuant to the decrees 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 2015 amounted to €279,055 thousand. The expense is included in payroll and payroll-related costs as part of operating income and expense (see Note 5).

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).

Remeasurement of the net liability under post-employment benefit schemes (including changes in the liability and the financial assets due to changes in assumptions and experience adjustments) 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 the various employee benefit schemes

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 (benefits)

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 continue making deposits after retirement.

The amounts credited to the corporate savings plan until January 1, 2011 were used to invest in the Tick'épargne fund, which is managed internally. As of this date, the fund was closed for further investments. Until June 30, 2015, interest on Tick'épargne was 4 points above Livret A with a floor at 7%. These remuneration arrangements are accounted for under post-employment benefits. Since July 1, 2015, the return is 0.5 point above Livret A.

Since 2011, the payments made towards the corporate savings plan are used to invest in mutual funds, which are managed externally and which give employees three options for investing their savings. The scheme also involves changes in the Company's contribution and no longer constitutes a post-employment benefit.

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 benefit schemes

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 recognized in a similar way to a long-term benefit 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 TAXES

Deferred taxes only concern the subsidiaries, as the 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 French value-added business tax (CVAE), especially the capping system, the Group recognizes this expense in operating income.

2.19 REVENUE RECOGNITION

Revenue is recognized when the major 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.

2.19.1 RATP'S REVENUE

It 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 portion of 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 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.

The remuneration arrangements applicable for the 2012-2015 period are renewed in principle in the multi-year agreement covering the 2016-2020 period, which was signed on November 5, 2015.

Public prices are set by the Île-de-France transport authority, the organizing authority. They constitute a public service obligation with which the RATP must comply.

2. Other operating income, 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.

2.19.2 REVENUE FROM SUBSIDIARIES

It is mainly made up of transport revenue, comprising the following:

- direct traffic revenue from transport users;
- pricing contributions made by the transport authorities.

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 and some dollar deposits maintained by RATP after the early termination of the leases. The fair value of these deposits is determined on the basis of the present value of estimated cash flows, determined by banks at the reporting date. The fair value of the 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.

Credit and counterparty risks (CVA DVA) are taken into account at the fair value of derivative hedging instruments, where there is no collateral agreement (guarantee agreements) between RATP and its counterparty.

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

RATP group's business is divided into two segments:

- the "Infrastructure Management" (IM) 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" (TO) segment: this activity entails operating public passenger transport services. This segment brings together the transport activities carried out by RATP in the Île-de-France region, and by its subsidiaries 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 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 mainly include 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 after share of net income from equity-accounted entities

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, as well as income from equity-accounted entities.

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.

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 36.

3.1 EXCLUSIVE TAKEOVER OF OPEN TOUR PARIS

In June 2015, RATP Dev acquired sole control of Open Tour Paris by acquiring a 49% stake in Société des Lignes Touristiques (SLT) and a 51% stake in Société d'Exploitation des Lignes Touristiques (SELT). Consequently, RATP group now owns the entire capital of these entities. These entities, which had been previously accounted for by the equity method, are now fully consolidated.

As per IFRS 3 Revised, the takeover is broken down into two transactions:

1. sale of the equity interest held prior to the takeover;
2. acquisition of all of SLT and SELT shares after the takeover.

Remeasured at fair value, the previously held share in SLT and SELT resulted in the recognition of a €41 million gain to profit and loss. This gain is recorded under "Gain on other consolidation scope changes" in the income statement.

The goodwill determined on the takeover date is the difference between the sum of the transferred acquisition price and the fair value of the pre-existing equity interest, and the fair value of the identifiable assets and liabilities of the acquired entities. The provisional goodwill thus determined amounted to €101 million.

Since the takeover, the operations of Open Tour Paris have contributed €15.1 million to the Group's revenue growth over a seven-month period.

3.2 ACQUISITION OF DL ENTREPRISES

In September 2015, RATP group acquired 100% of DL Entreprises, which is a group based in Nord – Pas-de-Calais – Picardy, specialized in inter-urban and school transportation services. The group DL Entreprises includes the entities Voyages Dupas Lebeda, Autocars du Cambrésis, Lebas Daridant and Voyages Taquet. The group mainly operates regular interurban and school lines on behalf of local General Councils and offers tourist excursions. It has 350 employees, 250 vehicles and 6 establishments in the region.

The DL Entreprises group has been fully consolidated since September 1, 2015. The acquisition price of €25,950 thousand was paid in cash. The provisional goodwill stemming from the transaction amounts to €11.1 million. Since their first consolidation, the purchased businesses have contributed €10.4 million to Group revenue in four months of business activity.

3.3 OTHER CHANGES IN CONSOLIDATION SCOPE

The other changes in consolidation scope that occurred during the year had no material impact on the consolidated financial statements.

4 • Revenue

	12/31/2015	12/31/2014
Transport	4,673,505	4,450,605
Other operating income	150,488	143,005
Non-transport revenue	574,034	506,546
Revenue from financial concession assets	158,327	156,433
Revenue	5,556,355	5,256,589
Proceeds from disposal of concession assets	368,398	472,295
Other	90,319	99,203
Other income from ordinary activities	458,717	571,498
REVENUE	6,015,072	5,828,088

Revenue of the main subsidiaries in France and abroad:

	12/31/2015			12/31/2014		
	Revenue	Revenue France	Revenue international	Revenue	Revenue France	Revenue international
Guarantees given by RATP	4,413,413	4,413,413		4,342,531	4,342,531	
RATP Dev France / Switzerland	351,601	340,235	11,366	274,732	268,749	5,983
RATP Dev Italy	19,915		19,915	20,041		20,041
RATP Dev British Isles	442,619		442,619	351,956		351,956
RATP Dev USA	124,120		124,120	92,539		92,539
RATP Dev Africa	137,673		137,673	123,262		123,262
Other	67,015	28,751	38,264	51,528	26,495	25,033
TOTAL	5,556,355	4,782,399	773,955	5,256,589	4,637,775	618,814

5 • Payroll costs

5.1 FINANCIAL IMPACT

	12/31/2015	12/31/2014
Compensation	(2,173,158)	(2,057,067)
Payroll taxes	(873,134)	(831,490)
Other long-term employee benefits	26,689	(23,564)
Post-employment benefits	(50,565)	(63,548)
Employee profit sharing	(58,051)	(48,776)
French tax credit on payroll costs (CICE)	6,284	5,082
TOTAL PAYROLL AND PAYROLL-RELATED COSTS	(3,121,935)	(3,019,363)

5.2 NUMBER OF EMPLOYEES

	12/31/2015	12/31/2014
RATP Epic	43,500	43,187
RATP Dev and subsidiaries	16,002	14,660
Other subsidiaries	165	129
AVERAGE NUMBER OF EMPLOYEES	59,667	57,976

These figures relate to employees of fully-consolidated companies, as the employees of equity-accounted entities were not taken into account.

5.3 STAFF TRAINING ACCOUNT

Since January 1, 2015, the individual training account (CPF) has replaced the individual training rights (DIF) system. The CPF is a personal right to training accessible to all current employees from the age of 16 up to retirement. Unlike the DIF, it is attached to the person and not to the employment contract. The CPF is credited in hours at the end of each calendar year with up to a maximum of 150 hours of training over eight years.

The unused DIF hours as at December 31, 2014, *i.e.* 4,866,085 hours, are transferred to the CPF by the employees and may be used until December 31, 2020.

6 • Gain on disposal of assets and other consolidation scope changes

	12/31/2015	12/31/2014
Gain on disposal of assets	1,233	(6,550)
Gain on other consolidation scope changes	35,330	3,431

GAIN ON DISPOSAL OF ASSETS

This item amounted to €1.2 million for 2015.

Net income from transactions carried out for the year amounted to €41.2 million. The item mainly comprises the gain from a partial asset contribution operation by which RATP transferred fixed assets to HLM Logis-Transport to support housing development undertaken by this entity. This transaction took place in May 2015. The assets transferred were contributed at their real value, resulting in the recognition of a €30.8 million gain on disposal of assets. In exchange for this contribution, RATP received Logis-Transport shares in the amount of €33.1 million classified as available-for-sale assets.

When closing the Stif-RATP agreement for 2012-2015, and considering the extraordinary income, particularly in terms of real estate transactions carried out by RATP in 2015, an amendment to this contract was concluded between Stif and RATP, which required RATP to pay a portion (€40 million) of this income to Stif.

GAIN ON OTHER CONSOLIDATION SCOPE CHANGES

The line item "Gain on consolidation scope changes" mainly includes the gain of €41,005 thousand relating to the remeasurement of pre-existing equity interests in SLT and SELT at fair value as part of the takeover operation described in Note 3.1.

7 • Net financial expense

Finance costs

	12/31/2015	12/31/2014
Interest expense on financing	(177,904)	(208,803)
Change in amortized cost	(13,637)	(1,267)
Net foreign exchange gain (loss) on borrowings	(58,720)	(26,691)
Ineffective portion of fair value hedges	3,401	1,596
Net change in fair value of cash flow hedges transferred to profit or loss	(3,484)	(1,927)
Interest expense on hedging and trading derivatives	(872)	(6,019)
Net income from transactions that do not qualify for hedge accounting	1,050	0
Net foreign exchange gain (loss) on derivatives	58,720	26,691
TOTAL FINANCE COSTS	(191,446)	(216,420)

Other financial income and expense

	12/31/2015	12/31/2014
Income from investments	1,002	1,036
Income from cash and cash equivalents	10,346	10,982
Net income from leasehold property	1,915	1,897
Net foreign exchange gain (loss) on operating items	(469)	653
Other financial income and expense	5,090	(5,367)
Total financial income	60,241	9,201
Total financial expense	(233,803)	(216,420)
NET FINANCIAL EXPENSE	(173,562)	(207,219)

Net foreign exchange gains and losses are offset by gains and losses on hedging derivatives. Financial risk management is further described in Note 27.

8 • Income tax and duties

	12/31/2015	12/31/2014
Taxes other than income tax	(249,916)	(236,305)

This item includes €92 million in taxes and duties on remuneration and €103 million for the regional levy (*contribution économique territoriale*).

8.1 INCOME TAX EXPENSE

	12/31/2015	12/31/2014
Current tax expense	(16,935)	(12,818)
Tax consolidation income	3,496	2,906
Deferred tax (expense) income from temporary differences	3,844	3,761
TOTAL INCOME TAX EXPENSE	(9,595)	(6,150)

8.2 TAX PROOF

	12/31/2015	12/31/2014
Net income	496,170	302,860
(–) Share of associates	4,617	11,011
(–) Income tax	(9,595)	(6,150)
Pre-tax consolidated income	501,149	297,999
Attributable to consolidated French companies	489,690	288,855
Attributable to consolidated foreign companies	11,459	9,144
Statutory tax rate in France	34.43%	34.43%
Theoretical tax expense	172,546	102,601
Effect of tax rates in foreign jurisdictions	7,090	6,267
Effect of RATP non-taxable status (Epic)	144,435	93,096
Other permanent differences ⁽¹⁾	13,014	(1,829)
Effect of tax rate differences	645	(366)
Effect of tax consolidation	3,496	2,906
Other current tax items	(1,545)	(499)
Recognition of tax effect of previously unrecognized tax losses	2,354	1,768
Current-year losses for which no deferred tax asset is recognized	(6,538)	(4,892)
Total tax expense	9,595	6,150
Effective tax rate	1.91%	2.06%

(1) Including the non-taxable effect of the revaluation of the share of €13,667 thousand held previously in Open Tour.

8.3 CHANGES IN NET DEFERRED TAXES

	12/31/2015	12/31/2014
As at January 1	(4,679)	(6,142)
Tax recognized in the income statement	3,844	3,761
Tax recognized directly under other comprehensive income	310	1,849
Change in scope	(4,277)	(3,082)
Foreign currency translation differences	(1,045)	(607)
Other	526	(458)
AS AT DECEMBER 31	(5,321)	(4,679)

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

Deferred tax by nature was as follows:

	12/31/2015	12/31/2014
Temporary differences	(1,691)	(3,149)
Revaluation surplus	(8,127)	(8,800)
Leases	(2,359)	(1,979)
Employee benefits	7,310	6,475
Tax driven provisions	(5,352)	(907)
Tax loss carry-forwards	4,136	2,709
Other	762	973
TOTAL	(5,321)	(4,679)
Of which:		
– deferred tax assets	31,041	23,488
– deferred tax liabilities	36,362	28,167

9 • Goodwill

Changes in goodwill per cash-generating unit were as follows:

	12/31/2013	Change in scope	Effects of exchange rate	Impairment	Reclassification	Other	12/31/2014
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

	12/31/2014	Change in scope	Effects of exchange rate	Impairment	Reclassification	Other	12/31/2015
France	71,604	11,104	–	(3,207)	–	(644)	78,857
Great Britain	163,205	–	6,304	–	(60,158)	–	109,350
Sightseeing	–	100,981	3,409	–	60,158	(4,257)	160,290
Other	19,711	–	2,017	–	–	–	21,728
TOTAL	254,520	112,085	11,729	(3,207)	–	(4,901)	370,226

The exclusive takeover operation of Open Tour (SLT and SELT) generated goodwill of €101 million (see Note 3.1). Following this operation, Sightseeing activities were combined under the same recently created CGU, which led to the reclassification of the goodwill of The Original Sightseeing Tour and Bath Bus Company for €60 million.

Acquisition of the DL Entreprises Group generated provisional goodwill of €11.1 million.

10 • Intangible assets

	12/31/2013	Acquisitions	Retirements & disposals	Reclassification	Changes in scope, foreign currency translation differences	Impact of concession assets	12/31/2014
Gross value							
Lease rights	5,292	107	0	0	189	0	5,588
Research and development 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
Goodwill	2,473	0	0	0	35	0	2,508
Other intangible assets	39,385	703	0	17	8,301	0	48,407
Intangible concession assets	371,100	0	0	0	0	41,549	412,649
Other work in progress	40,276	47,161	(161)	(22,208)	1	0	65,068
Total gross value	874,851	49,175	(2,410)	14,402	8,539	37,829	982,386

	12/31/2013	Depreciation allowance	Retirements, disposals and reversals	Reclassification	Changes in scope, foreign currency translation differences	Impact of concession assets	12/31/2014
Accumulated amortization and impairment							
Lease rights	(1,629)	(98)	0	0	(19)	0	(1,747)
Research and development 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)
Goodwill	(710)	(50)	0	(32)	(21)	0	(813)
Other intangible assets	(11,798)	(3,632)	0	30	(2,587)	0	(17,986)
Intangible concession assets	(6,197)	0	0	0	0	(3,320)	(9,517)
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

	12/31/2014	Acquisitions	Retirements & disposals	Reclassification	Changes in scope, foreign currency translation differences	Impact of concession assets	12/31/2015
Gross value							
Lease rights	5,588	174	0	(30)	177	0	5,909
Research and development costs	42	0	0	325	0	(325)	42
Concessions, patents and similar rights	448,125	1,404	(27,147)	50,108	484	(87)	472,887
Goodwill	2,508	0	0	(69)	68	0	2,507
Other intangible assets	48,407	397	(10)	1,024	3,485	0	53,302
Intangible concession assets	412,649	0	0	0	0	(43,306)	369,343
Other work in progress	65,068	82,156	0	(44,051)	10	0	103,183
Total gross value	982,386	84,130	(27,157)	7,307	4,224	(43,718)	1,007,172

	12/31/2014	Depreciation allowance	Retirements, disposals and reversals	Reclassification	Changes in scope, foreign currency translation differences	Impact of concession assets	12/31/2015
Accumulated amortization and impairment							
Lease rights	(1,747)	(85)	0	0	(19)	0	(1,851)
Research and development costs	(35)	(7,259)	0	0	0	7,252	(42)
Concessions, patents and similar rights	(346,964)	(38,807)	26,560	44	(471)	305	(359,333)
Goodwill	(813)	(55)	0	0	(21)	0	(889)
Other intangible assets	(17,986)	(4,319)	10	(13)	(1,137)	0	(23,445)
Intangible concession assets	(9,517)	0	0	0	0	(3,339)	(12,856)
Total accumulated amortization and impairment	(377,063)	(50,524)	26,570	31	(1,647)	4,218	(398,415)
Net value	605,323	33,605	(588)	7,337	2,576	(39,500)	608,757

The impact of RATP's concession assets is explained in Notes 1.4, 2.8 and 13.

11 • Property, plant and equipment

	12/31/2013	Acquisitions	Retirements & disposals	Reclassification	Changes in scope, foreign currency translation differences	Impact of concession assets	12/31/2014
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 gross value	9,440,342	986,703	(470,540)	(203)	102,602	(125,063)	9,933,842

	12/31/2013	Depreciation allowance	Retirements, disposals and reversals	Reclassification	Changes in scope, foreign currency translation differences	Impact of concession assets	12/31/2014
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

	12/31/2014	Acquisitions	Retirements & disposals	Reclassification	Changes in scope, foreign currency translation differences	Impact of concession assets	12/31/2015
Gross value							
Land	532,349	3,142	(8,980)	8,983	874	0	536,368
Investment property	1,077	0	0	0	0	0	1,077
Buildings	8,359,024	10,028	(265,871)	692,252	12,077	1,791	8,809,301
Technical plant, equipment and machinery	4,553,725	11,287	(1,175,347)	447,739	5,531	151,830	3,994,766
Transport equipment	1,315,061	49,144	(226,707)	768,445	48,462	(187,995)	1,766,410
Other property, plant and equipment	262,034	3,982	(91,463)	21,390	6,528	(240)	202,231
Work in progress	2,141,427	1,757,171	(43)	(1,942,636)	158	11,373	1,967,448
Investment grants	(7,230,856)	(888,459)	4,562	0	(95)	(2,268)	(8,117,116)
Total gross value	9,933,842	946,295	(1,763,849)	(3,828)	73,534	(25,509)	9,160,485

	12/31/2014	Depreciation allowance	Retirements, disposals and reversals	Reclassification	Changes in scope, foreign currency translation differences	Impact of concession assets	12/31/2015
Accumulated amortization and impairment							
Land	(34)	(3,304)	4,456	0	0	597	1,715
Investment property	(817)	0	0	0	0	0	(817)
Buildings	(3,214,548)	(237,553)	248,675	330	(2,474)	(9,127)	(3,214,698)
Technical plant, equipment and machinery	(3,150,271)	(247,288)	1,173,173	9	(4,075)	(167,388)	(2,395,840)
Transport equipment	(412,896)	(323,127)	215,337	571	(24,393)	51,082	(493,427)
Other property, plant and equipment	(203,147)	(18,874)	91,115	186	(3,748)	338	(134,129)
Fixed assets in progress	0	0	0	0	0	0	0
Investment grants	2,371,865	(5,001)	200,609	0	2	3,703	2,571,178
Total accumulated amortization and impairment	(4,609,848)	(835,147)	1,933,365	1,096	(34,688)	(120,795)	(3,666,018)
Net value	5,323,994	111,148	169,516	(2,732)	38,846	(146,304)	5,494,467

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 32.1.

As at December 31, 2015, there were no assets pledged or used as collateral.

Property, plant and equipment held under finance leases is shown below:

	12/31/2015	12/31/2014
Gross value	75,166	67,573
Accumulated depreciation	32,113	29,006
CARRYING AMOUNT	43,053	38,567

Lease commitments

Balance sheet item

	Lease payments		Outstanding lease payments			Residual price
	for the financial year	cumulative	up to 1 year	+1 to 5 years	+5 years	
Land					2,840	
Buildings	2,335	24,381	3,480	15,208	16,414	2,287
Transport equipment	3,986	23,726	3,499	6,455	1,044	0
Other property, plant and equipment	65	113	52	152		0
TOTAL	6,387	48,220	7,031	21,815	20,298	2,287

Lease payments of €84,170 thousand were recognized in the income statement for operating leases.

12 • Significant lease operations

12.1 AMERICAN LEASEHOLD

Between 1997 and 2002, RATP entered into a number of leaseholds. In this context, RATP granted the right to use its assets through arrangements that enable foreign investors in the United States to assume economic ownership of the assets, which allows them to amortize the assets and benefit from tax breaks. This financial gain is shared between the investor and 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. In economic and accounting terms, no transfer takes place and RATP retains the main risks and benefits inherent in ownership of the equipment. 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. The arrangement includes deposits set up for guaranteeing payment for this option.

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 (including deposits) 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 €654.9 million and liabilities, €661.9 million. These amounts are offset by €654.9 million, so the net amount recognized was €6.5 million.

As at December 31, 2015, there were eight agreements outstanding 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 €159.4 million as at December 31, 2015;

- 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 €40.6 million as at December 31, 2015;
- by American treasury bonds: the deposits totalled €100.5 million as at December 31, 2015.

Furthermore, the US dollar deposits remaining after the early termination of the arrangements between 2007 and 2009 are no longer offset and are thus recognized in the balance sheet under Other financial assets (see Note 18).

12.2 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, as from the beginning of the agreement. RATP leases the equipment over an 18-year period, at the end of which it may exercise its buy-back option. The assets financed through the Swedish lease agreement are recognized under the consolidated balance sheet assets.

These arrangements enabled RATP to realize a financial gain when the contract was signed. This gain was deducted from the acquisition cost of the equipment and is recognized as income in proportion to the assets' depreciation.

13 • Service concession arrangements

RATP group considers that the operating agreements for RATP's transport services, including the multi-year agreement entered into with the Île-de-France transport authority since 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 and 2016-2020 agreements fall under the field of application of IFRIC 12 as:

- 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. This financing mechanism grants RATP financial receivables corresponding to the carrying amount, net of grants, of the returnable 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 contribution covering returnable and reversionary assets is dedicated to the compensation and reimbursement of financial receivables.

The financial receivables relating to returnable assets are recovered by paying the portion of C2 contribution covering the 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 to returnable assets 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.

The carrying amount of the financial concession assets as at December 31, 2015 is:

	12/31/2015	12/31/2014
Gross amount	3,942,450	3,771,769
Impairment	0	0
Financial concession assets – non-current	3,942,450	3,771,769
Gross amount	272,536	269,159
Impairment	0	0
Financial concession assets – current	272,536	269,159

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 2020, which is the expiry date of the 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 for the 2016-2020 period. 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).

The portion of the financial 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 revenue.

Pursuant to IAS 18 “Revenue”, acquisitions of returnable assets are accounted for as purchase transactions in the period recognized under cost of sales. The grantor accounts for them as sales recognized under revenue from ordinary activities.

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 effect of applying IFRIC 12 on the income statement for financial year 2015 is as follows:

	12/31/2015 prior to IFRIC 12	Cancelled depreciation and amortization ⁽¹⁾	Cancelled C2 contribution ⁽²⁾	Remuneration of concession financial assets ⁽³⁾	Purchase/sale transactions ⁽⁴⁾	12/31/2015 after IFRIC 12
Revenue	5,853,920		(455,892)	158,327		5,556,355
Other income from ordinary activities	90,319				368,398	458,717
Revenue	5,944,239	–	(455,892)	158,327	368,398	6,015,072
Cost of sales	(390,803)				(368,398)	(759,201)
Other purchases and external charges	(875,522)					(875,522)
Taxes other than income taxes	(249,916)					(249,916)
Payroll costs	(3,121,935)					(3,121,935)
Other operating expenses	(54,427)					(54,427)
EBITDA	1,251,635	–	(455,892)	158,327	–	954,070
Depreciation allowance	(668,520)	297,565				(370,955)
Provisions, net	4,717					4,717
Gain on disposal of assets	1,233					1,233
Gain on other consolidation scope changes	35,330					35,330
Impairment	(17)					(17)
Other operating income (expenses)	13					13
Income from equity-accounted associates	4,617					4,617
Operating income (EBIT)	629,008	297,565	(455,892)	158,327	–	629,008

(1) The concession assets recognized under assets on the consolidated balance sheet consist of property, plant and equipment and intangible assets recorded in the separate financial statements. Thus, they do not generate any depreciation in the income statement of 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 RATP for investments in returnable assets are recognized in the income statement and transferred to the Île-de-France transport authority as they are capitalized. 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 Transport operations in order to ensure that costs are covered and there is a return on capital employed.

The Stif-RATP agreement for 2016-2020 signed in November 2015 led to the implementation of impairment tests on the Infrastructure management (IM) and Transport operations (TO) CGUs. The tests were carried out based on the value of the assets as at January 1, 2015. The allocation of these asset values between Infrastructure management (IM) and Transport operations (TO) was done according to the legal and regulatory provisions applicable to RATP.

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.

As these activities were created by RATP, the CGUs do not have any goodwill, or intangible assets with indefinite useful lives.

MAIN ASSUMPTIONS USED TO DETERMINE RECOVERABLE VALUE

The recoverable value of the assets corresponds to the value in use, which is determined on the basis of future cash flows net of tax, which were forecast using the following data:

- for 2015: based on the financial provisions of the Stif-RATP agreement for 2012-2015, discounted as required by changes to interest rates;
- for 2016-2020: on the basis of RATP's business plan approved by the State and based on the financial provisions of the Stif-RATP agreement for 2016-2020, the main parameters whereof had been notified to the Board of Directors by the President;
- 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.

The investment assumptions until 2020 are based on the 5-year investment plan included in the Stif-RATP agreement for 2016-2020, which was approved by the Board of Directors at its meeting of October 9, 2015. Beyond 2020:

- for TO, investment assumptions specific to rolling stock were accounted for until the return of the reversionary assets to the Île-de-France transport authority;
- for IM, the standard investment for renewal is estimated at €275 million.

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 perpetual growth rate corresponding to the long-term estimated inflation rate. Concerning TO, cash flows are projected until the end of the operating rights by estimating the corresponding terminal values for each expiry date of the operating rights.

	Cash-generating units (CGUs)	
	Infrastructure management	Transport operations activity
Method for determining the recoverable value	Value in use	Value in use
Discount rate	4.7%	Discount rate specific to the rolling stock: 3.7% Discount rate for the other fully-owned assets and reversionary (concession) assets: 6.3%
Terminal growth rate	2.0%	2.0%

The estimated discount rate (weighted average cost of capital) 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.* 3.7%. For other assets used in Transport operations (fully-owned and reversionary assets), a discount rate of 6.3% was applied, in line with the rates used by the panel.

RESULTS OF THE IMPAIRMENT TESTS

The impairment tests performed on the Infrastructure management and Transport operations CGUs did not reveal any impairment losses. Consequently, no impairment losses were recognized in the consolidated financial statements for the financial year.

SENSITIVITY OF RECOVERABLE VALUES

Sensitivity tests were performed to confirm the results of the impairment tests. Based on the assets tested at their value in IFRS:

- a +0.76% change in discount rate for the Infrastructure management CGU and +1.06% for the Transport operations CGU, which would bring into line the recoverable value and net carrying amount of each CGU;
- a –0.47% change in terminal growth rate for the Infrastructure management CGU and –0.55% for the Transport operations CGU, which would bring into line the recoverable value and net carrying amount of each CGU;
- a change of +€41 million in investment renewals for the Infrastructure management CGU and +€36 million for the Transport operations CGU, which would bring into line the recoverable value and net carrying amount of the CGU.

14.2 OTHER CASH-GENERATING UNITS (CGU) – RATP DEV

Impairment tests were performed on the other existing CGUs at December 31, 2015. In 2015, considering the launch of the international alliance “Extrapolitan” in the tourist bus segment, these activities were combined under a dedicated “Sightseeing” CGU. This CGU mainly integrates Open Tour activities, taken over by the Group during the year.

The recoverable value of the principal CGUs was determined on the basis of the following key assumptions:

	Cash-generating units (CGUs)			
	France/Switzerland	United Kingdom	USA	Sightseeing
Method for determining the recoverable value	Value in use	Value in use	Value in use	Value in use
Discount rate	6.5%	6.5%	6.5%	7.5%
Terminal growth rate	2.0%	2.0%	2.0%	2.0%

The estimated discount rate (weighted average cost of capital) was determined using the average rates observed for a panel of listed companies with activities similar to those of the Group, by estimating risk-free payments specific to each country, and a specific risk premium for the “Sightseeing” activity.

The impairment tests performed did not reveal any impairment losses on the CGUs defined above.

An impairment loss was nevertheless recognized for the France/Switzerland CGU, in the amount of €3.2 million. It concerns a portion of the goodwill allocated to a subsidiary from this business portfolio for which the Group plans another disposal.

During the year, no other event was likely to have an impact on the goodwill values recorded after the impairment tests performed on the CGU.

15 • Interest in the subsidiaries

The list of fully-consolidated EPIC RATP subsidiaries is supplied in Note 36. 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 5% of revenue. The share of minority interests in the financial statements is not significant 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 INVESTMENTS IN EQUITY-ACCOUNTED ENTITIES

Equity-accounted investments comprise associates and joint ventures. The shares in these entities are analyzed as follows:

Group companies

	12/31/2015				12/31/2014			
	% 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	106,129	5,976	178	41.92	105,594	5,459	813
Other associates		6,908	(112)	(36)		6,940	84	0
Joint ventures		23,969	(1,247)	2,793		29,885	5,467	3,076
TOTAL		137,005	4,617	2,935		142,418	11,011	3,889

16.2 SIGNIFICANT JOINT VENTURES AND ASSOCIATES

Among equity-accounted associates, Systra is considered to be a significant associate.

Systra is a consulting and engineering group operating in the sector of public rail transport. It has approximately 30 subsidiaries and 20 branches worldwide.

Statement of financial position – Systra

	12/31/2015	12/31/2014
Non-current assets	149,397	111,576
Current assets	488,651	488,142
Non-current liabilities	64,405	41,564
Current liabilities	382,268	368,828
NET ASSETS (100%)	191,375	189,326
Percentage of equity holding	41.9%	41.9%
Group share in net assets	79,901	79,366
Goodwill	26,228	26,228
EQUITY VALUE	106,129	105,594

Income statement – Systra

	12/31/2015	12/31/2014
Revenue	627,219	527,329
Net income (100%)	14,254	13,023
GROUP SHARE IN NET INCOME	5,976	5,459
Other comprehensive income	178	813

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.

17 • Available-for-sale financial assets

December 31, 2014

	Financial assets as at 01/01/2014	Increase	Decrease	Currency translation gains and losses	Other	Financial assets as at 12/31/2014
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

December 31, 2015

	Financial assets as at 01/01/2015	Increase	Decrease	Currency translation gains and losses	Other	Financial assets as at 12/31/2015
Total gross value	18,066	35,407	(3,630)	29	(662)	49,210
Other	(10,119)	55	1	0	0	(10,063)
TOTAL NET VALUE	7,947	35,462	(3,629)	29	(662)	39,147

Available-for-sale financial assets primarily comprise non-consolidated investments. Impairment losses reflect impairment, when the value of the investments is significantly less than their carrying amount or less than their carrying amount for extended periods.

The increases are explained mainly by Logis-Transport's shares worth €33.1 million received by RATP for the fixed assets contributed as part of the operation described in Note 6.

Available-for-sale financial assets relate to the following:

	Net value	% interest
SA HLM Logis-Transports ⁽¹⁾	33,126	99
Irise	750	10
RATP <i>via</i> Quatro	572	
Linea ⁽²⁾	826	33
Other	3,873	
TOTAL	39,147	

(1) See Note 2.1.

Unaudited data at December 31, 2015 for SA HLM Logis-Transport:
 – revenue: €58,777 thousand in 2015, compared with €61,012 thousand in 2014.
 – balance sheet total = €751,789 thousand, including €353,610 thousand of net debt.
 – net income: €10,778 thousand.

(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

	12/31/2013	Increase	Decrease	Currency translation gains and losses	Other	12/31/2014
Deposits relating to leases	446,693	57,674	(20,246)	0	(137,383)	346,738
Fair value deposits	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

	12/31/2014	Increase	Decrease	Currency translation gains and losses	Other	12/31/2015
Deposits relating to leases	346,738	27,923	(158,976)	0	114,880	330,565
Fair value deposits	174,577	0	(53,421)	0	13,139	134,295
Housing loans	38,314	21	(2)	0	(3,952)	34,381
Other loans and receivables	19,205	23,815	(23,691)	1	128	19,459
Other non-current financial assets	578,834	51,759	(236,090)	1	124,195	518,700
Provisions for other financial assets	(192)	12	8	0	33	(139)
Other	578,642	51,771	(236,082)	1	124,228	518,561

Deposits relating to leases (at amortized cost) concern contracts terminated before expiry of the lease period. They are allocated to the borrowings for lease terminations under loans and borrowings (Note 24.2).

Loans mainly correspond to the housing loans granted by RATP to low-cost housing management companies (CIL).

18.2 OTHER CURRENT FINANCIAL ASSETS

December 31, 2014

	12/31/2013	Change in fair value	Increase / Decrease	Currency translation gains and losses	Other	12/31/2014
Dividends receivable	106	0	(106)	0	0	0
Housing loans	7,848	0	0	0	(301)	7,547
Deposits relating to leases	44,403	0	0	0	140,534	184,937
Other loans, deposits and guarantees	214	0	229	21	0	463
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

December 31, 2015

	12/31/2014	Change in fair value	Increase / Decrease	Currency translation gains and losses	Other	12/31/2015
Dividends receivable	0	0	0	0	0	0
Housing loans	7,547	0	0	0	(1,705)	5,842
Deposits relating to leases	184,937	0	0	0	(114,137)	70,800
Other loans, deposits and guarantees	463	0	(58)	24	(2)	427
Cash collateral relating to leases	503,722	0	(124,922)	0	0	378,800
OTHER	696,669	0	(124,980)	24	(115,844)	455,869

The cash collateral corresponds to the amounts paid as guarantee for loans related to lease terminations found under loans and borrowings (Note 24.2).

19 • Inventories

19.1 DETAILS OF INVENTORIES BY TYPE

	12/31/2015			12/31/2014		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Raw materials and supplies	233,392	(45,332)	188,060	213,260	(45,422)	167,838
Other supplies	1,226	0	1,226	764	0	764
Work in progress	5,860	0	5,860	7,829	0	7,829
Merchandise	311	0	311	86	0	86
Finished goods	2,753	0	2,753	2,417	0	2,417
TOTAL	243,542	(45,332)	198,210	224,356	(45,422)	178,934

19.2 CHANGES IN INVENTORY IMPAIRMENT

	12/31/2014	Additions	Reversals	Foreign currency translation differences	Other and reclassification	12/31/2015
Impairment of inventories	(45,422)	(2,874)	2,967	(3)	0	(45,332)
Impairment of work in progress	0	0	0	0	0	0
Impairment of inventories of merchandise	0	0	0	0	0	0
TOTAL	(45,422)	(2,874)	2,967	(3)	0	(45,332)

Impairment was accounted for in accordance with the method set out in Note 2.11.

20 • Trade and other receivables

	12/31/2015	12/31/2014
Trade receivables	253,258	210,447
Write-downs	(8,613)	(9,821)
Trade receivables	244,645	200,626
Advance payments	5,322	46,424
Prepaid expenses	50,791	52,460
State and local authority receivables	205,107	172,341
Investment grants receivable	329,316	188,929
Other receivables	112,425	115,868
Impairment	(4,437)	(5,845)
Other receivables	698,523	570,177
TOTAL TRADE AND OTHER RECEIVABLES	943,168	770,803

	12/31/2015	12/31/2014
Impairment of trade receivables, at beginning of year	(9,821)	(10,349)
Write-downs during the period	(2,728)	(839)
Unused reversals	0	(3)
Reversals	3,937	1,369
IMPAIRMENT OF TRADE RECEIVABLES, AT END OF YEAR	(8,613)	(9,821)

All accounts receivable are due within one year.

21 • Cash and cash equivalents

	12/31/2015	12/31/2014
Marketable securities	648,987	872,352
Cash and cash equivalents	402,700	445,156
TOTAL	1,051,687	1,317,508

Total cash and cash equivalents presented in the cash flow statement comprise the following:

	12/31/2015	12/31/2014
Cash and cash equivalents (balance sheet)	1,051,687	1,317,508
Bank overdrafts	(50,020)	(87,609)
Closing cash and cash equivalents (cash flow statement)	1,001,667	1,229,899

22 • Provisions for employee benefits

Provisions for employee benefits comprise post-employment benefits and other long-term benefits.

	12/31/2015	12/31/2014
Provisions for retirement benefits	291,745	329,070
Provisions for death indemnities for retirees	37,590	44,598
Provisions for death indemnities for employees in service	15,082	15,386
Provisions for early retirement benefits	2,361	2,838
Provisions for contributions to current and future retirees' corporate savings plan	0	5,412
Provisions for work-related accident and disability pensions	244,624	277,099
Provision for retirement benefits of foreign subsidiaries	27,808	23,136
Total post-employment benefits	619,210	697,539
Provisions for phased retirement	1,465	2,211
Provisions for seniority bonuses	23,738	23,465
Provisions for long-term sick-leave	5,432	5,599
Provisions for unemployment benefit	11,577	7,366
Provisions for work-related accident and disability pensions	20,071	22,616
Total long-term employee benefits	62,283	61,257
TOTAL	681,493	758,796

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 plans 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 (benefits)	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 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)	–	(37,778)
Actuarial (gains) losses	29,753	1,973	11,453	74,773	445	434	3,155	121,986
Asset ceiling effect (IFRIC 14)							321	321
Contributions paid into the plan							(7,497)	(7,497)
Changes in scope	78						901	980
Effect of change in exchange rates	18						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

	Retirement indemnities	Death indemnities (employees in service)	Indemnity allocation	Work-related accident and disability allowance	Early retirement (benefits)	Savings scheme contribution	Retirement plans of foreign subsidiaries	Total
Net liability as at January 1, 2015	329,070	15,386	44,598	277,099	2,838	5,412	23,136	697,539
Current service cost and interest cost	24,140	1,484	668	16,231	43	40	7,876	50,482
Benefits paid	(20,743)	(1,454)	(1,373)	(9,976)	(692)	(5,452)	–	(39,690)
Actuarial (gains) losses	(42,111)	(334)	(6,303)	(38,730)	172	–	2,825	(84,481)
Asset ceiling effect (IFRIC 14)							178	178
Contributions paid into the plan							(7,767)	(7,767)
Changes in scope	1,391						–	1,391
Effect of change in exchange rates	(2)						1,559	1,558
NET LIABILITY RECOGNIZED AS AT DECEMBER 31, 2015	291,745	15,082	37,590	244,624	2,361	–	27,808	619,210

22.1.2 RECOGNIZED EXPENSE

The expense recognized for the year can be broken down as follows:

Expense recognized in 2014

	Retirement indemnities	Death indemnities (employees in service)	Indemnity allocation	Work-related accident and disability allowance	Early retirement (benefits)	Savings scheme contribution	Retirement plans of foreign subsidiaries	Total
Service cost	(17,097)	(1,120)	–	(21,937)	–	–	(5,169)	(45,324)
Net interest cost	(9,331)	(437)	(1,084)	(5,950)	(98)	(462)	(719)	(18,081)
Other							(365)	(365)
IMPACT ON PRE-TAX INCOME	(26,428)	(1,557)	(1,084)	(27,887)	(98)	(462)	(6,253)	(63,769)

Expense recognized in 2015

	Retirement indemnities	Death indemnities (employees in service)	Indemnity allocation	Work-related accident and disability allowance	Early retirement (benefits)	Savings scheme contribution	Retirement plans of foreign subsidiaries	Total
Service cost	(19,220)	(1,254)	–	(12,075)	–	–	(6,772)	(39,321)
Net interest cost	(4,920)	(230)	(668)	(4,156)	(43)	(40)	(723)	(10,780)
Other								(381)
IMPACT ON PRE-TAX INCOME	(24,140)	(1,484)	(668)	(16,231)	(43)	(40)	(7,876)	(50,482)

22.1.3 IMPACT ON OTHER COMPREHENSIVE INCOME

Actuarial gains and losses relating to post-employment benefits were as follows:

Amounts recognized directly in equity in 2014

	Retirement indemnities	Death indemnities (employees in service)	Indemnity allocation	Work-related accident and disability allowance	Early retirement (benefits)	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							(1,042)	(1,042)
CLOSING BALANCE	(42,208)	922	(7,918)	(83,761)	(8,266)	(25,500)	(7,276)	(174,007)
of which experience adjustments for the period	(1,135)	163	(639)	5,915	250	59	1,318	4,613

Amounts recognized directly in equity in 2015

	Retirement indemnities	Death indemnities (employees in service)	Indemnity allocation	Work-related accident and disability allowance	Early retirement (benefits)	Savings scheme contribution	Retirement plans of foreign subsidiaries	Total
OPENING BALANCE	(42,208)	922	(7,918)	(83,761)	(8,266)	(25,500)	(7,276)	(174,007)
Remeasurements	42,111	334	6,303	38,730	(172)	–	(2,825)	84,481
Other							(663)	(663)
CLOSING BALANCE	(97)	1,256	(1,615)	(45,031)	(8,438)	(25,500)	(10,764)	(90,189)
of which experience adjustments for the period	1,140	(160)	(782)	(7,226)	216	–	(1,159)	(7,971)

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 (benefits)	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	–	21,937	–	–	5,169	45,324
Interest cost	9,331	437	1,084	5,950	98	462	5,439	22,801
Employee contributions							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	–	–	–	–	–	4,281	4,359
Effect of change in exchange rates	18						8,572	8,591
Other							(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							(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							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

	Retirement indemnities	Death indemnities (employees in service)	Indemnity allocation	Work-related accident and disability allowance	Early retirement (benefits)	Savings scheme contribution	Retirement plans of foreign subsidiaries	Total
Obligation as at January 1, 2015	329,070	15,386	44,598	277,099	2,838	5,412	144,846	819,249
Service cost	19,220	1,254	–	12,075	–	–	6,772	39,321
Interest cost	4,920	230	668	4,156	43	40	5,578	15,635
Employee contributions							131	131
Benefits paid	(20,743)	(1,454)	(1,373)	(9,976)	(692)	(5,452)	(5,023)	(44,713)
Actuarial (gains) losses	(42,111)	(334)	(6,303)	(38,730)	172	–	(1,613)	(88,919)
Changes in scope	1,391	–	–	–	–	–	–	1,391
Effect of change in exchange rates	(2)						9,120	9,118
Other							(372)	(372)
Obligation as at December 31, 2015	291,745	15,082	37,590	244,624	2,361	–	159,438	750,840
Plan assets as at December 31, 2015							(133,230)	(133,230)
Obligation net of plan assets	291,745	15,082	37,590	244,624	2,361	–	26,208	617,610
IFRIC 14 accumulated adjustment							1,599	1,599
NET LIABILITY RECOGNIZED AS AT DECEMBER 31, 2015	291,745	15,082	37,590	244,624	2,361	–	27,808	619,210
Estimate of benefit payments in 2016	41,984	1,362	1,056	10,087	427	–	6,933	61,849

Plan assets of foreign subsidiaries

	12/31/2015	12/31/2014
Net asset recognized as at January 1, 2015	123,005	95,635
Interest on assets	4,901	4,761
Employer contributions	7,422	7,497
Employee contributions	131	148
Benefits paid from plan assets	(5,023)	(4,600)
Actuarial (gains) losses	(4,372)	9,365
Changes in scope	–	3,380
Effect of change in exchange rates	7,919	7,463
Other	(753)	(644)
NET ASSET RECOGNIZED AS AT DECEMBER 31, 2015	133,230	123,005

Plan assets of subsidiaries are invested as follows: approximately 45% in equities, 35% 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:

	12/31/2015		12/31/2014	
	Eurozone	United Kingdom	Eurozone	United Kingdom
Discount rate	1.9% to 2.25%	3.2% to 3.7%	1.50%	3.1% to 3.9%
Inflation rate	2,00%	2.7% to 3.0%	2.00%	2.8% to 3.2%
Salary increase rate including inflation	2.0% to 2.8%	1.7% to 2.5%	2.80%	1.8% to 3.15%
Mortality table	TGH 05/TGF 05	SAPS S1 NA	TGH 05/TGF 05	SAPS S1 NA
Retirement age	59.2 years old	65	57.8 years old	65
Pension revaluation rate	NA	1.7% to 2.5%	NA	1.7% to 3.1%
Turnover rate	0,00%	NC	0.00%	NC

An increase or decrease of 25 basis points in the discount rate would have increased or decreased aggregate post-employment obligations by €26 million.

The average duration of post-employment obligations is fifteen years, as at the reporting date 2014.

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, 2015	23,465	22,615	2,211	7,367	5,599	61,257
Service cost and interest cost	2,110	1,941	33	–	5,034	9,118
Benefits paid	(1,391)	(2,870)	(1,488)	(5,839)	(5,273)	(16,861)
Actuarial (gains) and losses	(447)	(1,615)	710	10,049	73	8,770
NET LIABILITY RECOGNIZED AS AT DECEMBER 31, 2015	23,737	20,071	1,465	11,577	5,433	62,283
Estimate of payments to defined benefit plans in 2016	1,268	2,709	894	–	–	4,871

The main actuarial assumptions are as follows:

	12/31/2015	12/31/2014
Discount rate	2.25%	1.50%
Inflation rate	2.00%	2.00%
Salary increase rate including inflation	2.80%	2.80%
Mortality table	TGH 05/TGF 05	TGH 05/TGF 05
Retirement age	59.2 years old	57.8 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 fifteen years, as at the reporting date 2014.

23 • Other provisions

The impact on profit or loss was as follows:

	12/31/2015	12/31/2014
Provisions, net	4,717	(3,690)

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.

	12/31/2014	Additional allowance	Provisions used	Unused provisions	Reclassification, changes of scope and exchange rate	12/31/2015
Non-current provisions	151,505	36,027	(15,046)	(16,142)	1,944	158,289
Decommissioning costs ⁽¹⁾	69,293	0		0	2,444	71,737
Litigation ⁽²⁾	19,284	9,537	607	(8,546)	1,190	22,072
Other expenses	28,880	7,002	(6,288)	0	(3,035)	26,559
Other contingencies ⁽³⁾	34,049	19,488	(9,366)	(7,596)	1,346	37,920
Current provisions	62,678	30,417	(18,971)	(13,775)	1,395	61,743
Decommissioning costs ⁽¹⁾	4,047	0	(3,704)	0	(343)	0
Litigation ⁽²⁾	16,809	12,204	(2,755)	0	1,142	27,400
Other expenses	9,047	2,003	(4,285)	(3,800)	558	3,523
Other contingencies ⁽³⁾	32,775	16,210	(8,228)	(9,975)	38	30,820
TOTAL PROVISIONS	214,183	66,444	(34,018)	(29,917)	3,339	220,032

(1) 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.

(2) 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).

(3) Provisions for other contingencies comprise RATP's obligation to insure passenger accidents on its networks (basis: cases already declared) for an amount of €57,653 thousands. 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 NEW DEBT SECURITIES

Under its Euro Medium Term Note (EMTN) programme, RATP issued a new series of corporate debt securities during the financial year:

- notes for a nominal amount of €500 million, maturing in May 2031 and bearing 1,75% interest.

24.2 BREAKDOWN OF CURRENT AND NON-CURRENT LOANS AND BORROWINGS

	12/31/2015	12/31/2014
Bonds	4,677,211	4,260,127
Île-de-France loans	200,441	215,362
Loans related to lease terminations	330,565	346,738
Borrowings from credit institutions	146,573	145,831
Loans related to finance leases	34,622	30,606
Deposits and guarantees received	3	3
Other loans and borrowings	5,291	7,146
Non-current loans and borrowings	5,394,705	5,005,813
Bonds	184,587	391,872
Île-de-France loans	20,751	21,874
Corporate savings plan loans	389,993	565,716
Loans related to lease terminations	70,800	184,940
Borrowings from credit institutions	53,360	42,517
Loans related to finance leases	7,592	5,447
Deposits and guarantees received	203,274	209,331
Commercial paper	1,226,680	1,339,410
Other loans and borrowings	28	137
Bank loans	50,020	87,609
Accrued interest	67,880	75,657
Current loans and borrowings	2,274,965	2,924,510
TOTAL	7,669,670	7,930,323

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 hedge derivative instruments on debt securities and lease deposits. The liabilities relating to lease financing for tramways T3, T5, T6, T7 and T8 are offset in the measurement of net debt by the receivable of the same amount from the Île-de-France transport authority and therefore does not appear in the list below.

	12/31/2015	12/31/2014
Loans and borrowings	7,669,670	7,930,323
Cash flow hedges	(344,005)	(275,579)
Fair value hedges	21,714	10,831
Accrued interest	(67,880)	(75,657)
Housing loan advances	(38,038)	(46,094)
Deposits and guarantees ⁽¹⁾	(401,365)	(531,678)
Other financial assets relating to leases	(134,295)	(174,577)
Cash and cash equivalents	(1,051,687)	(1,317,508)
Other ⁽²⁾	(375,927)	(500,153)
NET DEBT	5,278,188	5,019,908

(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 €379 million as at December 31, 2015.

24.4 MATURITIES OF LOANS AND BORROWINGS

In thousands of euros	2016	2017	2018	2019	2020	> 5 years
Bond issues (EUR)	–	–	650,000	–	–	3,200,000
Interest on bond issues (EUR)	128,766	132,281	132,281	103,031	103,031	397,534
Bonds denominated in foreign currencies	124,572	277,464	–	297,163	–	–
Interest on bonds denominated in foreign currencies	30,927	24,919	12,139	12,139	–	–
Île-de-France loans	21,000	20,414	18,509	18,509	16,845	151,980
Interest on Île-de-France loans	–	–	–	–	–	–
Corporate savings plan loans	389,993	–	–	–	–	–
Interest on corporate savings plan loans	1,254	–	–	–	–	–
Borrowings from credit institutions	53,902	55,236	10,381	10,381	10,381	60,095
Loans related to lease terminations	71,915	61,870	261,576	346	17,474	36,015
Loans related to finance leases	6,031	4,475	3,802	3,175	2,862	21,923
Interest on loans related to finance leases	1,567	1,393	1,256	1,642	1,059	4,368
Deposits and guarantees received	203,277	–	–	–	–	–
Commercial paper	1,226,680	–	–	–	–	–
Other loans and borrowings	5,319	–	–	–	–	–
Bank loans	50,020	–	–	–	–	–
Accrued interest	67,880	–	–	–	–	–
TOTAL LOANS AND BORROWINGS	2,383,104	578,051	1,089,943	446,385	151,651	3,871,914

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 12/31/2015	Amortized cost 12/31/2014	Change
RATP CHF 2.125% July 21, 2015	0	191,377	(191,377)
RATP CHF 3.375% March 21, 2016	184,585	166,315	18,270
RATP CHF 3.25% October 9, 2017	276,841	249,445	27,396
RATP CHF 3.25% November 6, 2017	138,498	124,828	13,670
RATP EUR 4.50% May 28, 2018	649,105	649,255	(150)
RATP CHF 2.929% June 27, 2019	138,316	124,608	13,708
RATP CHF 2.625% November 6, 2019	290,420	261,635	28,785
RATP EUR 4.00% September 23, 2021	596,826	596,343	483
RATP EUR 2.875% September 9, 2022	595,063	594,406	657
RATP EUR 4.125% April 13, 2023	597,426	597,130	296
RATP EUR 3.75% October 19, 2026	447,763	447,598	165
RATP EUR 4.11% July 1, 2031	49,747	49,735	12
RATP EUR 2.441% October 25, 2025	49,775	49,755	20
RATP EUR 0.36% February 26, 2015	0	199,993	(199,993)
RATP EUR 3.03% October 25, 2025	199,673	199,644	29
RATP EUR 1.38% September 16, 2024	149,936	149,929	7
RATP EUR 1.75% May 25, 2031	497,824	0	497,824
TOTAL	4,861,798	4,651,997	(288,023)
Île-de-France loans	221,192	237,238	(16,046)
Advance on housing loan (CIL)	38,038	45,827	(7,789)
Corporate savings plan loan (excluding commercial paper)	209,213	333,145	(123,932)
Loans related to lease terminations	401,365	531,676	(130,311)
TOTAL NON-CURRENT LOANS AND BORROWINGS	5,731,606	5,799,882	(566,100)

25 • Trade payables and related accounts

	12/31/2015	12/31/2014
Trade payables	293,014	298,883
Payables on fixed assets	381,482	420,911
Tax and payroll-related payables	691,680	697,394
Other operating payables	17,385	16,552
Prepaid income	74,324	75,509
Other payables	591,728	575,700
TOTAL	2,049,613	2,084,949

All trade payables are due within one year.

26 • Change in working capital

	12/31/2015	12/31/2014
Inventories	(17,998)	(8,328)
Advances and prepayments to suppliers	41,135	(1,180)
Trade receivables and related accounts	(28,201)	24,735
Receivables from the State and other public authorities	(8,433)	45,743
Receivables from the Île-de-France transport authority	(23,200)	(31,370)
Other receivables	25,778	(239,295)
Prepaid expenses	(1,006)	1,734
Advances and downpayments received	(11,031)	2,354
Trade payables and related accounts	(9,483)	9,799
Tax and payroll-related payables	(11,161)	91,379
Amounts due to the Île-de-France transport authority	39,923	49
Other payables	(15,990)	204,293
Prepaid income	(1,611)	(3,959)
Lease prepayments	(1,868)	(1,672)
CHANGE IN WORKING CAPITAL	(23,146)	94,282

27 • Financial risk management

MANAGEMENT OF INTEREST RATE RISK

RATP group's debt bears mostly fixed rate interest. Interest rate risk on financial assets or liabilities is managed by setting up fair value hedges (swaps, caps, floors) to strictly back an existing or highly probable debt.

FOREIGN CURRENCY HEDGES

The RATP systematically hedges exchange rate risk on foreign currency loans using swaps (foreign exchange swaps, cross currency swap or flow 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 RATP group may not be able to repay its debts when they fall due. RATP principally uses long-term financing arrangements. RATP has also issued a maximum of €2,500 million in commercial paper and has average available outstanding investments of €1 billion for 2015 to ensure adequate liquidity.

27.1 SENSITIVITY OF SHORT-TERM DEBT

As at December 31, 2015, RATP had short-term debt instruments in the form of commercial paper amounting to €1,407 million, of which €181 million were backed by the corporate savings plan. The debt instruments have maturities of up to six months, and have been issued at a fixed interest rate.

RATP also has short-term fixed rate bonds (€181 million) for financing the Tick'épargne fund as part of the corporate savings plan.

The short-term debt being primarily at a fixed rate, the Group is not highly exposed to interest rate volatility.

27.2 SENSITIVITY OF LONG-TERM DEBT

EFFECT ON INTEREST EXPENSE

Today, 92% of long-term borrowings (bonds, corporate savings plan, Île-de-France loan) bear fixed rate interest.

Total unhedged debt

	12/31/2015	12/31/2014
CHF bonds (in millions of euros)	1,028	847
Floating rate	0%	0%
Fixed rate	100%	100%
EUR bonds (in millions of euros)	3,833	3,550
Floating rate	0%	0%
Fixed rate	100%	100%
Île-de-France long-term bonds (in millions of euros)	221	268
Floating rate	100%	100%
Fixed rate	0%	0%
Corporate savings plan (in millions of euros)	209	328
Floating rate	100%	100%
Fixed rate	0%	0%
Total (in millions of euros)	5,291	4,993
Fixed rate	92%	88%
Floating rate	8%	12%

Total hedged debt

	12/31/2015	12/31/2014
Total debt (nominal amount) (in millions of euros)	5,291	4,993
Floating rate	430	596
% fixed-rate debt	92%	88%

Interest expense on bonds amounted to €157 million in 2015: as all the bonds bear interest at fixed rates, they are not exposed to the risk of increases in interest rate.

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.

The following table presents the potential impact of the offsetting agreements:

In thousands of euros	Carrying amount of derivatives – Assets	Carrying amount of derivatives – Liabilities	Fair value of financial collateral	Net exposure
Interest rate derivatives	215,690	(48,039)	(174,974)	(7,323)
Loans relating to lease terminations		(401,363)	350,500	(50,863)

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.

28 • Derivative financial instruments

28.1 CLASSIFICATION OF DERIVATIVE FINANCIAL INSTRUMENTS

December 31, 2014

	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

December 31, 2015

	Non-current assets	Current assets	Total assets	Non-current liabilities	Current liabilities	Total liabilities
Cash flow hedge	284,153	73,746	357,899	12,394	20,557	32,951
Fair value hedge	0	14,578	14,578	36,258	35	36,293
No hedging					10,696	10,696
TOTAL	284,153	88,324	372,477	48,652	31,288	79,940

28.2 MATURITY OF DERIVATIVE INSTRUMENTS (MATURITY, NOTIONAL AMOUNT, CURRENCY)

As at 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 swap	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							
ULSD 10 ppm swaps	18,716	18,716			12,284	6,432	

As at December 31, 2015

	Total	Classification			Maturity of notional amount		
		CFH	FVH	Trading	< 1 year	1 to 5 years	+5 years
Exchange rate hedges							
Cross currency swap	938,842	783,922	154,920		124,571	627,265	187,006
Foreign exchange swap	802,171		802,171		802,171		
Interest rate hedges							
Floating for fixed swaps	105,914	105,914			1,234	15,342	89,338
Sales of puts							
Commodity hedges							
ULSD 10 ppm swaps	10,237	10,237			5,032	5,205	

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, 2015 are:

- either derivative instruments (cross currency swaps) that cover the deposits negotiated when setting up the American leases and restructured in July 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, 2015 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 financial instruments

29.1 FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

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
Financial concession assets	4,040,928	4,040,928	0	4,040,928	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
Assets held for sale	0	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

2015

	Carrying amount	Fair value hierarchy			
		Fair value	Level 1	Level 2	Level 3
Measurement of assets to fair value					
Available-for-sale financial assets	39,147	39,147	0	0	39,147
Derivative financial instruments	372,477	372,477	0	372,477	0
Financial concession assets	4,214,986	4,214,986	0	4,214,986	0
Other financial assets	974,430	1,009,181	378,800	630,381	0
Cash and cash equivalents	1,051,687	1,051,687	562,960	488,727	0
Assets held for sale	0	0			
Measurement of liabilities to fair value					
Other	7,669,670	7,840,978	5,550,157	2,290,821	0
Derivative financial instruments	79,940	79,940	0	79,940	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 • Information per operating segment

In accordance with the provisions of IFRS 8, the segments presented are as follows:

- 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 the Group’s public passenger transport services. It is carried out by RATP in the Île-de-France region, and by its subsidiaries in France and abroad.

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, 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 allowance	(244,170)	(106,997)	–	(351,167)

As at December 31, 2015

	Infrastructure management	Transport	Eliminations	Total
External revenue	3,496	5,552,859		5,556,355
Inter-segment revenue	776,091	232,094	(1,008,185)	–
Revenue	779,587	5,784,954	(1,008,185)	5,556,355
EBITDA	435,799	518,271		954,070
Operating income	201,565	427,443		629,008
Depreciation allowance	(234,315)	(136,640)		(370,955)

BALANCE SHEET DISCLOSURES BY OPERATING SEGMENT

The main segment indicators relating to the balance sheet presented by RATP group are:

As at 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	4,450,211	9,809,533	14,259,744

As at December 31, 2015

	Infrastructure management	Transport	Total
Balance sheet			
Property, plant and equipment and intangible assets, net	4,334,989	1,768,235	6,103,224
Investment grants	2,314,588	3,231,350	5,545,938
Property, plant and equipment and intangible asset investments	323,052	799,787	1,122,839
Purchase of concession assets		777,599	777,599
TOTAL ASSETS	4,446,644	10,006,115	14,452,759

31 • Guarantees

31.1 GUARANTEES GIVEN

	12/31/2015			12/31/2014		
	RATP Epic	Other	Total	RATP Epic	Other	Total
Guarantees	436,678	183,990	620,668	490,428	95,627	586,055
Of which:						
– non-profit organizations or others	21,548	183,990	205,538	21,665	95,627	117,292
– employee benefits	188,280		188,280	213,447		213,447
– leasehold transactions	226,850		226,850	255,316		255,316
TOTAL	436,678	183,990	620,668	490,428	95,627	586,055

31.2 GUARANTEES RECEIVED

	12/31/2015			12/31/2014		
	RATP Epic	Other	Total	RATP Epic	Other	Total
Guarantees	323,897	4,361	328,258	278,707	4,413	283,120
Of which Leasehold transactions	323,897		323,897	278,707		278,707
TOTAL	323,897	4,361	328,258	278,707	4,413	283,120

32 • Off-balance-sheet commitments

32.1 CAPITAL EXPENDITURE

Capital expenditure contracted at the reporting date but not recorded in the financial statements amounted to €4,549 million at December 31, 2015, compared with €4,389 million at December 31, 2014. These investments are mainly financed through subsidies paid as per the progress of the projects and the arrangements governing compensation payable for contracts with the Île-de-France transport authority.

32.2 CONTINGENT ASSETS AND LIABILITIES

STATE AID PAID BY THE ÎLE-DE-FRANCE REGION

In 2013, the Île-de-France region was sentenced by the Administrative Court of Paris to recover the investment subsidies 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. The Group was informed of this order by a letter from the President of the regional council of Île-de-France dated March 24, 2014, which mentions an estimated subsidy amount of €21.7 million (excluding default interest) granted to the Group's subsidiaries.

The case involved two open proceedings, one before the national court and the other before the European Commission. In both proceedings, the Group has submitted its observations.

On November 27, 2015, a judgment of the administrative court of appeal of Paris confirmed Île-de-France Region's obligation to recover the illegal aid, subject to certain conditions. For instance, the amount to be recovered by the Île-de-France Region must take into account the nature of the subsidized investments and the type of transport activity carried out. This should exclude subsidies for financing buses from the amounts to be repaid as they may not be re-used for non-subsidized services. With regard to these conditions, and in the absence of enforcement orders by the Region, at the closing date the Group was unable to draw up a reliable estimate of the repayment that may be required of it by the Region.

However, the Group shall contest the repayment that it may have to make in accordance with this judgment, and the legitimacy of this repayment obligation because it deems that it was not the effective recipient of these financial aids, and that it was the Île-de-France transport authority and local authorities 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 subsidized coaches and buses.

In any case, if repayment of the investment subsidies received by the Group's subsidiaries was to become effective, it would be offset by the organizing authorities, in particular, by the Île-de-France transport authority as beneficiary *in fine* of the public grants originally paid by the Île-de-France Region. Consequently, the Group believes that at this stage its obligation is contingent and the resulting outflow of resources is uncertain.

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.

In 2015, the French tax authorities initiated a tax audit of RATP for financial years 2012 to 2014. At the end of December 2015, RATP received a reassessment proposal for 2012 with respect to payroll tax. This notification covered an amount of €65 million, including €8 million in interest on arrears.

The Île-de-France transport authority agreements for the periods 2012-2015 and 2016-2020 (set out in Articles 104-3 and 113-3 respectively) clearly state that the Île-de-France transport authority shall cover the financial consequences of not subjecting contributions to VAT. A working meeting was held to inform the Île-de-France transport authority about this situation. RATP will send a reply challenging this notification and has informed the Île-de-France transport authority about this situation. 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.

Therefore, no item has been rewritten in the accounts closed as at December 31, 2015.

33 • Information on related parties

33.1 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 local authorities.

TRANSACTIONS WITH THE STATE AND LOCAL AUTHORITIES

	12/31/2015	12/31/2014
Île-de-France transport authority contribution	2,155,786	2,062,733
Local council contribution to loss-making services	18,645	19,031
Investment grants called (State, Stif, RIF, other)	886,693	622,117
Île-de-France region loans contracted	2,449	8,193
Île-de-France region loans repaid	20,398	20,942
State and local authority receivables	437,230	289,570
Île-de-France transport authority receivables	72,610	49,410
State and local authority liabilities	80,920	80,200
Île-de-France transport authority liabilities	52,480	11,710
Île-de-France local authority liabilities	249,057	267,658

TRANSACTIONS WITH SUBSIDIARIES

Transactions with consolidated companies are eliminated; 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.

33.2 COMPENSATION OF SENIOR EXECUTIVES

The senior executives of RATP group are members of the Executive Committee.

	12/31/2015	12/31/2014
Short-term benefits excluding employer contributions ⁽¹⁾	2,460	2,314

(1) Including gross salaries, bonuses, profit sharing and benefits in kind.

Other benefits were not material.

34 • 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:

	12/31/2015	12/31/2014
KPMG	458	40
Mazars	620	0
PricewaterhouseCoopers	364	691
Ernst and Young	147	810
Other	257	275
Statutory audit	1,846	1,815
KPMG	51	0
Mazars	0	0
PricewaterhouseCoopers	0	23
Ernst and Young	0	41
Other	24	44
Services related to Statutory Audit	75	108
KPMG	53	60
Mazars	0	0
PricewaterhouseCoopers	381	0
Ernst and Young	25	18
Other	274	268
Other Services	732	345

35 • Post-balance sheet events

COMING INTO EFFECT OF THE STIF AGREEMENT FOR THE 2016-2020 PERIOD

The 2016-2020 multi-year agreement determining the contractual relations between the Île-de-France transport authority and RATP and defining RATP's conditions for providing public passenger transport in Île-de-France was submitted to the Île-de-France transport authority's Board of Directors on October 7, 2015 and then to RATP's Board on October 9, 2015. The agreement was signed on November 5, 2015 and stipulates RATP's financing terms and conditions, which are in line with those of the previous agreement covering the 2012-2015 period.

CORPORATE TAX LIABILITY AS OF 2016

The financial provisions of the 2016-2020 multi-year agreement with the Île-de-France transport authority take into account RATP's corporate income tax liability as of 2016. RATP initiated procedures in this direction with the DLF at the beginning of 2016. As at the reporting date of the financial statements for the year ended December 31, 2015, the assessment of the outcome of procedures initiated in 2016 was underway.

36 • List of Group companies

Transport Division

	Country	% Control	% Interest	Method	Comments
AlpBus Fournier	France	100.00	100.00	FC	
Autocars du Cambrésis	France	56.17	56.17	FC	Newly-consolidated in 2015
Autoline Toscane	Italy	100.00	100.00	FC	
Aventour	France	100.00	100.00	FC	Newly-consolidated in 2015
Bath Bus Company	UK	100.00	100.00	FC	
Bombela Operating Company	South Africa	51.00	51.00	FC	
Bournemouth Transport	UK	90.00	90.00	FC	
Cambrésis Bus	France	56.17	56.17	FC	Newly-consolidated in 2015
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	100.00	100.00	FC	Increase in stake from 60% to 100%
Céobus	France	100.00	100.00	FC	
Champagne Mobilités	France	100.00	100.00	FC	
Chemin de Fer Cambrésis	France	56.17	56.17	FC	Newly-consolidated in 2015
Cité Bleue	France	50.00	50.00	EM	Joint venture
CTLB	France	100.00	100.00	FC	
CTVH	France	100.00	100.00	FC	
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	
DL Entreprises	France	100.00	100.00	FC	Newly-consolidated in 2015
Dunois Voyages	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	75.50	75.50	FC	
Gem'Bus	France	100.00	100.00	FC	
Gest SpA	Italy	100.00	100.00	FC	

Transport Division

	Country	% Control	% Interest	Method	Comments
H. R. Richmond Ltd	UK	100.00	100.00	FC	
HelvéCie SA	Switzerland	100.00	100.00	FC	
Hong Kong Tramway	Hong Kong	50.50	50.50	FC	
Hong Kong Tramway Engineering	Hong Kong	50.00	50.00	EM	
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	
Lebas Laridant	France	100.00	100.00	FC	Newly-consolidated in 2015
London United Busways	UK	100.00	100.00	FC	
London Sovereign	UK	100.00	100.00	FC	
Matem	France	51.00	51.00	FC	
McDonald Transit Associates	USA	55.49	55.49	FC	
Metrolab	France	50.00	50.00	Other	Joint operation Integrated in share line by line
MétroLink	UK	100.00	100.00	FC	
Mobicité	France	100.00	100.00	FC	
Moulins Mobilité	France	100.00	100.00	FC	
Mumbai	India	31.50	31.50	EM	
Nanjing Anqing	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	
Odulus	France	35.00	35.00	EM	
Orlyval Service (OVS)	France	99.00	99.00	FC	
Public Transportation Company	Saudi Arabia	20.00	20.00	EM	Entity created during the reporting period
RATP Dev France Investissement	France	100.00	100.00	FC	
RATP Dev 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	
RATP Dev Middle East	UAE	100.00	100.00	FC	Entity created during the reporting period
RATP Dev Saudi Arabia	Saudi Arabia	100.00	100.00	FC	Entity created during the reporting period
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 Dev	France	100.00	100.00	FC	
RATP do Brazil	Brazil	100.00	100.00	FC	Newly-consolidated in 2015
RATP International	France	100.00	100.00	FC	
RDGS	UK	100.00	100.00	FC	Entity created during the reporting period

Transport Division

	Country	% Control	% Interest	Method	Comments
RDMT – DC	USA	91.08	91.08	FC	
RDMT – Tucson	USA	91.08	91.08	FC	
RDSL – Urban	USA	100.00	100.00	FC	
RDSL – Urban NY	USA	100.00	100.00	FC	
RFT SPA	Italy	11.71	11.71	EM	
SCI Foncière RD	France	100.00	100.00	FC	
SCI LLI	France	100.00	100.00	FC	Newly-consolidated in 2015
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	
Société des lignes touristiques	France	100.00	100.00	FC	Takeover in June 2015 (Note 3)
Société des lignes touristiques USA	USA	100.00	100.00	FC	
Société des transports interurbains de l'Allier	France	100.00	100.00	FC	
Société des transports interurbains du Centre	France	100.00	100.00	FC	
Société des transports interurbains de Haute-Savoie	France	100.00	100.00	FC	
Société des transports urbains de Bourges	France	100.00	100.00	FC	
Société des transports urbains de Vierzon	France	100.00	100.00	FC	
Société d'exploitation des lignes touristiques	France	100.00	100.00	FC	Takeover in June 2015 (Note 3)
SQY BUS	France	89.52	89.52	FC	
Société des transports départementaux de la Marne (STDM)	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
STIVO	France	50.00	50.00	EM	Joint venture
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	
TP2A	France	51.00	51.00	FC	
Tram di Firenze	Italy	24.90	24.90	EM	
TVM	France	100.00	100.00	FC	
Véolia Transport RATP Asia	France	50.00	50.00	EM	Joint venture
Vienne Mobilités	France	90.00	90.00	FC	
Voyages Dupas Lebeda	France	100.00	100.00	FC	Newly-consolidated in 2015

Transport Division

	Country	% Control	% Interest	Method	Comments
Voyages Taquet	France	100.00	100.00	FC	Newly-consolidated in 2015
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
VTR Consulting	China	50.00	50.00	EM	Joint venture
VTR India	India	50.00	50.00	EM	Joint venture
VTR Korea	Korea	50.00	50.00	EM	Joint venture

Engineering Division

Systra Group	France	41.92	41.92	EM	
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Real property, Marketing & Telecoms Division

Naxos	France	100.00	100.00	FC	
Promométro	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	

FC: Full consolidated

EM: Equity method

FINANCIAL STATEMENTS



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STATUTORY AUDITORS' REPORT

Statutory Auditors' report on the financial statements

Year ended December 31, 2015

In compliance with the assignment entrusted to us by the Commissioner to the French State Holdings Agency, we hereby report to you, for the year ended December 31, 2015, on:

- the audit of the financial statements of public utility company RATP, as appended hereto;
- the evidence supporting our opinion;
- the specific verifications required by French law.

The Board of Directors is responsible for the preparation of the annual financial statements. It is our duty to express an opinion on these financial statements on the basis of our audit.

1. Opinion on the financial statements

We have conducted our audit in accordance with the professional standards applicable in France. Those standards require that we plan and perform our work to obtain reasonable assurance that the financial statements are free from material misstatement. An audit consists in examining, on a test basis, the evidence supporting the amounts and disclosures in the 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 financial statements, with regard to French accounting standards, give a true and fair view of the Company's asset base, financial position and earnings for the year ended December 31, 2015.

2. Evidence supporting our opinions

In accordance with the provisions of article L. 823-9 of the French Commercial Code relating to the justification of our assessments, we draw your attention to the following matters:

- Note 1.1.4 to the financial statements on "Asset impairment tests" presents the principal assumptions used to determine recoverable value and the results of the impairment tests. We have reviewed the methods used to perform these impairment tests, the consistency of the assumptions used and the cash flow forecasts and verified the appropriateness of disclosures thereof.

- Note 2.13 to the financial statements on "Long-term employee benefits" describes the long-term employee benefits provisioned in the balance sheet and the method used to measure the obligations. Note 4.20 to the financial statements on "Financial commitments as at December 31, 2015", in the section on "Employee benefits", presents the employee benefit obligations that are not provisioned in the financial statements. We reviewed the manner in which these benefits and provisions had been identified, measured and recognized, and we verified the appropriateness of the disclosures thereof.
- Note 5 to the financial statements on "Separate financial statements for Transport Operations and Infrastructure Management" presents the method used to create the separate financial statements of the Infrastructure Management and Transport Operations activities. Our work entailed reviewing the methods used to create these separate financial statements and the disclosures thereof.

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

3. Specific verifications and information

We have also carried out the special verifications required by law, in accordance with the professional standards applicable in France.

We have no matters to report regarding the fair presentation and consistency with the financial statements of the information provided in the Board of Directors' management report of RATP.

Paris-la Défense and Courbevoie, April 1, 2016
The Statutory Auditors

KPMG Audit
Department of KPMG SA
Philippe Arnaud
Partner

Mazars
Lionel Gotlib
Partner

BALANCE SHEET

Assets

In thousands of euros	12/31/2015			12/31/2014
	Gross	Accumulated depreciation, amortization and provisions	Net	Net
Intangible assets	780,193	398,939	381,253	337,389
Research and development expenses	214,963	48,465	166,498	173,424
Lease rights	2,626	1,464	1,162	1,197
Other	460,648	349,010	111,638	98,849
Work in progress	101,955		101,955	63,920
Property, plant and equipment	25,770,667	10,718,472	15,052,194	14,107,717
Land	578,842	10,744	568,098	565,733
Buildings	10,456,039	4,298,966	6,157,074	5,721,448
Technical plant, equipment and industrial tooling	4,550,136	2,802,915	1,747,221	1,537,032
Transport equipment	7,568,889	3,502,031	4,066,858	3,590,711
Other	151,348	103,817	47,530	41,054
WIP, advances and down payments	2,465,413		2,465,413	2,651,739
Financial assets	1,230,465	37,341	1,193,124	1,264,945
Equity investments	457,347	352	456,995	423,902
Receivables from equity investments	124,346		124,346	32,179
Other long-term investments	2,755	462	2,293	1,388
Loans	55,171	75	55,097	64,883
Other	590,845	36,451	554,394	742,593
Non-current assets (I)	27,781,324	11,154,753	16,626,572	15,710,052
Inventories	226,401	45,053	181,349	165,577
Advances and down payments to suppliers	677		677	42,389
Receivables	1,374,577	5,336	1,369,241	1,347,248
Trade receivables and related accounts	101,697	1,840	99,857	90,538
State and local authority receivables	510,249		510,249	338,985
Other	107,736	3,496	104,240	118,308
Lease receivables	654,895		654,895	799,418
Financial assets	1,253,311	8	1,253,303	1,670,119
Marketable securities	1,006,835	8	1,006,827	1,357,935
Cash and cash equivalents	246,476		246,476	312,184
Prepaid expenses	63,169		63,169	70,457
Current assets (II)	2,918,135	50,396	2,867,739	3,295,791
Loan issuance costs (III)	5,781		5,781	6,029
Bond redemption premiums (IV)	11,922		11,922	12,573
Unrealized currency translation losses (V)	65,516		65,516	47,463
TOTAL ASSETS (I + II + III + IV + V)	30,782,678	11,205,149	19,577,529	19,071,908

Equity and liabilities

In thousands of euros	12/31/2015	12/31/2014
Reserve for assets allocated to RATP	250,700	250,700
Revaluation surplus	215,637	220,093
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 RATP and no longer used (reinvestment)	52,119	52,119
. General reserve	57,926	57,926
Retained earnings	2,582,647	2,271,547
Net income	354,858	311,100
Tax driven provisions	376,056	384,527
Equity excluding investment grants	4,507,964	4,166,033
Investment grants	5,446,253	4,761,750
Equity (I)	9,954,217	8,927,784
Provisions for contingencies	100,914	89,084
Provisions for expenses	134,076	149,167
Provisions for contingencies and liabilities (II)	234,990	238,251
Loans and borrowings	7,159,917	7,499,232
. Île-de-France loans	249,057	267,658
. Bonds	4,758,233	4,725,579
. Loans and borrowings from financial institutions (bank account credit balances)	87,420	132,527
. Other loans and borrowings	1,938,489	2,234,718
. Accrued interest	126,719	138,751
Advances and down payments on orders in process	368	1,881
Trade payables and related accounts	234,846	247,226
Taxes and payroll-related payables	667,628	659,359
Payables for assets and related accounts	377,384	412,130
Other liabilities	167,782	169,023
Lease payables	661,423	807,881
Prepaid income	53,420	61,743
Liabilities (III)	9,322,768	9,858,476
Unrealized currency translation gains (IV)	65,554	47,397
TOTAL LIABILITIES (I + II + III + IV)	19,577,529	19,071,908

INCOME STATEMENT

In thousands of euros	12/31/2015	12/31/2014	Change
OPERATING INCOME	5,352,586	5,170,120	3.5%
Revenue	4,738,683	4,675,419	1.4%
Revenue from transport services	4,421,328	4,357,330	1.5%
Transport-related activities	140,447	138,060	1.7%
Non-transport revenue	172,474	173,983	-0.9%
Sales of by-products	4,435	6,046	-26.6%
Other income	405,528	344,623	17.7%
Stock of manufactured goods	(1,267)	972	-230.3%
Capitalized production	230,887	196,828	17.3%
Provision reversals and operating expenses transferred	121,772	94,531	28.8%
Operating subsidies	912	900	1.4%
Other	53,224	51,392	3.6%
Income used to offset depreciation expenses	208,374	150,079	38.8%
Reversal of revaluation provisions	11,177	11,264	-0.8%
Portion of investment grants transferred to the income statement	197,198	138,814	42.1%
OPERATING EXPENSES	4,793,432	4,616,601	3.8%
Cost of purchased goods and services	1,029,109	970,311	6.1%
Energy:	191,202	201,440	-5.1%
– Electricity	93,727	94,946	-1.3%
– Fuel	84,211	94,139	-10.5%
– Heating	13,263	12,355	7.4%
Cost of leased tracks	29,661	28,952	2.5%
User rights payable to SNCF	20,852	20,253	3.0%
Equipment, supplies and other external services:	787,394	719,666	9.4%
– Equipment and supplies	197,790	188,230	5.1%
– Other external services	589,604	531,436	10.9%
Tax, duties and other payables	237,940	225,729	5.4%
Payroll costs	2,587,122	2,554,271	1.3%
Wages and salaries	1,785,554	1,780,147	0.3%
Payroll taxes	765,801	745,935	2.7%
RATP employee benefit plan cost, net	35,766	28,190	26.9%
Depreciation, amortization and provisions	908,481	837,002	8.5%
Asset depreciation and amortization	831,180	769,821	8.0%
Asset provisions	–	–	–
Current assets – provisions	4,523	5,570	-18.8%
Provisions for contingent liabilities	72,778	61,611	18.1%
Other expenses	30,781	29,288	5.1%
OPERATING INCOME (I)	559,153	553,520	1.0%

In thousands of euros	12/31/2015	12/31/2014	Change
FINANCIAL INCOME	220,378	121,706	81.1%
Equity investments	11,215	9,346	20.0%
Other long-term investments and asset receivables	952	260	266.2%
Accrued interest and related income	151,197	101,698	48.7%
Provision reversals and operating expenses transferred	542	495	9.4%
Foreign exchange gains	55,899	8,608	549.3%
Proceeds from disposal of marketable securities	574	1,298	-55.8%
FINANCIAL EXPENSES	387,012	320,759	20.7%
Accrued interest and related expenses	325,873	307,302	6.0%
Amortization and provisions	5,237	5,306	-1.3%
Foreign exchange losses	55,902	8,151	585.9%
Losses on disposal of marketable securities	-	-	-
NET FINANCIAL EXPENSE (II)	(166,633)	(199,053)	-16.3%
ORDINARY INCOME (I + II)	392,520	354,467	10.7%
NON-RECURRING INCOME	129,461	224,943	-42.4%
Operating transactions	13,931	26,938	-48.3%
Capital transactions	92,222	183,673	-49.8%
Leases	1,915	1,877	2.0%
Other	12,248	6,216	97.0%
Provision reversals and expenses transferred	9,145	6,238	46.6%
NON-RECURRING EXPENSES	109,852	219,888	-69.0%
Operating transactions	2,838	2,086	36.0%
Other	104,884	212,416	-50.6%
Depreciation, amortization and provisions	2,130	5,387	-60.5%
NET NON-RECURRING INCOME	19,609	5,054	288.0%
Employee profit sharing	57,271	48,421	18.3%
Income tax	-	-	-
TOTAL INCOME	5,702,425	5,516,769	
TOTAL EXPENSES	5,347,567	5,205,669	
NET INCOME	354,858	311,100	14.1%

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2015

Unless otherwise stated, all amounts are presented in thousands of euros. The financial statements as at December 31, 2015 were approved by the Board of Directors at their meeting on March 25, 2016.

The parent company, Régie Autonome des Transports Parisiens (RATP), is a State-owned Industrial and Commercial Public Utility (Epic) created by the law of March 21, 1948. It is a legal entity under public law, registered in the Paris Registry of Commerce and Companies. Its registered office is located at 54, quai de la Râpée, 75012 Paris.

1 • Principles and 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 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;
- 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. Implementation decree No. 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;
- 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;
- 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 assets

	Infrastructure management	Transport Operations		
	Fully-owned assets	Returnable assets	Reversionary assets	Fully-owned assets
Nature of assets	Infrastructure assets.	Rolling stock and related maintenance equipment.	Assets required for operations: <ul style="list-style-type: none"> · bus stations; · equipment... 	Assets allocated for administrative, social and training purposes.
Ownership regime	RATP owns these assets.	These assets belong to the Île-de-France transport authority as of 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. The Île-de-France transport authority 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 the Île-de-France transport authority to RATP for the assets.	The remuneration principles and arrangements apply for the duration of the Île-de-France transport authority 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 as at January 1, 2010, or at their carrying amount, net of grants.	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 place the system in service, 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 réglementation 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 signaling and assisted driving systems

	Useful life
Automated train operating system (SAET)	5 to 35 years
Automated driving system	15 to 30 years
Track signaling	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

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 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 Stif-RATP agreement for 2016-2020 signed in November 2015 led to the implementation of impairment tests on the infrastructure Management (IM) and Transport Operations (TO) CGUs. The tests were carried out based on the value of the assets as at January 1, 2015. The allocation of these asset values between Infrastructure Management and Transport Operations was done according to the legal and regulatory provisions applicable to RATP.

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;
- working capital requirements.

The assumptions used to determine recoverable value were as follows:

The recoverable value of the assets corresponds to the value in use, which is determined on the basis of future cash flows net of tax, which were forecast using the following data:

- 2015: based on the financial provisions of the Stif-RATP agreement for 2012-2015, discounted as required by changes to interest rates;
- 2016-2020: on the basis of RATP's business plan approved by the State and based on the financial provisions of the Stif-RATP agreement for 2016-2020, the main parameters whereof had been notified to the Board of Directors by the President;
- Beyond 2020: data and cash flows (including normative cash flows) were determined by estimating the terminal value of the assets tested in accordance with applicable standards.

The investment assumptions until 2020 are based on the five-year investment plan included in the Stif-RATP agreement for 2016-2020, which was approved by the Board of Directors at its meeting of October 9, 2015. Beyond 2020, period for TO, investment assumptions specific to rolling stock were accounted for until the return of the reversionary assets to the Île-de-France transport authority.

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 perpetual growth rate corresponding to the long-term estimated inflation rate. Concerning TO, cash flows are projected until the end of the operating rights by estimating corresponding terminal values for each expiry date of the operating rights.

	Cash-Generating Units (CGUs)	
	Infrastructure Management	Transport Operations
Method for determining the recoverable value	Value in use	Value in use
Discount rate	4.7%	Discount rate specific to the rolling stock: 3.7% Discount rate for the other fully-owned assets and reversionary assets: 6.3%
Growth rate	2.0%	2.0%

The estimated discount rate (weighted average cost of capital) 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.* 3.7%. For other assets used in Transport Operations (fully-owned and reversionary assets), a discount rate of 6.3% was applied, in line with the rates used by the panel.

The results of the impairment tests performed resulted in substantial margins for both the Infrastructure Management and Transport Operations CGUs of €755 million and €600 million, respectively. Consequently, no impairment losses were recognized in the financial statements for the financial year.

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) have been recorded 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.

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 uncollectible 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 on the basis of 1959 data, and the revaluation of non-depreciable assets performed in 1978 on the basis of 1976 data (see Note 4.8).

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 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 LOANS AND BORROWINGS AND HEDGING INSTRUMENTS

Issuance of new debt securities

In October 2015, under its Euro Medium Term Note (EMTN) programme, RATP issued new corporate debt securities with a nominal amount of €500 million maturing in May 2031 and bearing interest of 1.75%.

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 year-end, the exchange rate impacts the amounts previously recorded in euros, adjustments are recorded under balance sheet liabilities 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 2014, no transactions were undertaken on the commodities markets in 2015.

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 covering 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,
- “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).

This 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 contributions are revalued every year by applying an indexing formula based on indices, pursuant to the provisions of the Île-de-France transport authority agreement.

Public prices are set by the Île-de-France transport authority, the organizing authority. They constitute a public service obligation with which 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 (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.

In 2015, the French tax authorities initiated a tax audit of RATP for financial years 2012 to 2014. At the end of December 2015, RATP received a reassessment proposal for 2012 with respect to payroll tax. This notification covered an amount of €65 million, including €8 million in interest on arrears.

The Île-de-France transport authority agreements for the periods 2012-2015 and 2016-2020 (set out in articles 104-3 and 113-3, respectively) clearly state that the Île-de-France transport authority shall cover the financial consequences of not subjecting contributions to VAT. A working meeting was held to inform the Île-de-France transport authority about this situation. RATP will send a reply challenging this notification and has informed the Île-de-France transport authority about this situation. 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.

Therefore, no item was recorded in the financial statements for the year ended December 31, 2015.

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);
- 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 (SSAS).

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: "Wages and salaries" and "Payroll-related costs". RATP's social security service obligations are reported under the 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 5.11. The social security services are presented in the same way as for other social security entities and show:

- the origin and amount of resources, in particular in terms of employer contributions;
- the amount of benefits paid to plan members;
- compensation with other social security funds and entities;
- management costs.

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 paid

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 centers (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 under the State social security system

RATP has provided health insurance 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 the insurance funds reimburse RATP for benefits provided (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.

As of January 1, 2015, the Family Allowance scheme has been outsourced and follows the common law scheme.

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 THE 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 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.

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

In 2015, following the publication of the decision taken by the French Accounting Standards Authority (Autorité des Normes Comptables [ANC]) on November 26, 2014 concerning the review of French accounting standards with respect to comments related to article 212-4 of ANC rule No. 2014-03, RATP modified the accounting treatment of expenditures relating to the removal of asbestos on the infrastructures. Since January 1, 2015, asbestos removal expenses relating to an investment activity have been recognized as assets.

In 2015, asbestos removal expenses amounted to €14.6 million, of which €11 million were capitalized.

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 €0.2 million recorded in the balance sheet at December 31, 2015 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, granting 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 depreciate 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 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.

Under French generally accepted economic and 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 from 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.

As at December 31, 2015, there were eight agreements outstanding 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 €159.4 million at December 31, 2015;
- 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 €40.6 million at December 31, 2015;
- 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 €100.5 million at December 31, 2015.

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 the arrangement, RATP contracts a bank loan as lessee and the Île-de-France transport authority reimburses the associated 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: €20 million;

- seniority benefits (long-service rewards): €23.7 million;
- phased retirement: €1.5 million;
- unemployment benefits: €11.6 million;
- long-term sick leave: €5.4 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 fifteen-year rate, which was 2.25% at December 31, 2015 compared to 1.5% at December 31, 2014.

The main actuarial assumptions are as follows:

	12/31/2015	12/31/2014
Discount rate	2.25%	1.5%
Inflation rate	2%	2%
Salary increase rate including inflation	2.2%	2.8%
Mortality table	TGH05/TGF05	TGH05/TGF05
Turnover rate	0%	0%
Retirement age	See paragraph 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 twelve 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 (Île-de-France loans), based on changes in interest rates. The modulation is obtained by implementing or cancelling interest rate swaps and options.

SWAPS AT DECEMBER 31, 2015

Derivatives by maturity

Swaps on long-term borrowings

In millions of euros	12/31/2015	12/31/2014
Maturity > 5 years		0

Cross currency swaps on long-term borrowings

Maturity (1-5 years)	699	848
Maturity > 5 years		0

Interest rate swaps on the finance leases

Maturity (1-5 years)	38	0
Maturity > 5 years	18	20

Swaps on short-term borrowings

Maturity		0
TOTAL SWAPS	755	868

Derivatives by type

In millions of euros	12/31/2015	12/31/2014
A. Swaps on long-term borrowings		
1) Fixed to floating swaps (excluding currency swaps)		0
2) Floating to fixed rate swaps (excluding currency swaps)		
Swaps on short-term interest rates	38	46
Swaps on long-term interest rates	18	0
3) Other swaps		
Cross currency swaps	699	848
B. Swaps on short-term borrowings		0
TOTAL SWAPS	755	894

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, 2015 (in millions of euros), excluding those relating to the corporate savings plan, was as follows:

Excluding derivatives		Including derivatives	
Bonds		Bonds	4,549
· At fixed rate		· At fixed rate	4,549
· At floating rate		· At floating rate	0
Commercial paper		Commercial paper	1,212
· At fixed rate		· At fixed rate	1,212
· At floating rate		· At floating rate	0

Hedging transactions at the end of December 2015 generated a financial expense of –€2.2 million corresponding to –€1.2 million for outstanding transactions and –€3.44 million for the deferred recognition of net cash payments and premiums.

SENSITIVITY OF THE FLOATING RATE DEBT AT DECEMBER 31, 2015

No short-term sensitivity

Outstanding commercial paper, excluding the corporate savings plan, amounted to €1,212 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.

In millions of euros	Market value at 12/31/2015
Foreign exchange swap	+14.5
Swaps (excluding currency swaps)	–11.8
Cross currency swap	+345.2

NB: The exchange rate part of the currency swaps is offset by the exchange rate part of the underlying bonds. RATP is not exposed to 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, 2015 with regard to the hedged currency debt.

Debt issued		Currency swaps			
Amount of foreign currency (in thousands)	Foreign currency	Pay		Receive	
		Amount of foreign currency (in thousands)	Foreign currency	Amount of foreign currency (in thousands)	Currency
1,115	CHF	1,115	CHF	699	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.

RATP carries out commodity hedges (diesel) for its subsidiaries; as at December 31, 2015, this position amounted to €10,237,000.

4 • Notes to the balance sheet and income statement

- NOTE 4.1 Fixed assets
- NOTE 4.2 Depreciation and amortization
- NOTE 4.3 Provisions
- NOTE 4.4 Inventories
- NOTE 4.5 Prepaid income and expenses
- NOTE 4.6 Loan transaction costs
- NOTE 4.7 Changes in equity
- NOTE 4.8 Revaluation surplus
- NOTE 4.9 Breakdown of revenue
- NOTE 4.10 Revenue from passenger transport services
- NOTE 4.11 RATP social security income statement
- NOTE 4.12 Breakdown of extraordinary income and expense
- NOTE 4.13a Maturities of receivables
- NOTE 4.13b Maturities of payables
- NOTE 4.13c Net debt (excluding accrued interest)
- NOTE 4.14 Receivables and payables
- NOTE 4.15 Other balance sheet items
- NOTE 4.16a Average number of employees
- NOTE 4.16b Staff training account
- NOTE 4.17a Compensation of Directors and Executive Officers
- NOTE 4.17b Statutory audit fees
- NOTE 4.18 Subsidiaries and equity investments
- NOTE 4.19 Economic interest groups
- NOTE 4.20 Off-balance sheet commitments
- NOTE 4.21a Train lease transactions and sub-leases (leaseholds)
- NOTE 4.21b Lease purchase commitments

NOTE 4.1 FIXED ASSETS

Position and changes	Gross value at the beginning of the year	Increase	Transfers between line items	Decrease	Gross value at year-end
Intangible assets					
Research and development expenses	214,638	0	325	0	214,963
Lease rights	2,626	0	0	0	2,626
Other:					
– Software in use	437,786	0	49,651	(26,788)	460,648
– Software in process	63,920	81,930	(43,895)	0	101,955
TOTAL	718,970	81,930	6,081	(26,788)	780,192
Property, plant and equipment					
Land	573,173	0	8,984	(3,315)	578,842
Buildings	9,947,018	0	690,003	(276,254)	10,360,767
Buildings on land not owned	95,272	0	0	0	95,272
Technical plant, equipment and industrial tooling	5,319,378	5,743	447,649	(1,222,634)	4,550,136
Transport equipment	7,011,344	12,175	761,471	(216,100)	7,568,889
Other	220,311	0	21,545	(90,508)	151,348
Work in progress	2,651,739	1,749,406	(1,935,732)	0	2,465,413
TOTAL	25,818,235	1,767,324	(6,082)	(1,808,811)	25,770,667
Financial assets					
Investments	424,255	33,093	0	0	457,347
Receivables from equity investments	32,179	92,167	0	0	124,346
Other long-term investments	1,830	925			2,755
Loans ⁽¹⁾	64,970	436	0	(10,235)	55,171
Other (deposits and guarantees) ⁽²⁾	776,217	156,471	0	(341,843)	590,845
TOTAL	1,299,450	283,092	0	(352,077)	1,230,465
TOTAL ASSETS	27,836,656	2,132,346	0	(2,187,677)	27,781,323

(1) The net change in loans comprises:

– Employee loans (accrued interest €72 thousand)	(398)
– Other loans	(9,401)
	(9,799)

(2) Including €497,812 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 €652 million and the creation of the T6, T7 and T8 tramway lines for €253 million.

NOTE 4.2 DEPRECIATION AND AMORTIZATION

Position and changes	Amortization accumulated at the beginning of the year	Increase: additions at year-end	Decrease amortizations at year-end	Amortizations at year-end
Intangible assets				
Research and development expenses	41,213	7,252	0	48,465
Lease rights	1,429	35	0	1,464
Other	338,937	36,379	(26,306)	349,010
TOTAL	381,579	43,666	(26,306)	398,939
Property, plant and equipment				
Land	7,440	3,304	0	10,744
Buildings ⁽¹⁾	4,231,958	242,204	(265,065)	4,209,097
Buildings on land not owned	87,190	1,075	0	88,265
Technical plant, equipment and industrial tooling	3,782,346	241,102	(1,220,533)	2,802,915
Transport equipment	3,420,632	287,748	(206,349)	3,502,031
Other	179,257	14,750	(90,190)	103,817
TOTAL	11,708,823	790,183	(1,782,137)	10,716,869
Loan transaction expenses	8,211	1,248	(1,643)	7,816
TOTAL	8,211	1,248	(1,643)	7,816
Bond redemption premiums	8,968	1,852	0	10,820
TOTAL ASSETS	12,107,581	836,949	(1,810,086)	11,134,444

(1) Excluding impairment of €1,605 thousand.

Share of assets appropriated to social insurance	function Assets appropriated to insurance
Software (other intangible assets)	906
Buildings	49
Buildings on land not owned	0
Equipment and industrial tooling	247
Transport equipment	0
Other	23
TOTAL	1,225

NOTE 4.3 PROVISIONS

Position and changes	Provisions as at the beginning of the year	Other reclassification	Increase: additions at year-end	Decrease: reversals during		Provisions at year-end
				year used	adjustments	
Tax driven provisions (revaluation reserve)	384,527	0	0	8,470	1	376,056
TOTAL 1	384,527	0	0	8,470	1	376,056
Provisions for contingencies and expenses						
. Provisions for contingencies						
- Provisions for litigation ⁽¹⁾	27,438	0	20,284	1,147	8,546	38,029
- Provisions for work-related accidents	52,348	0	30,055	12,420	12,331	57,653
- Provisions for operating or financial liabilities	8,669	0	2,302	846	5,061	5,064
- Provisions for extraordinary liabilities	628	0	1,179	1,459	180	168
	89,084	0	53,822	15,874	26,117	100,914
. Provisions for losses and expenses						
- Provisions for extraordinary expenses ⁽²⁾	149,168	2,101	21,088	31,704	6,576	134,076
	149,168	2,101	21,088	31,704	6,576	134,076
TOTAL 2	238,252	2,101	74,910	47,578	32,693	234,990
Provisions for impairment						
Property, plant and equipment	1,696	0	0	91	0	1,605
Financial assets	34,505	0	3,378	19	523	37,341
Inventories	45,359	0	2,654	2,961	0	45,053
Trade receivables and related accounts	4,125	0	690	1,559	1,415	1,840
Marketable securities	0	0	8	0	0	8
Other	4,264	0	1,178	1,441	506	3,496
TOTAL 3	89,949	0	7,908	6,071	2,444	89,343
TOTAL ASSETS	712,728	2,101	82,818	62,119	35,138	700,389
Appropriation						
Op: operating activities	673,795	2,101	77,301	60,641	30,637	661,919
Fin: financing activities	34,505	0	3,385	19	523	37,348
Ex: extraordinary activities	4,428	0	2,130	1,459	3,980	1,119
	712,728	2,101	82,816	62,119	35,140	700,386

(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 INVENTORIES

	12/31/2015	12/31/2014
Commodities and supplies	222,151	205,419
Work in progress	4,251	5,518
Impairment	(45,053)	(45,359)
TOTAL	181,349	165,577

NOTE 4.5 PREPAID INCOME AND EXPENSES

	12/31/2015		12/31/2014	
	Expenses	Income	Expenses	Income
Operating activities	7,786	14,402	7,998	16,792
Financing activities	54,302	33,797	61,160	38,968
Extraordinary activities	1,082	5,221	1,300	5,983
TOTAL	63,169	53,420	70,457	61,743

NOTE 4.6 LOAN TRANSACTION COSTS

	Net amount at the beginning of the year	Increase	Decrease (provisions or adjustments)	Net amount at the year-end
Loan transaction costs ⁽¹⁾	6,029	1,000	(1,248)	5,781
TOTAL	6,029	1,000	(1,248)	5,781

(1) Loan transaction expenses are amortized 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

	12/31/2014	Increase	Decrease	12/31/2015
Reserve for assets allocated to RATP	250,700			250,700
Revaluation surplus ⁽¹⁾	220,093		4,456	215,637
Capital endowment	433,367			433,367
Statutory reserves	184,519			184,519
Reserves from sale of real property assets before January 1, 2010	52,255			52,255
General reserve	57,926			57,926
Retained earnings	2,271,547	311,100		2,582,647
Net income ⁽²⁾	311,100	354,858	311,100	354,858
Equity excluding capital grants	3,781,507	665,958	315,556	4,131,909
Investment grants	4,761,750	886,693	202,190	5,446,253
Regulated provisions ⁽¹⁾	384,527		8,472	376,056
TOTAL EQUITY	8,927,784	1,552,651	526,218	9,954,218

(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 2014 was allocated to retained earnings.

NOTE 4.8 REVALUATION SURPLUS

4.8.1 REVALUATION IN 1976

Position and changes	Surplus at the beginning of the year		Changes during the year		Surplus at year-end	
	Gross value of assets	Amortization or provisions accumulated	Retired assets	Depreciation and amortization or provisions	Gross value of assets	Amortization or provisions accumulated
Property, plant and equipment						
Land	217,616	6,095	(437)	4,019	217,179	10,114
Buildings	1,190,314	806,325	(19,035)	(10,616)	1,171,279	795,709
Technical plant, equipment and industrial tooling	64,714	64,676	(47,908)	(47,870)	16,806	16,806
Transport equipment	42,211	42,196	(9,590)	(9,575)	32,621	32,621
Other	506	21	0	0	506	21
	1,515,361	919,313	(76,970)	(64,042)	1,438,391	855,271
Financial assets						
Equity investments	15	0	0	0	15	0
	15	0	0	0	15	0
TOTAL	1,515,376	919,313	(76,970)	(64,042)	1,438,406	855,271
Net exposure						583,135

4.8.2 REVALUATION IN 1963 (1959 BASE)

Revaluation surplus	8,557
TOTAL REVALUATION SURPLUS	591,692

NOTE 4.9 BREAKDOWN OF REVENUE

	12/31/2015	12/31/2014
Transport revenue (excluding Orlyval)	2,204,480	2,233,992
Bandwidth (risks shared with Île-de-France transport authority – Stif)	27,546	26,109
RATP direct revenue	2,232,026	2,260,101
Service quality bonus	10,296	10,243
C11 – contribution to operating expenses	1,127,254	1,002,820
C12 – contribution to taxes and duties	123,360	117,412
C13 – contribution to difference in R7 index under C11 and pricing decisions	(67,699)	2,880
C2 – contribution to financing investments	956,225	925,438
C4 – specific contribution to financing rolling stock	8,692	4,007
Other transport revenue	42,436	43,516
Penalties (services + validation + incentives)	(11,262)	(9,087)
1. Transport revenue excluding VAT	4,421,328	4,357,330
2. Transport-related revenue excluding VAT	140,447	138,060
<i>Of which penalties and fines</i>	28,212	27,151
3. Other service revenue & sales of residual products	176,908	180,029
REVENUE	4,738,683	4,675,419

Revenue is measured on the basis of the principles set out in paragraph 1.2.1.

NOTE 4.10 REVENUE FROM PASSENGER TRANSPORT SERVICES

	Revenue			
	12/31/2015 excluding VAT	12/31/2015 VAT included	in %	12/31/2014 VAT included
RATP networks: metro, RER and bus	2,204,480	2,424,928	100	2,457,392
Monthly, weekly and annual Navigo travel passes	1,311,102	1,442,212	59.47	1,448,093
Other subscriptions (police, Émeraude, Améthyste)	99,073	108,980	4.49	105,557
Tickets	700,436	770,480	31.77	792,642
Flat-rate travel cards (Mobilis, youth tickets, travel passes for conference-goers)	29,831	32,814	1.35	36,329
Unsubsidized tickets (Paris Visite, Orlybus, Roissybus)	62,675	68,943	2.84	73,456
Weekly travel passes, subsidized school passes, fire service passes and night buses (Noctambus)	1,363	1,499	0.05	1,315
ALL NETWORKS	2,204,480	2,424,928		2,457,392

NOTE 4.11 RATP SOCIAL SECURITY INCOME STATEMENT

	2015 Surplus (deficit)	2014 Surplus (deficit)
Health insurance plan		
Employer contributions	227,027	228,563
Transfers received from CSG tax collected (ACOSS) and employee contributions	124,630	122,592
CNSA contribution (for disabled transport users)	1,634	1,444
Benefits in kind	(259,869)	(262,918)
Cash benefits (paid sick leave, death benefits)	(66,400)	(62,299)
Healthcare services	(10,794)	(11,022)
Special plan expense (including general compensation)	(1,606)	(1,314)
Management expense (net)	(15,706)	(17,800)
Bilateral compensation with state health insurance fund (Cnam):		
- Contributions paid to the RATP special scheme	(298,900)	(295,389)
- Allowance for management expenses	11,824	12,293
- Reimbursement of benefits in kind from the national social security scheme	258,963	262,055
NET SURPLUS (DEFICIT) OF HEALTH INSURANCE PLAN	(29,196)	(23,793)
Work-related accident insurance plan		
Employer contributions	33,755	31,144
Special scheme contributions	(774)	(387)
Benefits in kind and allowances	(15,475)	(14,959)
Cash benefits and paid leave	(17,624)	(16,263)
Management expense (net)	(4,239)	(4,178)
NET SURPLUS (DEFICIT) OF THE WORK-RELATED ACCIDENT INSURANCE PLAN	(4,356)	(4,642)
Unemployment allowance plan		
Employer contributions	7,492	6,927
Benefits	(9,118)	(6,897)
Management expense (net)	(587)	(461)
NET SURPLUS (DEFICIT) OF THE UNEMPLOYMENT ALLOWANCE PLAN	(2,213)	(431)
Family allowance plan		
Employer contributions	0	75,054
Flat-rate contributions for interns	0	0
Statutory benefits	0	(17,376)
Other benefits + salary allowance	0	(137)
Management expense (net)	0	(1,171)
Bilateral compensation with state family fund (Cnaf):		
- Contributions paid to the RATP special scheme	0	(75,950)
- Allowance for management expenses	0	2,881
- Reimbursement of statutory benefits (national social security scheme)	0	17,376
NET SURPLUS (DEFICIT) OF FAMILY ALLOWANCE PLAN	0	677
RATP SOCIAL SECURITY, NET SURPLUS (DEFICIT)	(35,766)	(28,189)

NOTE 4.12 BREAKDOWN OF EXTRAORDINARY INCOME AND EXPENSE

NET NON-RECURRING INCOME	19,609
Partial asset contribution	30,359
Loss on disposal and retirement of assets	15,388
Extraordinary payment to the Île-de-France transport authority ⁽¹⁾	(40,000)
Asbestos-related disease	(999)
Proceeds from financial engineering ⁽²⁾	2,015
Indemnities received from suppliers	5,456
Transfer to income of property grants (1/10 th)	3,826
Change in allocation of asbestos removal expenditures	3,800
Miscellaneous	(235)

(1) When closing the Stif-RATP 2012-2015 agreement and considering the extraordinary income, particularly in terms of fixed asset operations carried out by RATP in 2015, an amendment to this agreement was concluded between the Île-de-France transport authority and RATP, which required RATP to pay a portion of this income amounting to €40 million to the Île-de-France transport authority.

(2) See note 4.21a.

NOTE 4.13a MATURITIES OF RECEIVABLES

	Gross amount ⁽¹⁾	Asset liquidity degree	
		Maturities due within 1 year	Maturities more than 1 year
Receivables relating to non-current assets			
Receivables from equity investments	124,346	118,346	6,000
Other long-term investments	2,755	0	2,755
Loans ⁽²⁾⁽³⁾	55,171	7,917	47,254
Other ⁽⁵⁾	590,845	44,631	546,214
	773,118	170,895	602,223
Receivables relating to current assets			
Trade receivables and related accounts	101,697	101,697	0
Receivables from the State and other public authorities	510,249	510,249	0
Other	107,736	85,736	22,000
	719,682	697,682	22,000
Financial assets			
Marketable securities ⁽⁴⁾	1,006,835	1,006,835	0
Cash and cash equivalents	246,476	246,476	0
	1,253,311	1,253,311	0
Prepaid expenses	63,169	9,292	53,877
Unrealized currency translation gains	65,516	7,590	57,926
TOTAL	2,874,795	2,138,769	736,026

(1) Gross amount reported on the balance sheet before the deduction of provisions for impairment amounting to €42,324 thousand.

(2) Employee loans granted during the period: €4 thousand.
Employee loans repaid during the period: €329 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: €2,769 thousand.

Including cash collateral of €378,800 thousand set up following the leasehold terminations in 2009.

(5) Deposits amounting to €497,812 thousand for leases unwound or under way.

NOTE 4.13b MATURITIES OF PAYABLES

	Gross amount	Maturities		
		Less than 1 year	Between 1 to 5 years	More than 5 years
Loans and borrowings				
Île-de-France loans ⁽¹⁾⁽⁴⁾ :	249,057	20,398	77,438	151,220
. Bonds ⁽¹⁾⁽⁴⁾				
- Eurozone financial markets	3,850,000	0	650,000	3,200,000
- International financial markets	699,199	124,572	574,628	0
“Tick'épargne” loans	209,033	209,033	0	0
. Borrowings from and liabilities to financial institutions:				
- Borrowings	38,038	5,400	12,165	20,474
- Short-term bank loans	49,319	49,319	0	0
- Postal check	63	63	0	0
. Other loans and borrowings ⁽²⁾⁽⁵⁾	1,938,489	1,634,653	278,521	25,315
. Accrued interest ⁽³⁾	126,719	97,014	29,705	0
	7,159,917	2,140,451	1,622,456	3,397,009
Accounts payable				
Trade payables and related accounts	234,846	234,846	0	0
Tax and payroll-related payables	667,628	667,628	0	0
Payables for assets and related accounts	377,384	377,384	0	0
Other liabilities	167,782	125,219	42,563	0
	1,447,640	1,405,077	42,563	0
Prepaid income	53,420	13,896	11,798	27,727
Unrealized currency translation losses	65,554	7,572	52,971	5,011
TOTAL	8,726,530	3,566,996	1,729,788	3,429,747

(1) Loans contracted during period (in thousands of euros): 580,363
Loans repaid during period (in thousands of euros): (574,366)

(2) Including:
- commercial paper (in thousands of euros): 1,212,180
- “Tick'épargne” commercial paper (in thousands of euros): 180,782

(3) Including (in thousands of euros):
- accrued interest – IDF loans: 0
- accrued interest – Eurozone financial markets: 55,289
- accrued interest – international financial markets: 10,821
- accrued interest – “Tick'épargne” loans: 990
- accrued interest on lease deposits: 59,618
- accrued interest on guarantees: 0

(4) Including (in thousands of euros):
- loans at fixed interest rates: 4,587,238
- loans at floating interest rates: 458,090

(5) Including loans for financing leasehold terminations in 2009.

NOTE 4.13c NET DEBT (EXCLUDING ACCRUED INTEREST)

	12/31/2015	12/31/2014
Financial assets (a)	1,470,783	1,848,127
Loans to subsidiaries ⁽¹⁾	124,000	32,000
Lease deposit receivables (2013)	96,241	149,661
Marketable securities ⁽²⁾	625,266	850,561
Cash collateral	378,800	503,721
Cash and cash equivalents ⁽²⁾	246,476	312,184
Loans and borrowings (b)	6,652,732	6,845,107
Île-de-France loan	249,057	267,658
Borrowings from financial markets	4,549,199	4,397,443
“Tick’ épargne” loan ⁽³⁾ (bonds and commercial paper)	389,815	560,709
Borrowings from and liabilities to financial institutions	49,381	86,432
Commercial paper	1,212,180	1,323,765
Collateral	203,100	209,100
NET DEBT (b – a)	5,181,949	4,996,980

(1) Back to back financing with commercial paper.

(2) Excluding financial assets allocated to lease transactions; see details in Note 21a.

(3) Of which “Tick’ épargne” commercial paper.

NOTE 4.14 RECEIVABLES AND PAYABLES

	12/31/2015	12/31/2014
Accrued income		
Financial assets	775	681
Financial engineering instruments	60,444	64,505
Trade receivables and related accounts	24,165	21,957
State and local authority receivables ⁽¹⁾	372,405	227,623
Other receivables	16,628	18,549
Marketable securities	2,769	3,653
Cash and cash equivalents	0	0
TOTAL	477,186	336,968
Accrued expenses		
Île-de-France loans	0	276
Bonds issued on French financial market	55,289	54,277
Bonds issued on international financial markets ⁽²⁾	10,821	11,557
Private borrowings	990	8,763
Financial engineering instruments	59,618	63,876
Loans and borrowings from financial institutions	0	1
Trade and related payables	154,528	185,865
Tax and payroll-related payables	555,411	519,810
Payables for assets and related accounts	216,346	313,478
Other liabilities	22,622	26,610
TOTAL	1,075,625	1,184,513

(1) Including investment grants due but not yet received.

(2) In Swiss francs.

NOTE 4.15 OTHER BALANCE SHEET ITEMS

	12/31/2015	12/31/2014
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	599,863	475,754
Trade receivables and related accounts	6,535	6,949
Other receivables	3,354	3,354
TOTAL	609,752	486,057
Liabilities		
Financial liabilities	0	0
Trade payables and related accounts	6,525	9,876
Payables for assets and related accounts	0	0
Other liabilities	1,118	1,603
TOTAL	7,643	11,479

(1) Concerns RATP Dev, Snybus, Promométro, Logis-Transports, SEDP, SADM, Telcité, Ixxi, RATP International, Naxos, Mobicité, SLT, Orlyval Service, FlexCité (77) (91) (93) (94), EM Services, Cars Perrier, TP2A.

NOTE 4.16a AVERAGE NUMBER OF EMPLOYEES

	12/31/2015	12/31/2014	Changes	
			Number	in %
Average number of employees	43,500	43,187	313	0.72
Breakdown by category:				
- Executives + managers	11,319	11,298	21	0.19
- Operators	32,181	31,889	292	0.92
Breakdown by contract:				
- Permanent	41,559	41,544	15	0.04
- Fixed-term contract	1,941	1,643	298	18.14

NOTE 4.16b STAFF TRAINING ACCOUNT

Since January 1, 2015, the Staff Training Account (CPF for “Compte Personnel Formation” in French) has replaced the Individual Training Rights (DIF for “Droit Individuel à la Formation” in French). The CPF is a personal right to training accessible to all current employees from the age of 16 up to retirement. Unlike the DIF, it is attached to the person and not to the employment contract. The CPF is credited in hours at the end of each calendar year with up to a maximum of 150 hours of training over 8 years. The unused DIF hours as at December 31, 2015, i.e. 4,670,171 hours, are transferred to the CPF by the employees and may be used until December 31, 2020.

NOTE 4.17a COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

In thousands of euros	2015	2014
Members of the Board of Directors	14	12
Compensation of ten highest-paid Executives	2,538	2,422

NOTE 4.17b STATUTORY AUDIT FEES

In thousands of euros	KPMG	Mazars
Statutory Audit	248	250
Work/services directly related	39	
TOTAL	287	250

NOTE 4.18 SUBSIDIARIES AND EQUITY INVESTMENTS

Position as at December 31, 2015	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	Provisional net result	Dividends received by RATP in 2015
				Gross	Net					
1. Subsidiaries										
SEDP 12, avenue du Val-de-Fontenay Le Péripôle II 94120 Fontenay-sous-Bois (Siren 380 038 687)	459	1,880	100.00	457	457	3,354		10,921	312	240
RATP Dev 54, quai de la Rapée 755999 Paris Cedex 12 (Siren 389 795 006)	347,301	21,565	100.00	359,499	359,499	118,000		42,469	5,522	2,500
Logis-Transports 158, rue de Bagnolet 75020 Paris (Siren 592 025 811)	32,640	233,570 ⁽²⁾	99.98	33,126	33,126	0	975 ⁽²⁾	61,013 ⁽²⁾	7,324 ⁽²⁾	0
Promomètre 35, boulevard de Sébastopol 75001 Paris (Siren 712 029 099)	910	2,115	100.00	2,619	2,619	0		4,612	930	1,238
RATP International 54, quai de la Rapée 755999 Paris Cedex 12 (Siren 419 997 044)	59,721	20,304	100.00	59,721	59,721	6,000		241	(1,777)	1,842
Telcité 1, avenue Montaigne 93160 Noisy-le-Grand (Siren 411 759 962)	1,525	15,996	100.00	1,524	1,524	0		19,459	5,429	5,390
2. Other equity investments										
Other				401	49					5

(1) Including accrued interest.

(2) Latest data available: December 31, 2014.

NOTE 4.19 ECONOMIC INTEREST GROUPS

Position as at December 31, 2015	RATP % contribution to overheads
Eurailtest 1, boulevard Saint-Martin 75003 Paris (Siren 421 526 468)	10%
Comutitres 14, rue Auber 75009 Paris (Siren 433 136 066)	59.5%

NOTE 4.20 OFF-BALANCE SHEET COMMITMENTS

Commitments given

	12/31/2015	12/31/2014
1. Subsidiaries and equity investments		
Guarantee for Logis-Transports	858	975
Guarantee backing a security given by RATP Dev	20,000	20,000
RATP Dev commodity hedges	10,237	18,716
2. Not-for-profit entities		
Guarantee for IAPR	140	140
RATP Foundation	550	550
3. Employee benefits		
Employee loans: guarantee for SBE	1,038	2,202
Employees: "Low income housing" guarantees	187,242	211,245
Retirement benefits	213,600	258,572
Death indemnities for current employees	15,082	15,386
Death indemnities for retirees	37,590	44,598
Work-related accident and disability allowance and those with vested rights	244,625	277,099
Guaranteed return on corporate savings plan for retired employees	0	5,412
Early retirement	2,361	2,838
4. Financial transactions		
Cross currency swaps on bonds ⁽¹⁾	699,200	847,442
Cross currency swaps on deposits	96,241	151,764
Foreign exchange swaps on commercial papers	802,172	333,763
Lease transactions: sub-leases of rolling stock	226,850	255,316
TOTAL	2,557,786	2,446,018

(1) RATP has opted to account for swaps in the same way as traditional loans and borrowings.

Commitments received

	12/31/2015	12/31/2014
Cross currency swaps on bonds ⁽¹⁾	699,200	847,450
Cross currency swaps on deposits	96,241	151,764
Foreign exchange swaps on commercial papers	802,172	333,763
Commodity hedges	10,237	18,716
Bank guarantees	323,897	278,707
TOTAL	1,931,747	1,630,400

(1) 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 2.25% as at December 31, 2015. The rate used as of December 31, 2014 was 1.5%.

NOTE 4.21a TRAIN LEASE TRANSACTIONS AND SUB-LEASES (LEASEHOLDS)**I. AMERICAN LEASE TRANSACTIONS****Effect on cash position on lease signature date (<2002)****Leases**

In thousands of euros		
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, 2015

In thousands of euros	12/31/2014	12/31/2015
Lease receivables	799,418	654,895
Lease payables	807,881	661,423
Outstanding NPV	8,463	6,528
Change in NPV = effect on 2015 net income		1,935

Effect on 2015 net income

Leases generated income of €1,935 thousand as at December 31, 2015:

Lease signature date

In thousands of euros	1997	1998	2000	2002	Total	2014 information
Income from main lease ⁽¹⁾	3,040	17,498	2,518	15,346	38,402	38,845
Interest paid on sub-leases ⁽²⁾	1,689	7,817	1,731	4,686	15,923	21,391
Provision reversal ⁽³⁾	0	0	3,578	153,897	157,475	111,961
Prepaid interest	1,941	1,157	0	392	3,490	4,218
Sub-lease expenses ⁽⁴⁾	3,433	8,404	7,387	376	19,600	28,644
Other lease income	18	9	80	239	346	352
Other lease expense					0	0
Early Buyout Option	0	0	0	152,525	152,525	43,196
Expenses	34	19		139	192	259
Excess lease payments					0	62,670
Provision for termination costs ⁽³⁾	3,150	17,499	0	20,588	41,237	39,958
Currency translation adjustments					0	0
Interest on loans			147		147	143
Other					0	
NET INCOME	71	559	373	932	1,935	1,897

(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 offsetting 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)

Lease

In thousands of euros	
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 2015 net income

In thousands of euros	December 2015
Deferred amortization of NPV	125
Expenses	19

NOTE 4.21b LEASE PURCHASE COMMITMENTS

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.

Lease

In thousands of euros	Original value	Term	Residual value as at December 31, 2015
Philidor Maraîchers	25,308	25	17,952
Cours de Vincennes	5,335	15	492
Lagny offices	12,106	15	11,819

LEASED ASSETS

Balance sheet item

In thousands of euros	Initial cost	Depreciation allowance		Net value
		for year ⁽¹⁾	accumulated ⁽¹⁾	
Land	2,840			2,840
Buildings	39,910	1,296	17,337	22,573
Plant, property and equipment	0			0
Other plant, property and equipment	317	65	113	204
Fixed assets in progress	0			0
TOTAL	43,067	1,361	17,450	25,617

(1) Depreciation for the period and the accumulated depreciation that would have been recorded if RATP owned these assets.

LEASE COMMITMENTS

Balance sheet item

In thousands of euros	Lease payments		Outstanding lease payments			Residual price
	at year end	cumulative	up to 1 year	+1 to 5 years	+5 years	
Land					2,840	0
Buildings	2,335	24,381	3,480	15,208	16,414	2,287
Plant, property and equipment						
Other plant, property and equipment	65	113	52	152		0
Fixed assets in progress						
TOTAL	2,400	24,494	3,532	15,360	19,254	2,287

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. It reports directly to the President and 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 Director 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:

	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 maintenance facilities	X	
Bus routes with dedicated lanes	X	
Bus maintenance facilities	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.

Epic 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

As at January 1, 2012, net debt and equity were allocated 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	State-owned industrial and commercial public utility (Epic)
Net assets allocated	A	3,835	3,941	7,776
<i>In %</i>		49	51	100
Net debt	B	(2,272)	(2,815)	(5,087)
<i>In %</i>		45	55	100
Equity ⁽¹⁾	C	(1,563)	(1,126)	(2,689)
<i>In %</i>		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

As at January 1, 2012, each activity recognized income and expense items in the separate accounting systems set up by 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 financial statements for the Transport Operations activity 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 financial relations and tracking all flows between the separate activities.

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 provision of metro and RER equipment and facilities for Transport Operations. The Infrastructure Management activity owns and manages the equipment and facilities and provides them to the Transport Operations activity as a service.
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		State-owned industrial and commercial public utility (Epic)	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Intangible assets	371,645	330,873	9,608	6,517	381,253	337,389
Research and development expenses	166,498	173,424	0	0	166,498	173,424
Lease rights	1,162	1,197	0	0	1,162	1,197
Other	106,754	95,106	4,884	3,743	111,638	98,849
Work in progress	97,231	61,146	4,724	2,774	101,955	63,920
Property, plant and equipment	7,890,811	7,098,444	7,161,383	7,009,273	15,052,194	14,107,717
Land	318,970	319,725	249,128	246,008	568,098	565,733
Buildings	1,374,834	1,048,767	4,782,240	4,672,681	6,157,074	5,721,448
Technical plant, equipment and industrial tooling	465,174	283,014	1,282,048	1,254,018	1,747,221	1,537,032
Transport equipment	4,031,268	3,552,425	35,591	38,286	4,066,858	3,590,711
Other	40,343	35,631	7,187	5,423	47,530	41,054
WIP, advances and down payments	1,660,223	1,858,881	805,190	792,857	2,465,413	2,651,739
Financial assets	1,193,053	1,264,860	71	85	1,193,124	1,264,945
Investments	456,995	423,902	0	0	456,995	423,902
Receivables from equity investments	124,346	32,179	0	0	124,346	32,179
Other long-term investments	2,293	1,388	0	0	2,293	1,388
Loans	55,040	64,798	57	85	55,097	64,883
Other	554,380	742,593	14	0	554,394	742,593
Non-current assets (I)	9,455,509	8,694,177	7,171,063	7,015,875	16,626,571	15,710,052
Inventories	151,698	139,727	29,651	25,850	181,349	165,577
Advances and down payments to suppliers	677	42,389	0	0	677	42,389
Receivables	1,287,749	1,289,137	81,931	66,368	1,369,241	1,347,248
Trade receivables and related accounts	98,839	88,191	1,018	2,347	99,857	90,538
State and local authority receivables	433,646	283,415	76,603	63,674	510,249	338,985
Other	100,369	118,114	4,310	347	104,240	118,308
Lease receivables	654,895	799,418			654,895	799,418
Financial assets	1,276,633	1,685,432	0	742	1,253,303	1,670,119
Marketable securities	1,006,827	1,357,935	0	0	1,006,827	1,357,935
Cash and cash equivalents ⁽¹⁾	269,806	327,497	0	742	246,476	312,184
Prepaid expenses	63,167	70,454	3	3	63,169	70,457
Current assets (II)	2,779,924	3,227,140	111,585	92,963	2,867,739	3,295,790
Loan issuance costs (III)	5,781	6,029	0	0	5,781	6,029
Bond redemption premiums (IV)	11,922	12,573	0	0	11,922	12,573
Unrealized currency translation gains (V)	65,516	47,463	0	0	65,516	47,463
TOTAL ASSETS (I + II + III + IV + V)	12,318,651	11,987,382	7,282,647	7,108,838	19,577,529	19,071,908

(1) Depending on the level of analysis (at Company or parent company level), 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	Transport Operations		Infrastructure Management		State-owned industrial and commercial public utility (Epic)	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Reserve for assets allocated to	250,700	250,700			250,700	250,700
Revaluation surplus	66,904	69,670	148,733	150,422	215,637	220,093
Capital stock	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 the 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 constructed 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
Infrastructure Management – Transport Operations equity transfer at January 1, 2012	(1,125,661)	(1,125,661)	1,125,661	1,125,661	0	0
Retained earnings	2,353,330	2,121,717	229,317	149,829	2,582,647	2,271,547
Net income	249,944	231,612	104,914	79,488	354,858	311,100
Tax driven provisions	3,374	3,561	372,682	380,967	376,056	384,527
Equity excluding investment grants	2,526,658	2,279,666	1,981,306	1,886,367	4,507,964	4,166,033
Investment grants	3,131,666	2,466,855	2,314,588	2,294,895	5,446,253	4,761,750
Equity (I)	5,658,323	4,746,522	4,295,894	4,181,262	9,954,217	8,927,784
Provisions for contingencies	97,297	87,251	3,617	1,833	100,914	89,084
Provisions for expenses	132,385	142,820	1,691	6,348	134,076	149,167
Contingency and loss provisions (II)	229,682	230,070	5,308	8,181	234,990	238,251
Loans and borrowings	4,358,080	4,748,688	2,825,166	2,766,600	7,159,917	7,499,232
. Île-de-France loans	249,057	267,658	0	0	249,057	267,658
. Bonds	4,758,233	4,725,579	0	0	4,758,233	4,725,579
. Infrastructure Management – Transport Operations equity transfer at January 1, 2012	(2,815,000)	(2,815,000)	2,815,000	2,815,000	0	0
. Loans and borrowings from financial institutions (bank account credit balances) ⁽¹⁾	53,683	100,410	57,066	48,172	87,420	132,527
. Infrastructure Management – Transport Operations: transfer of financial liabilities	46,900	96,572	(46,900)	(96,572)	0	0
. Other loans and borrowings	1,938,489	2,234,718	0	0	1,938,489	2,234,718
. Accrued interest	126,719	138,751	0	0	126,719	138,751
Advances and down payments received on orders in process	368	1,631	0	250	368	1,881
Trade payables and related accounts	215,547	228,028	19,299	19,199	234,846	247,226
Taxes and payroll-related payables	634,764	637,295	33,299	30,321	667,628	659,359
Payables for assets and related accounts	286,935	309,356	90,449	102,775	377,384	412,130
Other liabilities	154,555	168,772	13,232	251	167,782	169,023
Lease payables	661,423	807,881	0	0	661,423	807,881
Prepaid income	53,420	61,743	0	0	53,420	61,743
Liabilities (III)	6,365,092	6,963,394	2,981,445	2,919,146	9,322,768	9,858,476
Unrealized currency translation losses (IV)	65,554	47,397	0	0	65,554	47,397
TOTAL ASSETS (I + II + III + IV)	12,318,651	11,987,382	7,282,647	7,108,838	19,577,529	19,071,908

(1) Depending on the level of analysis (at Company or parent company level), a banking entity can be classified for accounting purposes as an asset or liability.

5.4.3 FINANCIAL STATEMENTS: INCOME STATEMENT

	Transport Operations	Infrastructure Management	Elimination of intercompany transactions	State-owned industrial and commercial public utility (Epic)
OPERATING INCOME	5,373,309	987,462	(1,008,185)	5,352,586
Revenue	4,967,282	779,587	(1,008,185)	4,738,683
Revenue from transport services	4,421,328	0		4,421,328
	232,094	776,091	(1,008,185)	
Transport-related activities	140,447	0		140,447
Non-transport revenue	168,978	3,496		172,474
Sales of by-products	4,435	0		4,435
Other income	274,405	131,124		405,528
Stock of manufactured goods	(1,434)	167		(1,267)
Capitalized production	104,156	126,731		230,887
Provision reversals and operating expenses transferred	119,131	2,641		121,772
Operating subsidies	912	0		912
Other	51,639	1,585		53,224
Income used to offset depreciation expenses	131,622	76,752		208,374
Reversal of revaluation provisions	2,892	8,284		11,177
Portion of investment grants transferred to income statement	128,730	68,467		197,198
OPERATING EXPENSES	5,010,874	790,744	(1,008,185)	4,793,432
Cost of purchased goods and services	1,743,828	293,466	(1,008,185)	1,029,109
Energy:	189,945	1,257		191,202
- Electricity	92,952	775		93,727
- Fuel	84,168	43		84,211
- Heating	12,824	439		13,263
Cost of leased tracks	29,661			29,661
User rights payable to SNCF	20,852			20,852
Equipment, supplies and other external services:	1,503,370	292,209	(1,008,185)	787,394
- Equipment and supplies	176,035	21,755		197,790
- Other external services	1,327,335	270,454	(1,008,185)	589,604
Tax, duties and other payables	182,721	55,219		237,940
Payroll costs	2,460,938	126,183		2,587,122
Wages and salaries	1,696,799	88,755		1,785,554
Payroll taxes	728,373	37,429		765,801
RATP employee benefit plan cost, net	35,766			35,766
Depreciation, amortization and provisions	592,736	315,744		908,481
Asset depreciation and amortization	519,235	311,945		831,180
Asset provisions	0	0		0
Current assets – provisions	2,948	1,575		4,523
Provisions for contingent liabilities	70,554	2,225		72,778
Other expenses	30,650	131		30,781
OPERATING INCOME (I)	362,434	196,719		559,153

	Transport Operations	Infrastructure Management	Elimination of intercompany transactions	State-owned industrial and commercial public utility (Epic)
FINANCIAL INCOME	317,044	0	(96,665)	220,378
Equity investments	11,215	0		11,215
Other long-term investments and asset receivables	953	0		952
Accrued interest and related income	151,197	0		151,197
	96,665	0	(96,665)	
Provision reversals and operating expenses transferred	542	0		542
Foreign exchange gains	55,899	0		55,899
Proceeds from disposal of marketable securities	574	0		574
FINANCIAL EXPENSES	387,012	96,666	(96,665)	387,012
Accrued interest and related expenses	325,873	1		325,873
		96,665	(96,665)	
Amortization and provisions	5,237	0		5,237
Foreign exchange losses	55,902	0		55,902
Losses on disposal of marketable securities	0	0		0
NET FINANCIAL EXPENSE (II)	(69,968)	(96,666)		(166,633)
ORDINARY INCOME (I+II)	292,466	100,053		392,520
Non-recurring income	104,444	25,018	0	129,461
Operating transactions	13,318	613		13,931
Capital transactions	73,797	18,425		92,222
Leases	1,915			1,915
Other	10,069	2,179		12,248
Provision reversals and operating expenses transferred	5,344	3,801		9,145
Non-recurring expenses	92,265	17,586	0	109,852
Operating transactions	2,835	2		2,838
Other	87,300	17,584		104,884
Depreciation, amortization and provisions	2,130	0		2,130
NET NON-RECURRING INCOME	12,178	7,431		19,609
Employee profit sharing	54,700	2,570		57,271
Income tax	0	0		0
TOTAL INCOME	5,794,796	1,012,480	(1,104,850)	5,702,425
TOTAL EXPENSES	5,544,852	907,566	(1,104,850)	5,347,567
NET INCOME	249,944	104,914		354,858

6 • Post-balance sheet events

The financial provisions of the 2016-2020 multi-year agreement with the Île-de-France transport authority, approved by RATP's Board of Directors at its meeting of October 9, 2015 take into account RATP's corporate income tax liability as of 2016. RATP initiated procedures in this direction with the French tax authorities (DLF) at the beginning of 2016. As at the reporting date for the year ended December 31, 2015, the assessment of the outcome of procedures initiated in 2016 was underway.

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