THIS DOCUMENT IS A FREE TRANSLATION OF THE FRENCH LANGUAGE "PROSPECTUS DE BASE" DATED THE DATE OF THIS DOCUMENT PREPARED BY REGION ILE-DE-FRANCE. IN THE EVENT OF ANY AMBIGUITY OR CONFLICT BETWEEN CORRESPONDING STATEMENTS OR OTHER ITEMS CONTAINED IN THESE DOCUMENTS, THE RELEVANT STATEMENTS OR ITEMS OF THE FRENCH LANGUAGE "PROSPECTUS DE BASE" SHALL PREVAIL.

BASE PROSPECTUS

Région Ile-de-France
Euro 6,000,000,000
Euro Medium Term Note Programme

Under the Euro Medium Term Note Programme described in this Base Prospectus (the "**Programme**"), Région Ile-de-France (the "**Issuer**" or "**Région Ile-de-France**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Euro Medium Term Notes (the "**Notes**"). The aggregate nominal amount of Notes outstanding will not at any time exceed Euro 6,000,000,000 (or the equivalent in other currencies).

This Base Prospectus supersedes and replaces the Base Prospectus dated 6 December 2013.

Application will be made in certain circumstances for Notes issued under the Programme to be admitted to trading on a regulated market of Euronext Paris ("**Euronext Paris**"). Euronext Paris is a regulated market in the sense of directive 2004/39/EC of 21 April 2004, as amended (a such market being designated as "**Regulated Market**"). The Notes may also be admitted to trading on another Regulated Market of the European Economic Area or a unregulated market of the European Economic Area or another unregulated market or not be admitted to trading. The relevant Final Terms (as defined in the chapter "Principal characteristics of the Notes and the principal risks associated with the Notes") (the form of which is contained in this Base Prospectus) in respect of the issue of any Notes will specify whether or not such Notes will be admitted to trading and will state, as the case may be, the relevant Regulated Market. The French version of this Base Prospectus has been submitted to the clearance procedures of the *Autorité des marchés financiers* ("**AMF**") and has been approved by the AMF under visa n°15-105 granted on 24 March 2015.

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

Dematerialised Notes will at all times be in book entry form in compliance with Article L.211-4 of the French *Code monétaire et financier*. No physical documents of title will be issued in respect of the Dematerialised Notes. Dematerialised Notes may, at the option of the Issuer, be (a) in bearer dematerialised form (*au porteur*) inscribed as from the issue date in the books of Euroclear France ("**Euroclear France**") (acting as central depositary – as defined in chapter "Terms and Conditions of the Notes – Interest and other Calculations) which shall credit the accounts of Account Holders (as defined in the chapter "Terms and Conditions of the Notes - Form, Denomination, Title and Redenomination") including Euroclear Bank S.A./ N.V. ("**Euroclear**") and the depositary bank for Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") or (b) in registered dematerialised form (*au nominatif*) and, in such latter case, at the option of the relevant Noteholder (as defined in Condition 1(c)(iv)) of the Terms and Conditions of the Notes, in either fully registered form (*nominatif pur*), in which case they will be inscribed either with the Issuer or with a registration agent (designated in the relevant Final Terms) for the Issuer, or in administered registered form (*nominatif administré*) in which case they will be inscribed in the accounts of the Account Holders designated by the relevant Noteholders.

Materialised Notes will be in bearer materialised form only and may only be issued outside France. A temporary global certificate in bearer form without interest coupons attached (a "**Temporary Global Certificate**") will initially be issued in connection with Materialised Notes. Such Temporary Global Certificate will be exchanged for Definitive Materialised Notes in bearer form ("**Definitive Materialised Notes**") with, where applicable, coupons for interest attached, on or after a date expected to be on or about the 40th calendar day after the issue date of the Notes (subject to postponement as described in "Temporary Global Certificates issued in respect of Materialised Notes") upon certification as to non-U.S. beneficial ownership, as more fully described in this Base Prospectus.

Temporary Global Certificates will (a) in the case of a Tranche (as defined in the chapter "General Characteristics of the Programme") intended to be cleared through Euroclear and/or Clearstream, Luxembourg, be deposited on the issue date with a common depositary on behalf of Euroclear and/or Clearstream, Luxembourg and (b) in the case of a Tranche intended to be cleared through a clearing system other than, or in addition to, Euroclear and/or Clearstream, Luxembourg or delivered outside a clearing system, be deposited as agreed between the Issuer and the relevant Dealer (as defined below).

The Issuer has been rated AA with stable outlook by Fitch Ratings and its short-term debt has been rated F1+ by Fitch Ratings. The Issuer has been rated AA with stable outlook by Standard & Poor's and its short-term debt has been rated A1+ by Standard & Poor's. The Programme has been rated AA by Fitch Ratings and AA by Standard & Poor's. As at the date of the Base Prospectus, each of such credit rating agencies is established in the European Union and is registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies as amended (the "**CRA Regulation**") and is included in the list of credit rating agencies published by the European Securities and Market Authority on its website (www.esma.europa.eu) in accordance with the CRA Regulation. When an issue of Notes is rated, such rating will not necessarily be the same as the rating assigned under the Programme. Notes issued under the Programme may be rated or unrated. The rating of Notes, if any, will be disclosed in the Final Terms. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning credit rating agency.

This Base Prospectus will be published (a) on the websites of the AMF (www.amf-france.org), and the Issuer (www.iledefrance.frconseil-regional/budget-2015) (b) available for inspection and copy, without charges, during normal business days and hours, any business day of the week, at the registered office of the Issuer and at the specified offices of any Paying Agent set out at the end of this Base Prospectus.

Arrangers

BNP PARIBAS	**HSBC**

Dealers

BNP PARIBAS	**Deutsche Bank**
HSBC	**Morgan Stanley**
NATIXIS	**UBS Investment Bank**

The date of this Base Prospectus is 24 March 2015.

This Base Prospectus (as well as any supplement relating thereto) constitutes a base prospectus pursuant to article 5.4 of Prospectus Directive (as defined below) entailing all information which is necessary to enable investors to make an informed assessment of the assets, the activity, the financial position, the profits and prospects of the Issuer, as well as of the rights attaching to the Notes, as well as information required by annexes V, XIII, XVI and XXX of the European Regulation 809/2004/EC, as amended by Commission Delegated Regulation (EU) n°486/2012 of 30 March 2012 and Commission Delegated Regulation (EU) n°862/2012 of 4 June 2012 . Each Tranche (as defined in chapter "General Description of the Programme") of Notes will be issued in accordance with the provisions set out in chapter "Terms and Conditions of the Notes" of this Base Prospectus, as supplemented by the provisions of the relevant Final Terms agreed between the Issuer and the relevant Dealers (as defined in chapter "General Description of the Programme") upon issue of such Tranche.

The Issuer, having taken all reasonable enquiries to ensure that such is the case, confirms that all the information contained in this Base Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import. The Issuer accepts responsibility accordingly.

In addition, in the context of any offer of Notes that is not made within an exemption from the requirement to publish a prospectus under the Prospectus Directive (a "**Non-exempt Offer**"), in relation to any person (an "**Investor**") to whom an offer of any Notes is made by any financial intermediary to whom the Issuer has given its consent to use this Base Prospectus (an "**Authorised Offeror**"), where the offer is made during the period for which that consent is given and where the offer is made in the Member State for which that consent was given and is in compliance with all other conditions attached to the giving of the consent, all as mentioned in the Base Prospectus, the Issuer accepts responsibility in each such Member State for the content of this Base Prospectus. However, neither the Issuer nor any Dealer has any responsibility for any of the actions of any Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

If so specified in the Final Terms in respect of any Tranche of Notes, the Issuer consents to the use of this Base Prospectus in connection with a Non-exempt Offer during the Offer Period specified in the relevant Final Terms (the "**Offer Period**") either (1) in the Member State(s) specified in the relevant Final Terms by any financial intermediary which is authorised to make such offers under the Markets in Financial Instruments Directive (Directive 2004/39/EC) and which satisfies the conditions (if any) specified in the relevant Final Terms or (2) by the financial intermediaries specified in the relevant Final Terms, in the Member State(s) specified in the relevant Final Terms and subject to the relevant conditions specified in the relevant Final Terms, for so long as they are authorised to make such offers under the Markets in Financial Instruments Directive (Directive 2004/39/EC). The Issuer may give consent to additional financial intermediaries after the date of the relevant Final Terms and, if it does so, the Issuer will publish the above information in relation to them on (www.iledefrance.fr).

The consent referred to above relates to Offer Periods occurring within twelve (12) months from the date of this Base Prospectus.

Any Authorised Offeror who wishes to use this Base Prospectus in connection with a Non-exempt Offer as set out in (1) above is required, for the duration of the relevant Offer Period, to publish on its website that it is using this Base Prospectus for such Non-exempt Offer in accordance with the consent of the Issuer and the conditions attached thereto.

To the extent specified in the relevant Final Terms, an offer may be made during the relevant Offer Period by any of the Issuer, the Dealers or any relevant Authorised Offeror in any relevant Member State and subject to any relevant conditions, in each case all as specified in the relevant Final Terms.

Other than as set out above, neither the Issuer nor any of the Dealers has authorised the making of any Non-exempt Offer of any Notes by any person in any circumstances and such person is not permitted to use this Base Prospectus in connection with its offer of any Notes. Any such Non-exempt Offers are not made by or on behalf of the Issuer or by any of the Dealers or Authorised Offerors and none of the Issuer or any of the Dealers or any Authorised Offerors has any responsibility or liability for the actions of any person making such offers.

An Investor intending to acquire or acquiring any Notes from an Authorised Offeror will do so, and offers and sales of the Notes to an Investor by an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to price, allocation, settlement arrangements and any expenses or taxes to be charged to the Investor (the "Terms and Conditions of the Non-exempt Offer"). The Issuer will not be a party to any such arrangements with Investors (other than Dealers) in connection with the offer or sale of the Notes and, accordingly, this Base Prospectus and any Final Terms will not contain such information. The Terms and Conditions of the Non-exempt Offer shall be provided to Investors by that Authorised Offeror at the relevant time. None of the Issuer, any of the Dealers or other Authorised Offerors has any responsibility or liability for such information.

No person has been authorised to give any information or to make any representation other than those contained in this Base Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must under no circumstances be relied upon as having been authorised by the Issuer or any of the Arrangers or the Dealers (each as defined in the chapter "Summary of the Programme" below). Neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the general affairs of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Base Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by the Issuer, the Dealers and the Arrangers to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States and the Notes may include Materialised Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or, in the case of Materialised Notes in bearer form, delivered within the United States. For a description of certain restrictions on offers and sales of Notes and on distribution of this Base Prospectus, see "Subscription and Sale".

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

The Arrangers and the Dealers have not separately verified the information contained in this Base Prospectus. None of the Dealers or the Arrangers makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Base Prospectus. Neither this Base Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arrangers or the Dealers that any recipient of this Base Prospectus or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Base Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers or the Arrangers undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.

For the purposes of this Base Prospectus, the expression "**Prospectus Directive**" means Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading on a Regulated Market, as amended by Directive 2010/73/EU, and includes any relevant implementing measure in the Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**").

In connection with any Tranche (as defined in “General Description of the Programme”), one of the Dealers may in accordance with applicable laws and regulations act as a Stabilising Manager (the “**Stabilising Manager**”). The identity of the Stabilising Manager will be disclosed in the relevant Final Terms. References in the next paragraph to “the issue” are to each Tranche in relation to which a Stabilisation Agent is appointed.

For the purpose of any issue, the Stabilising Manager (or any person acting on behalf of the Stabilising Manager) may over-allot Notes, or effect transactions with a view to maintaining the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the final terms of the offer is made and, if begun, may be ended at any time, but it must end no later than the earlier of thirty (30) calendar days after the issue date and sixty (60) calendar days after the date of the allotment of Notes. Any stabilisation action will be carried out in accordance with all applicable laws and regulations.

In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to “€”, “Euro”, “EUR” or “euro” are to the lawful currency of the member states of the European Union that adopt the single currency introduced in accordance with the Treaty establishing the European Community as amended, references to “£”, “pounds sterling”, “GBP” and “Sterling” are to the lawful currency of the United Kingdom, references to “$”, “USD” and “U.S. Dollars” are to the lawful currency of the United States of America, references to “¥”, “JPY”, “Japanese yen” and “Yen” are to the lawful currency of Japan and references to “Swiss francs” or “CHF” are to the lawful currency of the Helvetic Confederation.

SUPPLEMENTS TO THE BASE PROSPECTUS

If at any time after the date of this Base Prospectus a significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes appears or is noticed, a supplement to this Base Prospectus shall be prepared.

All supplements to this Base Prospectus will be published on the websites of (i) the AMF (www.amf-france.org), (ii) the Issuer (www.iledefrance.fr/conseil-regional/budget-2015) and (iii) any other relevant regulation authority and will be available for consultation and copy, free of charge, at the offices of each Paying Agent set out at the end of this Base Prospectus during normal business hours so long as any of the Notes are outstanding.

In accordance with Article 16(2) of the Prospectus Directive and Article 212-25 II of the General Regulations (*Réglement général*) of the AMF, in the case of a public offer of Notes pursuant to this Base Prospectus, investors who have already agreed to purchase or subscribe for any such Notes before the supplement to the Base Prospectus is published shall have the right, exercisable within two (2) trading days after the publication of the supplement to the Base Prospectus, to withdraw their acceptances, provided that the new material factor, mistake or inaccuracy referred to in paragraph 1 of Article 16 of the Prospectus Directive and Article 212-25 I of the General Regulations (*Réglement général*) of the AMF arose before the final closing of the offer to the public and the delivery of the securities. That period may be extended by the Issuer. The final date of the right of withdrawal will be stated in the relevant supplement to the Base Prospectus.

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SUMMARY OF THE PROGRAMME

Summaries are made up of disclosure requirements known as "Elements" required by Annex XXII of the Delegated Regulation (EU) n°486/2012 and Annex XXX introduced by Delegated Regulation (EU) n°862/2012. These elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of Notes and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of Notes and Issuer, it is possible that no relevant information can be given regarding this Element. In this case a short description of the Element is included in the summary with the mention of "Not Applicable".

This summary is provided for purposes of the issue of Notes of a Denomination of less than Euro 100,000 (or its equivalent in other currencies). Investors in Notes of Denominations equal to or greater than Euro 100,000 should not rely on this summary in any way and the Issuer accepts no liability to such investors regarding this summary.

Words and expressions which are defined in the section "Terms and Conditions of the Notes" of this Base Prospectus shall have the same meanings where used in the following summary.

Section A – Introduction and warnings		
A.1	**Warning:**	Please note that: • this summary should be read as introduction to the Base Prospectus; • any decision to invest in the Notes should be based on consideration of the Base Prospectus as a whole by the investor; • where a claim relating to the information contained in the Base Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Base Prospectus before the legal proceedings are initiated; and • civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus or it does not provide, when read together with the other parts of the Base Prospectus, key information in order to aid investors when considering whether to invest in such Notes of a Denomination less than Euro 100,000.
A.2	**Consent:**	If so specified in the Final Terms in respect of any Tranche of Notes, the Issuer consents to the use of this Base Prospectus in connection with a subsequent resale or final placement of Notes during the Offer Period specified in the relevant Final Terms either (1) in the Member State(s) specified in the relevant Final Terms by any financial intermediary which is authorised to make such offers under the Markets in Financial Instruments Directive (Directive 2004/39/EC, as amended) and which satisfies the conditions specified in the relevant Final Terms or (2) by the financial intermediaries specified in the relevant Final Terms, in the Member State(s) specified in the relevant Final Terms and subject to the relevant conditions specified in the relevant Final Terms, for so long as they are authorised to make such offers under the Markets in Financial Instruments Directive (Directive 2004/39/EC, as amended). The Issuer may give consent to additional financial intermediaries after the date of the relevant Final Terms and, if it does so, the Issuer will publish the above information in relation to them on (www.iledefrance.fr). **An Investor intending to acquire or acquiring any Notes from an Authorised Offeror will do so, and offers and sales of the Notes to an Investor by an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to price, allocation, settlement arrangements and any expenses or taxes to be charged to the Investor (the "Terms and Conditions of the Non-exempt Offer"). The Issuer will not be a party to any such arrangements with Investors (other than Dealers) in connection with the offer or sale of the Notes and, accordingly, this Base Prospectus and any Final Terms will not contain such information. The Terms and Conditions of the Non-exempt Offer shall be provided to Investors by that Authorised Offeror at the relevant time. None of the Issuer, any of the Dealers or other Authorised Offerors has any responsibility or liability for such information.**

Section B – Issuer		
B17	**Credit Ratings:**	The Issuer has been rated AA with stable outlook by Fitch Ratings and its short-term debt has been rated F1+ by Fitch Ratings. The Issuer has been rated AA with negative outlook by Standard & Poor's and its short-term debt has been rated A1+ by Standard & Poor's. The Programme has been rated AA by Fitch Ratings and AA by Standard & Poor's. As at the date of the Base Prospectus, each of such credit rating agencies is established in the European Union and is registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies as amended (the "**CRA Regulation**") and is included in the list of credit rating agencies published by the European Securities and Market Authority on its website (www.esma.europa.eu) in accordance with the CRA Regulation. When an issue of Notes is rated, such rating will not necessarily be the same as the rating assigned under the Programme. Notes issued under the Programme may be rated or unrated. The rating of Notes, if any, will be disclosed in the Final Terms. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning credit rating agency.
B47	**Description of the Issuer:**	***Legal name of the issuer and description of the issuer's position within the national government framework*** Région Ile-de-France is one of the 27 French regions, with a well-defined geographic territory over which it exercises its jurisdiction. There are eight *Départements* in the Région Ile-de-France: Paris

(which is both a city and a *Département*), three *Départements* comprising Paris' immediate suburbs (Hauts-de-Seine, Seine-Saint-Denis, Val-de-Marne) and four *Départements* comprising an outer perimeter around the city (Val-d'Oise, Essonne, Yvelines, Seine-et-Marne). The Ile-de-France comprises 1,281 municipalities (*Communes*).

Legal form of the issuer
For administrative purposes, the French territory is divided up into three types of local authorities, also known as "*Territorial Authorities of the Republic*" since the decentralisation law dated 2 March 1982. These local authorities are the *Région*, the *Département* and the *Commune*, in respect of which a principle of self-government has been established under article 72 of the French Constitution ("*Under and in accordance with the conditions provided by law, these local authorities shall freely govern themselves through elected councillors and shall have regulatory authority with respect to the exercise of their powers*").

Each of these authorities, which cover a specific geographical area, is a separate legal entity with resources available for it to apply at its discretion. Article 72 of the Constitution thus provides that "local authorities manage their affairs as they see fit".

A constitutional law no. 2003-276 dated 28 March 2003 relating to Government decentralisation, supplemented the article 72 or the Constitution promoting the idea of specialisation whilst respecting the independence of each individual local authority. Local authorities therefore are to "*take the decisions that, pursuant to their powers, are best implemented at their level*". This concept derives from the principle of European Community law known as subsidiarity. The object is to give local authorities the legal means to exercise the powers conferred upon them by law.

The decentralisation laws of 1982 and 1983 laid down the powers and authority of regions and strengthened and widened the scope of their interest in planning and the economy.

Regions have also been given powers in relation to on-going professional training and apprenticeship as well as public education: the regions have therefore responsibility for the construction, furnishing and maintenance and operation of high schools (*lycées*).

Law N° 2004-809 dated 13 August 2004 concerning local authorities' rights and duties therefore transferred new powers on local authorities. Regions have therefore been granted new responsibilities with regard to health and social matters or education. Furthermore, the law strengthened the Ile-de-France Region's role in transportation. The Ile-de-France Region now has a majority (51 per cent.) of seats in the S.T.I.F, the public transport authority for the Region.

Law N° 2014-58 dated 27 January 2014 constitutes the initial phase of a new step of the decentralisation process in particular with the establishment of leader communities (*"chefs de file")*. The regions are in charge of organising, amongst other things, the ways of the joint action of the local communities for the exercise of land settlement and sustainable development capacities, economic development, synergy between ways of transports and support to higher education and research.

Moreover, under the law of 27 January 2014, the Regions become responsible for the management of a part of the European structural funds.

The Region Ile-de-France is managed by a *regional Council* composed of 208 members elected by direct universal suffrage at the latest elections of 14th and 21st March 2010. The next regional councillors election is scheduled on December 2015. The regional Council runs the Region Ile-de-France's affairs through its deliberations. Executive power is conferred on the President of the regional Council.

Recent events relevant to the evaluation of the Issuer's solvency
There are no recent events relevant to the evaluation of the Issuer's solvency.

Description of the issuer's economy including its structure with details of its main sectors
With a gross domestic product (GDP) of 612.3 billion euros in 2012 (which amounts to 30.1 per cent of France's GDP and 4.7 per cent of the 27 EU countries, GDP), Ile-de-France is the first economic region in France.

Benefiting from a highly diversified economic make up, combining the most innovative sectors (biotechnologies, nanotechnologies,...) with more traditional sectors such as the aeronautical or automobile industries, Région Ile-de-France remains the leading French industrial region, ahead of the Rhône-Alpes region.

With eight out of ten employed, the services and trade sector is another strength of the regional economy, in consultancy or finance, with Région Ile-de-France being home to majority of the head offices of banks and insurance companies established in mainland France.

Despite an unfavourable economic background, the rate of unemployment in Ile-de-France remains lower than the national average, at 8.6 per cent in Ile-de-France in the first quarter of 2014 compared to 9.7 per cent in mainland France.

In 2012, the Region attracted 201 foreign firms. The main investors come from USA (51 firms), Germany (23 firms) and Italy (16 firms). Ile-de-France attracts decision-making centres and activities with high added value.

Ile-de-France is ranked the first tourist region in the world with 68 million hotel room nights occupied

		in 2012 (half relating to foreign customers), and has one of the largest hotel capacites in the world (150,077 rooms).
B48	**Key facts of public finance and trade information / information for the two fiscal years /significant changes since the end of the last fiscal year:**	***Situation of public finance for the two last fiscal years***

Key figures	**2012 accounts**	**2013 accounts**
Investment income	1192,482 M€	1243,866 M€
Capital expenditure	1940,018 M€	1995,044 M€
Operating income	3415,491 M€	3528,527 M€
Operating expenditure	2667,073 M€	2775,766 M€
Gross savings	748,418 M€	752,761 M€
Debt as at 31 December 2012	4331,618 M€	4730,598 M€

Trade information
Ile-de-France still occupied first place for French exporting (18 per cent. of the national total exports) and importing (26 per cent. of the national total imports of goods).In 2013, natural hydrocarbons are the leading imported products for the region (12.2 per cent) followed by automobile manufacturing products (11.9 per cent) which are also the leading export products (10.2 per cent) ahead of products of aeronautics and space manufacturing (9.1 per cent).

In 2013, Germany was the number one client of Ile-de-France (10.7 per cent of exports) and the principal supplier of the Region (14.1 per cent. of imports) ahead of the United States (for exports) and China (for imports).

Significant changes
There has been no significant change in the financial condition of the Region Ile-de-France since 31 December 2013.

Section C - Securities		
C.1	**Type and class of the securities being offered and/or admitted to trading, including any security identification number:**	***Type and class of the Notes*** The Notes will constitute *obligations* under French law. ***Identification number of the Notes*** The Notes identification number (ISIN) will be indicated in the relevant Final Terms for each issue of Notes.
C.2	**Currencies of the securities issue:**	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in euro, U.S. Dollars, Japanese yen, Swiss francs, Sterling and in any other currency agreed between the Issuer and the relevant Dealer(s).
C.5	**Restriction on the free transferability of the Notes:**	There is no restriction on the free transferability of the Notes.
C.8	**The Rights attached to the Notes:**	***Negative Pledge*** So long as any of the Notes or, if applicable, any Coupons relating to them, remains outstanding, the Issuer will not create or permit to subsist any mortgage, lien, charge, pledge or other form of security interest (*sûrete réelle*) upon any of its assets or revenues, present or future, to secure any present or future indebtedness for borrowed money in the form of, or represented by, bonds (obligations), notes or other securities with a maturity greater than one year and which are for the time being, or are capable of being, admitted to trading on a Regulated Market, unless the Issuer's obligations under the Notes and, if applicable, Coupons are equally and rateably secured therewith. ***Ranking*** The Notes and, if any, the relevant Coupons will constitute direct, unconditional, unsubordinated and (subject to the provisions relating to negative pledge) unsecured obligations of the Issuer and will rank *pari passu* among themselves and (save for certain obligations required to be preferred by French law) equally with all other present or future unsecured and unsubordinated obligations of the Issuer from time to time outstanding. ***Events of Default*** The Notes may become due and payable at their principal amount together with any accrued interest: a) in the event of a principal or interest or any other amount payment default relating to any Notes by the Issuer within a period of thirty (30) calendar days (under specific conditions); or

		b) in the event of a default in the performance of, or compliance with, any other provisions of the Terms and Conditions of the Notes, within a period of sixty (60) calendar days (under specific conditions); or c)(i) any bank or bond indebtedness of the Issuer in excess individually or in aggregate of Euro 100 million (or its equivalent in any other currency) in principal is (are) not paid by the Issuer (under specific conditions) or (ii) any guarantee(s) given by the Issuer for bank or bond indebtedness of others in excess individually or in aggregate of Euro 100 million (or its equivalent in any other currency) is (are) not honoured when due and called upon (under specific conditions); ***Selling Restrictions*** There are restrictions on the sale of Notes and the distribution of offering material in the United States, in the United Kingdom, in France, in States of the European Economic Area and in Japan.
C.9	**Interest, maturity and redemption provisions, yield and representation of the Noteholders**	***Nominal interest rate*** Notes may be interest bearing or non interest bearing. Interest (if any) may accrue at a Fixed Rate, or a Floating Rate. ***Date from which interest becomes payable and the due dates for interest*** The date from which interest becomes payable and the due dates for interest for each issue of Notes will be indicated in the relevant Final Terms applicable to the relevant issue of Notes. ***Description of the underlying on which the rate is based, when such rate is not fixed*** Not Applicable; interest (if any) will accrue at a Fixed rate, or a Floating rate. ***Maturity Date and arrangements for the amortisation of the loan, including the repayment procedures*** *Redemption on the Maturity Date* Notes will be redeemed at par or at such other Redemption Amount as specified in the relevant Final Terms. *Early Redemption* Notes may be redeemable prior to maturity subject to the terms of this redemption specified in the relevant Final Terms. *Early Redemption for tax reasons* Notes will be redeemable for tax reasons at the option of the Issuer prior to maturity subject to the terms of this redemption specified in the relevant Final Terms. ***Yield*** The yield of the Notes will be specified in the relevant Final Terms. ***Representative of debt security holders*** The Representative of the Noteholders and the Alternative Representative will be appointed in the relevant Final Terms for each issue of Notes.
C.10	**Explanation on how the value of the investment is affected by the value of the underlying instrument(s) related to the interest payment:**	Not Applicable; interest (if any) will accrue at a Fixed rate, or a Floating rate.
C.11	**Admission to Trading of the securities in a regulated market:**	Application may be made for Notes to be admitted to trading on Euronext Paris. A Series of Notes may be unlisted.
C.21	**Admission to Trading and publication of the Base Prospectus:**	Application may be made for Notes to be admitted to trading on, and the Base Prospectus has been published for Euronext Paris. A Series of Notes may be unlisted.

Section D – Risks		
D.2	**Key information on the key risks that are specific to the Issuer:**	The Ile-de-France Region is not exposed to industrial risks nor environmental risks and covers through insurance the miscellaneous risks related to both buildings owned or occupied in any capacity whatsoever by itself and wholly-owned vehicles. The civil liability of the Region and its different services is covered by a specific insurance. In relation to financial risks, the Ile-de-France Region, as a local authority and pursuant to applicable laws, can freely borrow, and its relationships with lenders are based on private law and the right to enter into contractual agreements. However, applicable laws provide that: - Borrowings may only finance investments; - Reimbursement of the capital of borrowings must be covered by the territorial unit's own resources. - Debt service is a mandatory expenditure (*dépense obligatoire*), whether it concerns interest or repayment of capital.

		Pursuant to an active but prudent debt management policy, the Ile-de-France Region has recourse to financial instruments (derivative products such as swaps, caps, tunnels…) the use of which is restricted by the inter-ministerial circular, n° NOR IOCB1015077C of 25 June 2010 relating to financial products offered to local authorities and to their public entities. The Ile-de-France Region's policy in relation to interest rate risk is prudent: it aims to protect regional debt against an increase in rates whilst at the same time reducing cost. Besides this, the Ile-de-France Region takes no exchange-rate risk because whenever it issues securities in a foreign currency it enters into contracts for the exchange of the currency into euro at the outset. The Issuer, as a legal entity governed by public law, is not subject to enforcement proceedings according to the principle of exemption from seizure of assets applicable to entities governed by public law.
D.3	**Key information on the key risks that are specific to the securities:**	Investors are informed that the value of their investment may be affected by certain factors or events. ***The trading market for debt securities may be volatile and may be adversely impacted by many events*** The market for debt securities issued by issuers is influenced by economic and market conditions and, to varying degrees, interest rates, currency exchange rates and inflation rates in other European and other industrialised countries. ***An active trading market for the Notes may not develop*** There can be no assurance that an active trading market for the Notes will develop, or, if one does develop, that it will be maintained. If an active trading market for the Notes does not develop or is not maintained, the market or trading price and liquidity of the Notes may be adversely affected. ***The Notes may be redeemed before maturity*** If, on the occasion of a repayment of principal or a payment of interest, the Issuer would be obliged to pay Additional Amounts in accordance with Condition 8(b), the Issuer may redeem all outstanding Notes at the Early Redemption Amount together, unless otherwise specified in the relevant Final Terms, with interest accrued up to the date set for redemption. ***Any early redemption at the option of the Issuer, if provided for in any Final Terms for a particular issue of Notes, could cause the yield received by Noteholders to be considerably less than anticipated*** The Final Terms for a particular issue of Notes may provide for early redemption at the option of the Issuer. As a consequence, the yield received upon redemption may be lower than expected, and the redeemed amount of the Notes may be lower than the purchase price for the Notes paid by the Noteholder. As a consequence, part of the capital invested by the Noteholder may be lost. ***Investors will not be able to calculate in advance their rate of return on Floating Rate Notes*** A key difference between Floating Rate Notes and Fixed Rate Notes is that interest income on Floating Rate Notes cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of Floating Rate Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments having longer fixed interest periods. ***Risks arising in relation with fixed rate Notes*** It cannot be set aside that the value of fixed rate Notes be affected by future variations on the interest rate markets. ***Exchange rate risks and exchange controls*** The Issuer will pay principal and interest on the Notes in the currency specified in the relevant Terms and Conditions. This presents certain risks relating to currency conversions if an investor's financial activities are principally in a currency or currency unit which is different than that of the relevant Notes. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect exchange rates. As a result, investors may receive less interest or principal than expected, or even no interest or principal.

Section E – Offer		
E.2b	**Reasons for the offer and use of proceeds when different from making profit and/or hedging certain risks:**	The net proceeds of the issue of the Notes will be used to finance the Issuer's investments unless otherwise specified in the relevant Final Terms.
E.3	**Terms and conditions of the offer:**	The Notes will be issued at the issue price and will be fully or partly paid up, as specified in the relevant Final Terms. The issue price of the Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of the issue, subject to market conditions. There are restrictions on the sale of Notes and the distribution of offering material in the United States, in the United Kingdom, in France, in States of the European Economic Area and in Japan.

E.4	**Interest that is material to the issue/ offer :**	Interest and any potential conflicting ones that is material to the issue/offer of Notes will be described in the relevant Final Terms.
E.7	**Estimated expenses charged to the investor by the issuer or the offeror:**	Estimated expenses charged to the investor by the issuer or the offeror will be specified in the relevant Final Terms.

RISK FACTORS

The Issuer believes that the following factors are important for any decision to invest in the Notes and/or may affect its ability to fulfil its obligations under the Notes. All of these contingencies may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. Investors are informed that the value of their investment may be affected by certain factors or events (it being specified that the risk incurred by the investor is limited to the value of its investment).

The Issuer believes that the factors described below represent the principal risks inherent in Notes issued under the Programme, but the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. The risks described below are not the only risks that an investor in the Notes faces. Additional risks and uncertainties not currently known to the Issuer or that it currently believes to be immaterial could also have a material impact on the risks relating to an investment in the Notes. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision. In particular, investors should make their own assessment as to the risks associated with the Notes prior to investing in the Notes.

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

Any reference below to a Condition is a reference to the correspondingly numbered condition in the Terms and Conditions of the Notes.

Risk Factors relating to the Issuer

Industrial and environmental risks

The Ile-de-France Region, which is a local authority, is not exposed to industrial and environmental risks.

Risks relating to Issuer's assets

The asset risks of the Ile-de-France Region are related to any damage, accident, destruction, or physical loss that may be incurred in relation to any tangible or intangible asset. The operation and the organisation of the Issuer are subject to risks, in particular risks associated with its vehicles fleet or related to the status of its agents or its elected officials.

The insurance policies of the Ile-de-France Region cover any building owned or occupied irrespective of title whatsoever, for risks caused, in particular, by natural disaster, fire, terrorist attack or act of vandalism, as well as any of the Region's vehicles. In addition, the civil liability of the Region and its services, including ancillary activities of any nature and those covered by ancillary budgets, is the subject of a specific insurance policy.

Financial risks

In relation to financial risks, the legal framework governing borrowings by local authorities limits the risk of insolvency.

Article 2 of the Law N° 82-213 of 2 March 1982, setting out the rights of municipalities, *départements* and regions, discontinued the direct control of the central government of the actions of territorial units. This change also gives the territorial units full freedom to evaluate and determine their financing needs and to liberalise and normalise the terms applying to their borrowings. As a result, territorial units can freely borrow, and their relationships with lenders are based on private law and the right to enter into contractual agreements.

This freedom can be exercised in conformity with the following principles:

- Borrowings may only finance investments;

- Reimbursement of the capital of borrowings must be covered by the territorial unit's own resources.

Debt service is a mandatory expenditure (*dépense obligatoire*), whether it concerns interest or repayment of capital. Interest on the debt and the reimbursement of the principal on borrowings constitute, according to the French law (article L. 4321-1 of the French *Code Général des Collectivités Territoriales*), mandatory expenditure (*dépenses obligatoires*) for the Region. As a result, this expenditure must be included in the Region's budget. If this is not the case, the legislator has created a procedure (in Article L. 1612-15 of the French *Code Général des Collectivités Territoriales*) which allows the Prefect, after receiving the opinion of the Regional *Chambre des Comptes*, to procure the listing of the expenditure in the Region's budget. In addition, if the Region does not pay any mandatory expenditure, a procedure is also laid down by legislation (in Article L. 1612-16 of the *French Code Général des Collectivités Territoriales*) whereby the Prefect of the Region shall be entitled to procure payment of such expenditure.

Risks relating to derivative products

Beyond that, recourse to borrowings and to financial instruments (derivative products such as swaps, caps, tunnels…) is restricted by the inter-ministerial circular, n° NOR IOCB1015077C of 25 June 2010 relating to financial products offered to local authorities and to their public entities . This circular specifies the risks inherent in the management of debt by local authorities and repeats the state of the law regarding the recourse to financial products and financial risk hedging instruments. It abrogates the previous circular of 15 September 1992. The Ile-de-France Region’s policy in relation to interest rate risk is prudent: it aims to protect regional debt against an increase in rates whilst at the same time reducing cost.

Besides this, the Ile-de-France Region takes no exchange-rate risk because whenever it issues securities in a foreign currency it enters into contracts for the exchange of the currency into euro at the outset.

Regarding its revenue, the Issuer, as a local authority, is exposed to any evolution of its legal and regulatory environment which could modify such revenue's structure or yield. However, the Issuer is protected by the constitutional principle of financial autonomy (*autonomie financière*), article 72-2 of the Constitution providing that "*tax revenues and other own resources of local authorities represent for each category of local authorities, a significant part of their resources*".

Noteholders are exposed to the Issuer's credit risk. Credit risk is meant to be the risk that the Issuer could fail to perform its financial obligations in respect of the Notes, resulting in a loss for the investor. However, the mandatory nature of repayment of indebtedness constitutes a strong protection for lenders.

Legal risks relating to enforcement proceedings

The Issuer, as a local authority (*collectivité territoriale)*, is not exposed to legal risks related to enforcement proceedings. As a legal entity governed by public law, the Issuer is not subject to enforcement proceedings, and its assets cannot be seized.

Risk Factors relating to the Notes

Investors are informed that the value of their investment may be affected by certain factors or events (it being specified that the risk incurred by the investor is limited to the value of its investment).

The trading market for debt securities may be volatile and may be adversely impacted by many events.

The market for debt securities issued by issuers is influenced by economic and market conditions and, to varying degrees, interest rates, currency exchange rates and inflation rates in other European and other industrialised countries. There can be no assurance that events in France, Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of Notes or that economic and market conditions will not have any other adverse effect.

An active trading market for the Notes may not develop.

There can be no assurance that an active trading market for the Notes will develop, or, if one does develop, that it will be maintained. If an active trading market for the Notes does not develop or is not maintained, the market or trading price and liquidity of the Notes may be adversely affected. The Issuer is entitled to buy the Notes, as described in Condition 6(e), and the Issuer may issue further Notes, as described in Condition 14(a). Such transactions may favourably or adversely affect the price development of the Notes. If additional and competing products are introduced in the markets, this may adversely affect the value of the Notes.

The Notes may be redeemed before maturity.

If, on the occasion of a repayment of principal or a payment of interest the Issuer would be obliged to pay Additional Amounts, in accordance with Condition 8(b), the Issuer may redeem all outstanding Notes at the Early Redemption Amount together, unless otherwise specified in the relevant Final Terms, with interest accrued up to the date set for Redemption in accordance with the Terms and Conditions.

Any early redemption at the option of the Issuer, if provided for in any Final Terms for a particular issue of Notes, could cause the yield received by Noteholders to be considerably less than anticipated.

The Final Terms for a particular issue of Notes may provide for early redemption at the option of the Issuer. As a consequence, the yield received upon redemption may be lower than expected, and the redeemed amount of the Notes may be lower than the purchase price for the Notes paid by the Noteholder. As a consequence, part of the capital invested by the Noteholder may be lost, so that the Noteholder in such case would not receive the total amount of the capital invested. In addition, investors that choose to reinvest monies they receive through an early redemption may be able to do so only in securities with a lower yield than the redeemed Notes.

Investors will not be able to calculate in advance their rate of return on Floating Rate Notes.

A key difference between Floating Rate Notes and Fixed Rate Notes is that interest income on Floating Rate Notes cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of Floating Rate Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments having longer fixed interest periods. If the terms and conditions of the Notes provide for frequent interest payment dates, investors are exposed to the reinvestment risk if market interest rates decline. That is that if interest rates decline, investors will only be able to reinvest the interest income paid to them at the lower interest rates then prevailing.

Risks arising in relation with fixed rate Notes

It cannot be set aside that the value of fixed rate Notes be affected by future variations on the interest rate markets.

Exchange rate risks and exchange controls.

The Issuer will pay principal and interest on the Notes in the currency specified in the relevant Final Terms (the "**Specified Currency**"). This presents certain risks relating to currency conversions if an investor's financial activities are principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Risks arising in relation with credit rating.

Independent credit rating agencies may assign credit ratings to Notes issued under this Programme. The rating may not reflect the potential impact of the risk factors described in this section, and of all the other risk factors that may affect the value of the Notes issued under this Programme. A credit rating is not recommendation to buy, sell or hold securities and may be revised or withdrawn by the credit rating agency at any time.

Modification of the Terms and Conditions.

The Noteholders will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a Masse, as defined in Condition 11 of the Terms and Conditions of the Notes "Representation of Noteholders", and a General Meeting can be held. The Terms and Conditions permit in certain cases defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant General Meeting and Noteholders who voted in a manner contrary to the majority. The General Meeting may deliberate on any proposal relating to the modification of the Conditions including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, as more fully described in Condition 11.

Change of law.

The Terms and Conditions of the Notes are based on French law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to French law or administrative practice after the date of this Base Prospectus.

Taxation.

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

EU Savings Directive.

The EC Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments (the "**Savings Directive**") requires each Member State to provide to the tax authorities of another Member State details of payments of interest and other similar income within the meaning of the Savings Directive made by a paying agent within its jurisdiction to, or under circumstances to the benefit of, a beneficial owner (within the meaning of the Savings Directive) resident in that other Member State.

However, during a transitional period, Austria will be required to operate a withholding system in relation to such payments of interest within the meaning of the Savings Directive, unless the beneficiary of interest payment elects for the exchange of information (the end of this transitional period depends on the conclusion of some other agreements relating to the exchange of information with some other countries). The Luxembourg Government has abolished the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Savings Directive. The actual rate for withholding tax applicable to such payments is 35 per cent. Several countries and territories not members of the EU, including Switzerland, have adopted similar measures (a withholding system in the case of Switzerland applies unless the beneficiary of interest payment elects for the exchange of information).

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax.

On 24 March 2014, the Council of the European Union adopted a directive amending the Savings Directive (the "**Amending Savings Directive**") strengthening European Union rules on the exchange of information on savings income in order to enable the Member States to better clamp down on tax fraud and tax evasion. The Amending Savings Directive would amend and broaden the scope of the requirements described above, and in particular it would enlarge the scope of the Savings Directive to cover new types of savings income and products that generate interest or equivalent income and the scope of the tax authorities requirements to be complied with. The Member States would have until 1 January 2016 to implement the Amending Savings Directive in their national legislation.

Financial transaction tax

On 14 February 2013, the EU Commission adopted a proposal for a directive on a financial transaction tax (the "**FTT**") to be implemented according to the cooperation procedure agreed between eleven Member States (Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovenia, Slovakia and Spain) (the **"Participating Member States"**).

The proposed FTT has a very broad scope and could, if it is adopted in the current format, apply in some circumstances to certain dealings in Notes (including secondary market transactions). The issuance and subscription of Notes should, however, be exempt.

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

Joint statements of the Participating Member States indicate an intention to implement the FTT by 1 January 2016.

The proposed directive remains subject to negotiation between the participating Member States and the scope of such tax is uncertain. Additional EU Member States may decide to participate.

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

The Notes may not be a suitable investment for all investors

Each prospective investor in the Notes must determine based on its personal assessment and with the help of any adviser he may find to be useful depending on the circumstances, the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and the risks of investing in the relevant Notes and the information contained in this Base Prospectus or any applicable supplement to this Base Prospectus and in the relevant Final Terms ;

(ii) have access to and knowledge of appropriate analytical tools to evaluate, in the context of its particular financial situation and sensitivity to the risk, an investment in the relevant Notes and the impact the relevant Notes will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to face the applicable risks.

A potential investor should not invest in Notes unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Control of legality

The *Préfet* of the *Région Ile-de-France* has a two (2) month period, from the transmission to the *préfecture* of a resolution (*délibération*) of the *Région Ile-de-France* and the contracts the Région has entered into, to control the legality of those deliberations and/or the decision to sign such contracts and/or of such contracts to the extent that they were administrative contracts and, if they were considered illegal, defer them to the competent administrative jurisdiction and, if applicable, ask the court to order their suspension. The competent administrative judge may then, if the resolutions and/or the decision to sign such contracts and/or such contracts if they were administrative ones were considered illegal, suspend or revoke them, in whole or in part.

Third party action

A third party, having a cause for action may bring an annulment proceeding before the administrative courts against a resolution (*délibération*) of the *Région Ile-de-France* (other than a resolution considered as "detachable" from administrative contracts) and/or the decision to sign private law contracts entered into by it within two (2) months from the date of its publication and, where appropriate, request the court to order suspension of such resolution.

If the appeal against the misuse of authority in respect of a resolution or a decision is preceded by an administrative remedy procedure before the administration or in certain other circumstances, the above mentioned period of two (2) months may be extended. Moreover, if the applicable resolution or decision is not published in an appropriate manner, such actions may be carried out without time limits by any third party having a cause for action.

In the event of an appeal against the misuse of authority in respect of a decision or a resolution other than a resolution considered as "detachable" from an administrative contract, the administrative judge may, if it considers the administrative act illegal, void it in whole or in part, which may lead to the voiding of the contracts based on such resolution.

In the event that an administrative contract would be concluded by the *Région Ile-de-France*, a third party having a cause for action, may bring a "full remedy action" (*recours de pleine juridiction*) before the administrative courts against such a contract or some of its clauses, if these clauses are of a non regulatory nature and as such severable from the contract, within a two (2) months period from the appropriate publication and, if applicable request the court to order suspension of such contract. In addition, if the administrative contract were not appropriately published, the actions could be brought by any third party having a cause for action without time limits.

If the competent judge were to consider that the defect in the contract would impair its validity, it may, after having assessed the significance and consequences of such defects and taking into account, in particular, the nature of these defects, decide to terminate or rescind the contract.

GENERAL DESCRIPTION OF THE PROGRAMME

The following general description is qualified by the remainder of this Base Prospectus. The Notes will be issued on such terms as shall be agreed between the Issuer and the relevant Dealer(s) and, unless specified to the contrary in the relevant Final Terms, will be subject to the Terms and Conditions set out on pages 23 to 40**.**

Issuer:	Région Ile-de-France
Description:	Euro Medium Term Note Programme for the continuous offer of Notes (the "**Programme**"). The Notes will constitute *obligations* under French law.
Arrangers:	BNP Paribas and HSBC France (the "**Arrangers**")
Dealers:	BNP Paribas Deutsche Bank AG, London Branch HSBC France Morgan Stanley & Co. International plc NATIXIS UBS Limited The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Base Prospectus to "**Permanent Dealers**" are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and to "**Dealers**" are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches. At the date of this Base Prospectus, only credit institutions and investment firms incorporated in a member state of the European Union ("**EU**") and which are authorised by the relevant authority of such member home state to lead-manage bond issues in such member state may, in the case of Notes to be listed on Euronext Paris, act (a) as Dealers with respect to non-syndicated issues of Notes denominated in euro and (b) as lead manager of issues of Notes denominated in euro issued on a syndicated basis.
Programme Limit:	Up to Euro 6,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time.
Calculation Agent:	BNP Paribas Securities Services in respect of Dematerialised Notes. A specific calculation agent will be appointed in respect of any Series of Materialised Notes.
Consolidation Agent:	BNP Paribas Securities Services in respect of Dematerialised Notes. A specific consolidation agent will be appointed in respect of any Series of Materialised Notes.
Fiscal Agent:	BNP Paribas Securities Services in respect of Dematerialised Notes. A specific fiscal agent will be appointed in respect of any Series of Materialised Notes.
Principal Paying Agent:	BNP Paribas Securities Services in respect of Dematerialised

	Notes (affiliated with Euroclear France under number 29106). A specific principal paying agent will be appointed in respect of any Series of Materialised Notes.
Paris Paying Agent:	BNP Paribas Securities Services in respect of Dematerialised Notes. A specific Paris paying agent will be appointed in respect of any Series of Materialised Notes.
Redenomination Agent:	BNP Paribas Securities Services in respect of Dematerialised Notes. A specific redenomination agent will be appointed in respect of any Series of Materialised Notes.
Method of Issue:	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a "**Series**") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable (*fongibles*) with all other Notes of that Series. Each Series may be issued in tranches (each a "**Tranche**") on the same or different issue dates. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the first payment of interest, will be identical (*assimilables*) to the terms of other Tranches of the same Series) will be set out in the final terms to this Base Prospectus (the "**Final Terms**").
Maturities:	Subject to compliance with all relevant laws, regulations and directives, the Notes will have a maximum maturity of thirty (30) years from the date of original issue as specified in the relevant Final Terms.
Currencies:	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in euro, U.S. Dollars, Japanese yen, Swiss francs, Sterling and in any other currency agreed between the Issuer and the relevant Dealer(s).
Denomination(s):	Notes shall be issued in the Specified Denomination(s) set out in the relevant Final Terms, subject to compliance of the minimum specified denomination of each Note with central bank requirements (or any other competent authority) and with all applicable legal and/or regulatory in respect of the specified currency. Dematerialised Notes shall only be issued in one Specified Denomination. Unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) having a maturity of less than one year from the date of issue and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000 (the "**FSMA**") will have a minimum denomination of £100,000 (or its equivalent in other currencies).
Issue Price:	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.
Status of the Notes:	The Notes and, on maturity, the relevant Coupons will constitute direct, unconditional, unsubordinated and (subject to the provisions relating to negative pledge) unsecured obligations of the Issuer and will rank pari passu among themselves and (save for certain obligations required to be preferred by French

law) equally with all other present or future unsecured and unsubordinated obligations of the Issuer from time to time outstanding.

Negative Pledge: So long as any of the Notes or, if applicable, any Coupons relating to them, remains outstanding, the Issuer will not create or permit to subsist any mortgage, lien, charge, pledge or other form of security interest (*sûrete réelle*) upon any of its assets or revenues, present or future, to secure any present or future indebtedness for borrowed money in the form of, or represented by, bonds (obligations), notes or other securities with a maturity greater than one year and which are for the time being, or are capable of being, admitted to trading on a Regulated Market, unless the Issuer's obligations under the Notes and, if applicable, Coupons are equally and rateably secured therewith.

Events of Default: The terms of the Notes will contain an events of default provision as further described in "Terms and Conditions of the Notes - Events of Default".

Redemption Amount: The relevant Final Terms will specify the basis for calculating the redemption amounts payable. Unless permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) having a maturity of less than one year from the date of issue and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).

Optional Redemption and Early Redemption: The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and if so the terms applicable to such redemption.

Early Redemption: Except as provided above, Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons. See "Terms and Conditions of the Notes – Redemption, Purchase and Options".

Taxation: All payments of principal and interest by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. Please refer to the chapter entitled "Tax" for a more detailed description of the French withholding tax

If French law should require that payments of principal or interest in respect of any Note or Coupon be subject to deduction or withholding in respect of any present or future taxes or duties whatsoever, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as shall result in receipt by the Noteholders or, if applicable, the Couponholders, as the case may be, of such amounts as would have been received by them had no such withholding or deduction been required, subject to some exceptions further set out in Condition 8 "Taxation".

Fixed Rate Notes: Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.

Floating Rate Notes: Floating Rate Notes will bear interest determined separately for each Series as follows and as indicated in the relevant Final

Terms:

(i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency pursuant to the 2007 or 2013 Master Agreement of the *Fédération Bancaire Française* ("**FBF**") as specified in the Final Terms, relating to transactions on forward financial instruments (the "**FBF Master Agreement"**) as supplemented by the Technical Schedules published by the *Association Française des Banques* or the FBF; or

(ii) by reference to LIBOR, LIBID, LIMEAN, CMS or EURIBOR (or such other benchmark as may be specified in the relevant Final Terms) in each case as adjusted for any applicable margin.

Interest Periods and Interest Rates: Interest periods will be specified in the relevant Final Terms.

The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms.

Redenomination: Notes issued in the currency of any Member State of the EU which will participate in the single currency of the European Economic and Monetary Union may be redenominated into euro, all as more fully provided in the relevant Final Terms, pursuant to the "Terms and Conditions of the Notes - Form, Denomination, Title and Redenomination".

Consolidation: Notes of one Series may be consolidated with Notes of another Series as more fully provided in "Terms and Conditions of the Notes - Further Issues and Consolidation".

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

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

Materialised Notes will be in bearer form only. A Temporary Global Certificate will be issued initially in respect of each Tranche of Materialised Notes. Materialised Notes may only be issued outside France.

Governing Law: French. The Issuer has submitted to the jurisdiction of the French courts. However, the assets and properties of the Issuer are not subject to legal process under private law or attachment in France.

Clearing Systems: Euroclear France as central depositary in relation to Dematerialised Notes and, in relation to Materialised Notes, Clearstream, Luxembourg and Euroclear or any other clearing system that may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer.

	Notes which are admitted to trading on Euronext Paris will be cleared through Euroclear France.
Initial Delivery of Dematerialised Notes:	One Paris business day before the issue date of each Tranche of Dematerialised Notes, the *lettre comptable* relating to such Tranche shall be deposited with Euroclear France as central depositary.
Initial Delivery of Materialised Notes:	On or before the issue date of each Tranche of Materialise Notes, the Temporary Global Certificate issued in respect of Such Tranche shall be deposited with a common depositary for Euroclear and Clearstream, Luxembourg or with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Fiscal Agent and the relevant Dealer.
Admission to trading:	On Euronext Paris and/or any other Regulated Market or unregulated market in the European Economic Area and/or any other unregulated market as specified in the relevant Final Terms. The relevant Final Terms may specify that a Series of Notes will not be admitted to trading.
Rating:	The Programme has been rated AA by Fitch Ratings and AA by Standard & Poor's. Each of such credit rating agencies is established in the European Union and is registered under Regulation (EC) N°1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies as amended (the "**CRA Regulation**") and is included in the list of credit rating agencies published by the European Securities and Market Authority on its website (www.esma.europa.eu) in accordance with the CRA Regulation. Notes issued under the Programme may be rated or unrated. When an issue of Notes is rated, such rating will not necessarily be the same as the rating assigned under the Programme. The rating of Notes, if any, will be disclosed in the Final Terms. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning credit rating agency.
Selling Restrictions:	There are restrictions on the sale of Notes and the distribution of offering material in various jurisdictions. See “Subscription and Sale”. In connection with the offering and sale of a particular Tranche, additional selling restrictions may be imposed which will be set out in the relevant Final Terms. The Issuer is Category 1 for the purposes of Regulation S under the United States Securities Act of 1933, as amended. Materialised Notes will be issued in compliance with U.S. Treas. Reg. §1.163- 5(c)(2)(i)(D) (the “**TEFRA D Rules**”) unless (i) the relevant Final Terms states that such Materialised Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (the “**TEFRA C Rules**”) or (ii) such Materialised Notes are issued other than in compliance with the TEFRA D Rules or the TEFRA C Rules but in circumstances in which the Notes will not constitute “registration required obligations” under the United States Tax Equity and Fiscal Responsibility Act of 1982 (“**TEFRA**”), which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable. The TEFRA rules do not apply to Dematerialised Notes.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions that, as supplemented in accordance with the provisions of the relevant Final Terms (as defined below).

In the case of any Tranche of Notes which are being (a) offered to the public in a Member State (other than pursuant to one or more of the exemptions set out in Article 3.2 of the Prospectus Directive) or (b) admitted to trading on a regulated market in a Member State, the relevant Final Terms shall not amend or replace any information in this Base Prospectus.

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

The Notes are issued by Région Ile-de-France (the "**Issuer**" or "**Région Ile-de-France**") with the benefit of an amended and restated agency agreement in the French language and translated into English for information purposes only (*contrat de service financier modifié et consolidé*) dated 24 March 2015 (the "**Agency Agreement**") between the Issuer, BNP Paribas Securities Services as, *inter alia*, fiscal agent in respect of Dematerialised Notes (as defined below) and the other agents named in it. The fiscal agent, the paying agents, the redenomination agent, the consolidation agent and the calculation agent(s) for the time being (if any) are referred to below, respectively, as the "**Fiscal Agent**", the "**Paying Agents"** (which expression shall include the Fiscal Agent), the "**Redenomination Agent**", the "**Consolidation Agent**" and the "**Calculation Agent(s)**". A Specific Fiscal Agent (acting also as Principal Paying Agent, Paris Paying Agent, Redenomination Agent and Consolidation Agent) will be, as the case may be, appointed by the Issuer in respect of any series of Materialised Notes (as defined below).

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

Certain defined terms contained in the 2007 or 2013 FBF Master Agreement as specified in the Final Terms, relating to transactions on forward financial instruments as supplemented by the Technical Schedules published by the *Association Française des Banques or the Fédération Bancaire Française* ("**FBF**") (together the "**FBF Master Agreement**") have either been used or reproduced in Condition 5 below.

Copies of the Agency Agreement, together with an English translation thereof, and of the FBF Master Agreement are available for inspection at the specified offices of each of the Paying Agents.

In these Conditions, reference to "day" is to calendar days unless otherwise specified.

1. FORM, DENOMINATION(S), TITLE AND REDENOMINATION

(a) **Form**

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

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

Dematerialised Notes (within the meaning of Article L.211-3 of the French *Code monétaire et financier*) are issued, at the option of the Issuer, in either bearer form (*au porteur*), which will be inscribed in the books of Euroclear France ("**Euroclear France**") (acting as central depositary) which shall credit the accounts of Account Holders, or in registered form (*au nominatif*) and, in such latter case, at the option of the relevant Noteholder in either administered registered form (*au nominatif administré*) inscribed in the books of an Account Holder or in fully registered form (*au nominatif pur*) inscribed in an account maintained by the Issuer or a registration agent (designated in the relevant Final Terms) acting on behalf of the Issuer (the "**Registration Agent**").

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

(ii) Materialised Notes are issued in bearer form only. Materialised Notes in definitive form ("**Definitive Materialised Notes**") are serially numbered and are issued with interest coupons ("**Coupons**") (and, where appropriate, talons for further interest coupons ("**Talons**") attached.

In accordance with Article L.211-3 of the French Code monétaire et financier, Materialised Notes (when they constitute titres financiers*) must be issued outside the French territory.*

(b) **Denomination(s)**

Notes shall be issued in the specified denomination(s) as set out in the relevant Final Terms (the "**Specified Denomination(s)**"). Dematerialised Notes shall be issued in one Specified Denomination only.

(c) **Title**

(i) Title to Dematerialised Notes in bearer dematerialised form (au porteur) and in administered registered form (*au nominatif administré*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of Account Holders. Title to Dematerialised Notes in fully registered form (*au nominatif pur*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of the Issuer or the Registration Agent.

(ii) Title to Definitive Materialised Notes having, where appropriate, Coupons and/or a Talon attached thereto on issue, shall pass by delivery.

(iii) Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the holder.

(iv) In these Conditions, "**Noteholder**" or, as the case may be, "**holder of any Note**" means (i) in the case of Dematerialised Notes, the person whose name appears in the account of the relevant Account Holder or the Issuer or the Registration Agent (as the case may be) as being entitled to such Notes and (ii) in the case of Materialised Notes, the bearer of any Definitive Materialised Note and the Coupons or Talon relating to it.

Capitalised terms have the meanings given to them in the relevant Final Terms.

(d) **Redenomination**

The Issuer may (if so specified in the relevant Final Terms) without the consent of the holder of any Note, Coupon or Talon, by giving at least 30 days' notice in accordance with Condition 15, redenominate into euro all, but not some only, of the Notes of any Series on or after the date on which the European Member State in whose national currency the Notes are denominated has become a participating Member State in the European Economic and Monetary Union (as provided in the Treaty establishing the European Community (the "**EC**"), as amended from time to time (the "**Treaty**")), all as more fully provided in the relevant Final Terms.

2. CONVERSION AND EXCHANGES OF NOTES

(a) **Dematerialised Notes**

(i) Dematerialised Notes issued in bearer dematerialised form (*au porteur*) may not be converted into Dematerialised Notes in registered dematerialised form, whether in fully registered form (*au nominatif pur*) or in administered registered form (*au nominatif administré*).

(ii) Dematerialised Notes issued in registered dematerialised form (*au nominatif*) may not be converted into Dematerialised Notes in bearer dematerialised form (*au porteur*).

(iii) Dematerialised Notes issued in fully registered form (*au nominatif pur*) may, at the option of the Noteholder, be converted into Notes in administered registered form (*au nominatif administré*), and vice versa. The exercise of any such option by such Noteholder shall be made in accordance with Article R.211-4 of the French *Code monétaire et financier*. Any such conversion shall be effected at the cost of such Noteholder.

(b) **Materialised Notes**

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

3. STATUS

The Notes and Coupons relating to them constitute direct, unconditional, unsubordinated and (without prejudice to the provisions of Condition 4) unsecured obligations of the Issuer and rank and will rank *pari passu* and without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law) equally and rateably with all other present or future unsecured and unsubordinated obligations of the Issuer.

4. NEGATIVE PLEDGE

So long as any of the Notes or, if applicable, any Coupons relating to them, remains outstanding (as defined herein-after), the Issuer will not create or permit to subsist any mortgage, lien, charge, pledge or other form of security interest (*sûreté réelle*) upon any of its assets or revenues, present or future, to secure any present or future indebtedness for borrowed money in the form of, or represented by, bonds (*obligations*), notes or other securities with a maturity greater than one year and which are for the time being, or are capable of being, admitted to trading on a Regulated Market, unless the Issuer's obligations under the Notes and, if applicable, Coupons are equally and rateably secured therewith.

For the purposes of this Condition:

"**outstanding**" means, in relation to the Notes of any Series, all the Notes issued other than (a) those that have been redeemed in accordance with the Conditions, (b) those in respect of which the date for redemption has occurred and the redemption moneys (including all interest accrued on such Notes to the date for such redemption and any interest payable after such date) have been duly paid (i) in the case of Dematerialised Notes in bearer form (*au porteur*) and in administered registered form (*au nominatif administré*), to the relevant Account Holders on behalf of the Noteholder as provided in Condition 7(a), (ii) in the case of Dematerialised Notes in fully registered form (*au nominatif pur*), to the account of the Noteholder as provided in Condition 7(a) and (iii) in the case of Materialised Notes, to the Fiscal Agent as provided in this Agreement and remain available for payment against presentation and surrender of Materialised Notes, and/or Coupons, as the case may be, (c) those which have become void or in respect of which claims have become prescribed, (d) those which have been purchased and cancelled as provided in the Conditions, (e) in the case of Materialised Notes (i) those mutilised or defaced Materialised Notes that have been surrendered in exchange for replacement Materialised Notes, (ii) (for the purpose only of determining how many such Materialised Notes are outstanding and without prejudice to their status for any other purpose) those Materialised Notes alleged to have been lost, stolen or destroyed and in respect of which replacement Materialised Notes have been issued and (iii) any Temporary Global Certificate to the extent that it shall have been exchanged for one or more Definitive Materialised Notes, pursuant to its provisions.

5. **INTEREST AND OTHER CALCULATIONS**

(a) **Definitions**

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"**Benchmark**" means the reference rate as set out in the relevant Final Terms;

"**Business Day**" means:

(i) in the case of euro, a day on which the TARGET2 (Trans European Automated Real Time Gross Settlement Express Transfer, which uses a unique shared platform and which was laucnhed on 19 November 2007 (or any successor) ("**TARGET2**")) is operating (a "**TARGET Business Day**"); and/or

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

(iii) in the case of a Specified Currency and/or one or more business centre(s) specified in the relevant Final Terms (the "**Business Centre(s)**"), a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres so specified;

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

(i) if "**Actual /365**, "**Actual /365-FBF**" or "**Actual /Actual-ISDA**" is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(ii) if "**Actual /Actual-ICMA**" is specified in the relevant Final Terms:

(A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(B) if the Calculation Period is longer than one Determination Period, the sum of:

(x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year in each case where

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

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

(iii) if "**Actual /Actual-FBF**" is specified in the relevant Final Terms, the fraction whose numerator is the actual number of days elapsed during such period and whose denominator is 365 (or 366 if 29 February falls within the Calculation Period). If the Calculation Period is of a duration of more than one year, the basis shall be calculated as follows:

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

(y) this number shall be increased by the fraction for the relevant period calculated as set out in the first paragraph of this definition.

For example, for a Calculation Period from 10.2.94 to 30.6.97 the following two periods shall be taken into consideration:

30.6.94 to 30.6.97 = 3 years

10.2.94 to 30.6.94 = 138/365

(iv) if "**Actual /365 (Fixed)**" is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365;

(v) if "**Actual /360**" is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 360;

(vi) if "**30 /360**", "**360 /360"** or "**Bond Basis**" is specified in the relevant Final Terms the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month));

(vii) if "**30/360-FBF**" or "**Actual 30A/360 (American Bond Basis)**" is specified in the relevant Final Terms, in respect of each Calculation Period, the fraction whose denominator is 360 and whose numerator is the number of days calculated as for 30E/360-FBF, subject to the following exception:

where the last day of the Calculation Period is the 31st and the first day is neither the 30^{th} or the 31st, the last month of the Calculation Period shall be deemed to be a month of 31 days.

Where:

D1 (dd1, mm1, yy1) is the date of the beginning of the period

D2 (dd2, mm2, yy2) is the date of the end of the period

If $dd^2 = 31$ et $dd^1 \neq (30, 31)$

then:

$x\ [(yy^2 - yy^1)\ x\ 360 + (mm^2 - mm^1)\ x\ 30 + (dd^2 - dd^1)]$

or:

$x\ [yy^2 - yy^1)\ x\ 360 + (mm^2 \pm mm^1)\ 6x\ 30 + \text{Min}\ dd^2, 30) - \text{Min}\ (dd^1, 30)]$;

(viii) if "**30E/360**" or "**Eurobond Basis**" is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of a Calculation Period ending on the Maturity Date, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month); and

(ix) if "**30E/360-FBF**" is specified in the relevant Final Terms, in respect of each Calculation Period, the fraction whose denominator is 360 and whose numerator is the number of days elapsed during such period, calculated on the basis of a year comprising 12 months of 30 days, subject to the following the exception:

if the last day of the Calculation Period is the last day of the month of February, the number of days elapsed during such month shall be the actual number of days.

Using the same abbreviations as for 30/360-FBF the fraction is:

$1//360\ x\ [(yy^2 - yy^1)\ x\ 360 + (mm^2 - mm^1)\ x\ 30 + \text{Min}\ (dd^2, 30) - \text{Min}\ (dd^1, 30);]$

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

"**Euroclear France**" means the central depository of French securities located 66, rue de la Victoire, 75009 Paris, France;

"**Euro-zone**" means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended by the Treaty on European Union;

"**FBF Definitions**" means the definitions set out in the FBF Master Agreement or the Technical Schedules, which are available on the FBF internet website (www.fbf.fr), "Banking issues" chapter, "agreements & conventions" page;

"**Interest Accrual Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date ;

"**Interest Amount**" means the amount of interest payable, and in the case of Fixed Rate Notes, means the Fixed Coupon Amount or Broken Amount as specified in the relevant Final Terms, as the case may be;

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified in the relevant Final Terms;

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

"**Interest Payment Date**" means the date(s) specified in the relevant Final Terms;

"**Interest Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date;

"**Interest Period Date**" means each Interest Payment Date or any other dates specified in the relevant Final Terms;

"Page" means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters) as may be specified for the purpose of providing a Relevant Rate, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organization providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Relevant Rate;

"**Rate of Interest**" means the rate of interest payable from time to time in respect of the Notes and that is either specified or calculated in accordance with the provisions in the relevant Final Terms;

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

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

"**Relevant Date**" means, in respect of any Note or Coupon, the date on which payment in respect of it first became due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (in the case of Materialised Notes if earlier) the date seven days after that on which notice is duly given to the holders of such Materialised Notes that, upon further presentation of the Materialised Note or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation ;

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

"**Relevant Time**" means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified in the relevant Final Terms or, if no time is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Specified Currency in the interbank market in the Relevant Financial Centre and for this purpose "**local time**" means, with respect to Europe and the Euro-zone as a Relevant Financial Centre, 11.00 a.m. Brussels time;

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

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

"**Specified Duration**" means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the duration specified in the relevant Final Terms or, if none is specified, a period of time equal to the relative Interest Accrual Period, ignoring any adjustment pursuant to Condition 5(c)(ii).

(b) **Interest on Fixed Rate Notes**

Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date except as otherwise provided in the relevant Final Terms.

If a Fixed Coupon Amount or a Broken Amount is specified in the relevant Final Terms, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified and in the case of the Broken Amount will be payable on the particular Interest Payment Date(s) specified in the relevant Final Terms.

(c) **Interest on Floating Rate Notes**

(i) *Interest Payment Dates*: Each Floating Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear (except as otherwise provided in the relevant Final Terms) on each Interest Payment Date.

Such Interest Payment Date(s) is/are either shown in the relevant Final Terms as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown in the relevant Final Terms, Interest Payment Date shall mean each date which falls the number of months or other period shown in the relevant Final Terms as the Specified Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

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

(iii) *Rate of Interest for Floating Rate Notes*: The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified in the relevant Final Terms and the provisions below relating to either FBF Determination or Screen Rate Determination shall apply, depending upon which is specified in the relevant Final Terms.

(A) FBF Determination for Floating Rate Notes

Where FBF Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Agent as a rate equal to the relevant FBF Rate plus or minus (as indicated in the relevant Final Terms) the Margin (if any). For the purposes of this sub-paragraph (A), "**FBF Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Agent under a Transaction under the terms of an agreement incorporating the FBF Definitions and under which:

a) the Floating Rate is as specified in the relevant Final Terms and

b) the relevant Floating Rate Determination Date ("*Date de Determination du Taux Variable*") is the first day of that Interest Accrual Period or any other date specified in the relevant Final Terms

For the purposes of this sub-paragraph (A), "**Floating Rate**", "**Agent**", "**Floating Rate Determination Date**" *(Date de Détermination du Taux Variable)*" and "**Transaction"** have the meanings given to those terms in the FBF Definitions, provided that "**Euribor**" means the rate calculated for deposits in euro which appears on EURIBOR01.

In the applicable Final Terms, when the paragraph " Floating Rate Note Provisions" specifies that the rate will be determined by linear interpolation, in respect of an Interest Period, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by linear interpolation by reference to two (2) rates based on the relevant Floating

Rate, one of which corresponding to a maturity next shorter than the length of the relevant Interest Period and the other of which corresponding to a maturity next longer than the length of the relevant Interest Period.

(B) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent at or about the Relevant Time on the Interest Determination Date in respect of such Interest Accrual Period in accordance with the following:

(a) if the Primary Source for Floating Rate is a Page, subject as provided below, the Rate of Interest shall be:

(i) the Relevant Rate (where such Relevant Rate on such Page is a composite quotation or is customarily supplied by one entity) or

(ii) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Page, in each case appearing on such Page at the Relevant Time on the Interest Determination Date, subject as otherwise specified in the relevant Final Terms

(b) if the Primary Source for the Floating Rate is Reference Banks or if sub-paragraph (a)(i) applies and no Relevant Rate appears on the Page at the Relevant Time on the Interest Determination Date or if sub-paragraph (a)(ii) applies and fewer than two Relevant Rates appear on the Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the arithmetic mean of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent and

(c) if the Relevant Rate is an interbank offered rate and if paragraph (b) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Benchmark) in respect of a Representative Amount of the Specified Currency that at least two out of five leading banks selected by the Calculation Agent in the principal financial centre of the country of the Specified Currency or, if the Specified Currency is euro, in the euro-zone as selected by the Calculation Agent (the "**Principal Financial Centre**") are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the Effective Date for a period equivalent to the Specified Duration (I) to leading banks carrying on business in Europe, or (if the Calculation Agent determines that fewer than two of such banks are so quoting to leading banks in Europe) (II) to leading banks carrying on business in the Principal Financial Centre; except that, if fewer than two of such banks are so quoting to leading banks in the Principal Financial Centre, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date (after readjustment for any difference between any Margin, Rate Multiplier or Maximum or Minimum Rate of Interest applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period),

in the applicable Final Terms, when the paragraph "Benchmark" specifies that the rate is determined by linear interpolation, in respect of an Interest Period, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by linear interpolation by reference to two (2) rates based on the relevant Floating Rate Benchmark, one of which corresponding to a maturity next shorter than the length of the relevant Interest Period and the other of which corresponding to a maturity next longer than the length of the relevant Interest Period ; and

(d) if paragraph (b) above applies and, in the case of a Relevant Rate other than a inter-bank offered rate, for any reason, the Relevant Rate is no longer published or if fewer than three (3) quotations are provided to the Calculation Agent in accordance with paragraph (b) above, the Relevant Rate will be determined by the Calculation Agent in its sole discretion.

(d) **Accrual of Interest**

Interest shall cease to accrue on each Note on the due date for redemption unless (i) in the case of Dematerialised Notes, on such due date or (ii) in the case of Materialised Notes, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date.

(e) **Margin, Maximum/Minimum Rates of Interest, and Redemption Amounts, Rate Multipliers and Rounding**

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

(ii) If any Maximum or Minimum Rate of Interest, or Redemption Amount is specified in the relevant Final Terms, then any Rate of Interest, or Redemption Amount shall be subject to such maximum or minimum, as the case may be; and

(iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (w) if FBF Determination is specified in the relevant Final Terms, all percentages resulting from such calculations shall be rounded, if necessary, to the nearest ten-thousandth of a percentage point (with halves being rounded up), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "**unit**" means the lowest amount of such currency that is available as legal tender in the country(ies) of such currency.

(f) **Calculations**

The amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Rate of Interest and the outstanding nominal amount of such Note by the Day Count Fraction, unless an Interest Amount (or a formula for its calculation) is specified in respect of such period, in which case the amount of interest payable in respect of such Note for such period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the mount of interest payable in respect of such Interest Period shall be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

(g) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Optional Redemption Amounts and Early Redemption Amounts**

As soon as practicable after the relevant time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, it shall determine such rate and calculate the Interest Amounts in respect of each Specified Denomination of the Notes for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Optional Redemption Amount or Early Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Optional Redemption Amount or Early Redemption Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are admitted to trading on a Regulated Market and the applicable rules of such market so require, it shall communicate such informations also to such market as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such market of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(c)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(h) **Calculation Agent and Reference Banks**

The Issuer shall procure that there shall at all times be four Reference Banks (or such other number as may be required by the Conditions) with offices in the Relevant Financial Centre and one or more Calculation Agents if provision is made for them in the relevant Final Terms and for so long as any Note is outstanding (as defined in Article 4). If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Issuer shall appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Period or Interest Accrual Period or to calculate any Interest Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal Paris or Luxembourg, as appropriate, office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

6. **REDEMPTION, PURCHASE AND OPTIONS**

(a) **Final Redemption**

Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified in the relevant Final Terms at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount).

(b) **Redemption at the Option of the Issuer, Exercise of Issuer's Options and Partial Redemption**

If a Call Option is specified in the relevant Final Terms, the Issuer may subject to compliance by the Issuer by of all the relevant laws, regulations and directives and on giving not less than fifteen (15) nor more than thirty (30) calendar days' irrevocable notice in accordance with Condition 15 to the Noteholders (or such other notice period as may be specified in the relevant Final Terms) redeem, or exercise any Issuer's option (as may be described) in relation to, all or, if so provided, some, of the Notes on any Optional Redemption Date or Option Exercise Date, as the case may be. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption, if any. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the minimum nominal amount to be redeemed specified in the relevant Final Terms and no greater than the maximum nominal amount to be redeemed specified in the relevant Final Terms.

All Notes in respect of which any such notice is given shall be redeemed, or the Issuer's option shall be exercised, on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption or a partial exercise of an Issuer's option in respect of Materialised Notes, the notice to holders of such Materialised Notes shall also contain the number of the Definitive Materialised Notes to be redeemed or in respect of which such option has been exercised, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange requirements.

In the case of a partial redemption of or a partial exercise of an Issuer's option in respect of Dematerialised Notes of any Series, the redemption may be effected, at the option of the Issuer, either (i) by reducing the nominal amount of all such Dematerialised Notes in proportion to the aggregate nominal amount redeemed or (ii) by redeeming in full some only of such Dematerialised Notes and, in such latter case, the choice between those Dematerialised Notes that will be fully redeemed and those Dematerialised Notes that will not be redeemed shall be made in accordance with Article R.213-16 of the French *Code monétaire et financier* and the provisions of the relevant Final Terms, subject to compliance with any other applicable laws and stock exchange requirements.

(c) **Early Redemption**

The Early Redemption Amount payable in respect of any Note, upon redemption of such Note pursuant to Condition 6(d), or upon it becoming due and payable as provided in Condition 9 shall be the Final Redemption Amount together with interest accrued to the date fixed for redemption unless otherwise specified in the relevant Final Terms.

(d) **Redemption for Taxation Reasons**

(i) If, by reason of any change in French law, or any change in the official application or interpretation of such law, becoming effective after the Issue Date, the Issuer would on the occasion of the next payment of principal or interest due in respect of the Notes, not be able to make such payment without having to pay additional amounts as specified under Condition 8(b) below, the Issuer may, at its option, on any Interest Payment Date or, if so specified in the relevant Final Terms, at any time, subject to having given not more than forty-five (45) nor less than thirty (30) calendar days' notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 15, redeem all, but not some only, of the Notes at their Early Redemption Amount together with, unless otherwise specified in the relevant Final Terms, any interest accrued to the date set for redemption provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal and interest without withholding for French taxes.

(ii) If the Issuer would, on the next payment of principal or interest in respect of the Notes, be prevented by French law from making payment to the Noteholders or, if applicable, holders of Coupons ("**Couponholders**") of the full amounts then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 8(b) below, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall upon giving not less than seven days' prior notice to the Noteholders in accordance with Condition 15, redeem all, but not some only, of the Notes then outstanding at their Early Redemption Amount together with, unless otherwise specified in the Final Terms, any interest accrued to the date set for redemption on (A) the latest practicable Interest Payment Date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes, provided that if such notice would expire after such Interest Payment Date the date for redemption pursuant to such notice of Noteholders shall be the later of (i) the latest practicable date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes and (ii) fourteen (14) calendar days after giving notice to the Fiscal Agent as aforesaid or (B) if so specified in the relevant Final Terms, at any time, provided that the due date for redemption of which notice hereunder shall be given shall be the latest practicable date at which the Issuer could make payment of the full amount payable in respect of the Notes, or, if applicable, Coupons or, if that date is passed, as soon as practicable thereafter.

(e) **Repurchases**

The Issuer shall have the right at all times to purchase Notes (provided that, in the case of Materialised Notes, all unmatured Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or by tender offer or otherwise at any price in accordance with any applicable laws and stock exchanges' regulations. All Notes so purchased by the Issuer may be held and resold in accordance with Article L.213-1 A of the French *Code monétaire et financier*, for the purpose of enhancing the liquidity of Notes (it being understood that in such a case, the Issuer shall not held the Notes for a duration exceeding one (1) year from the date of their purchase, in accordance with Article D.213-1-A of the French *Code monétaire et financier*).

(f) **Cancellation**

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

7 PAYMENTS AND TALONS

(a) **Dematerialised Notes**

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

(b) **Materialised Notes**

Payments of principal and interest in respect of Materialised Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Materialised Notes (in the case of interest, as specified in Condition 7(f)(v)) or Coupons (in the case of interest, save as specified in Condition 7(f)(v)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the Noteholder, by transfer to an account denominated in such currency with, a Bank.

"**Bank**" means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.

(c) **Payments in the United States**

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

(d) **Payments Subject to Fiscal Laws**

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(e) **Appointment of Agents**

The Fiscal Agent, the Paying Agents, the Calculation Agent, the Redenomination Agent and the Consolidation Agent initially appointed by the Issuer in respect of Dematerialised Notes and their respective specified offices are listed at the end of this Base Prospectus. A Specific Fiscal Agent (acting also as Paying Agent affiliated to Euroclear France, Redenomination Agent and Consolidation Agent) will be, as the case may be, appointed by the Issuer in respect of any series of Materialised Notes.The Fiscal Agent, the Paying Agents, the Redenomination Agent, the Consolidation Agent and the Registration Agent act solely as agents of the Issuer and the Calculation Agent(s) act(s) as independent experts(s) and, in each case such, do not assume any obligation or relationship of agency for any Noteholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Redenomination Agent, the Consolidation Agent and the Registration Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) one or more Calculation Agent(s) where the Conditions so require, (iii) a Redenomination Agent and a Consolidation Agent where the Conditions so require, (iv) a Paying Agent affiliated to Euroclear France so long as the Notes are admitted to trading on Euronext Paris and, in either case, so long as the rules applicable to the relevant market so require, (v) in the case of Materialised Notes, a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to the European Council Directive 2003/48/EC on the taxation of savings income or any law implementing and complying with, or introduced in order to conform to, such Directive (which may be any of the Paying Agents referred to in (iv) above), (vi) in the case of Dematerialised Notes in fully registered form, a Registration Agent and (vii) such other agents as may be required by the rules of the Regulated Market on which the Notes may be admitted to trading.

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

On a redenomination of the Notes of any Series pursuant to Condition 1(d) with a view to consolidating such Notes with one or more other Series of Notes, in accordance with Condition 14, the Issuer shall ensure that the same entity shall be appointed as both Redenomination Agent and Consolidation Agent in respect of both such Notes and such other Series of Notes to be so consolidated with such Notes.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders in accordance with Condition 15.

(f) **Unmatured Coupons and unexchanged Talons**

(i) Unless Materialised Notes provide that the relative Coupons are to become void upon the due date for redemption of those Notes, Materialised Notes should be surrendered for payment together with all unmatured Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon prior to 1 January of the fourth year following the date on which such amount fell due

(ii) If Materialised Notes so provide, upon the due date for redemption of any such Materialised Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Upon the due date for redemption of any Materialised Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(iv) Where any Materialised Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, and where any Materialised Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

(v) If the due date for redemption of any Materialised Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Definitive Materialised Note. Interest accrued on a Materialised Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Materialised Notes.

(g) **Talons**

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Materialised Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 10).

(h) **Non-Business Days**

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

8 TAXATION

(a) **Tax withholding**

All payments of principal, interest and other revenue by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

(b) **Additional Amounts**

If French law should require that payments of principal or interest in respect of any Note, or Coupon be subject to deduction or withholding in respect of any present or future taxes or duties whatsoever, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as shall result in receipt by the Noteholders or, if applicable, the Couponholders, as the case may be, of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note, or Coupon, as the case may be:

(i) **Other connection**: to, or to a third party on behalf of, a Noteholder or Couponholder who is liable to such taxes or duties, whatsoever in respect of such Note or Coupon by reason of his having some connection with the Republic of France other than the mere holding of the Note, or Coupon or

(ii) **Presentation more than 30 calendar days after the Relevant Date**: in the case of Materialised Notes, more than 30 calendar days after the Relevant Date except to the extent that the Noteholder or Couponholder would have been entitled to such additional amounts on presenting it for payment on the thirtieth such day

(iii) **Payment to individuals or entities pursuant to Directive 2003/48/EC**: where such withholding or deduction is imposed on a payment to an individual or an entity pursuant to Directive 2003/48/EC (as amended by the European Council Directive 2014/48/EU dated 24 March 2014) and is required to be made pursuant to such Directive or any other European Union Directive on the taxation of savings income implementing any law or complying with, or introduced in a Member State of the European Union or in a third party State in order to conform to, such Directive; or

(iv) **Payment by another Paying Agent**: in the case of Materialised Notes, presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the EU.

References in these Conditions to (i) "**principal**" shall be deemed to include any premium payable in respect of the Notes, all Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 6, (ii) "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 and (iii) "**principal**" and/or "**interest**" shall be deemed to include any additional amounts that may be payable under this Condition.

9 EVENTS OF DEFAULT

The Representative (as defined in Condition 11) acting on behalf of the Masse may, upon written notice to the Fiscal Agent given on behalf of the Masse before all defaults have been cured, cause the Notes to become due and payable, whereupon the Notes shall become immediately due and payable at their Early Redemption Amount together with any accrued interest if any of the following events (each an "**Event of Default**") shall occur:

(a) the Issuer is in default for more than thirty (30) calendar days for any payment of principal of, or interest on, or any other amount in respect of, any Note (including the payment of any additional amounts in accordance with Condition 8), when and as the same shall become due and payable;

(b) the Issuer is in default in the due performance of any other provision of the Notes and such default shall not have been cured within sixty (60) calendar days after receipt by the Fiscal Agent of written notice of default given by the Representative;

(c) (i) any bank or bond indebtedness of the Issuer in excess individually or in aggregate of Euro 100 million (or its equivalent in any other currency) in principal is (are) not paid by the Issuer at its (their) stated maturity or as a result of a default thereunder after the expiry of any applicable grace period or

(ii) any guarantee(s) given by the Issuer for bank or bond indebtedness of others in excess individually or in aggregate of Euro 100 million (or its equivalent in any other currency) is (are) not honoured when due and called upon;

unless in any such event, the Issuer has disputed in good faith that such indebtedness is due and payable or that such guarantees are due and callable and such dispute has been submitted to a competent court, in which case default in payment shall not constitute an event of default hereunder so long as the dispute shall not have been finally adjudicated;

Provided that any event contemplated in (a), (b) or (c) above shall not constitute an Event of Default and the periods, if any, referred to above shall be suspended, in the event that the Issuer notifies the Fiscal Agent before the expiry of the relevant period, if any, of the need, in order to cure such defaults, to adopt a budgetary decision for the payment of unforeseen or additional budget expenses in relation to debt service, until (and including) the date on which such budgetary decision is effective. The Issuer shall notify the Fiscal Agent of the date on which such budgetary decision is effective. The Fiscal Agent shall notify the Noteholders of any notification received from the Issuer under this Condition in accordance with Condition 15.

10 PRESCRIPTION

All claims against the Issuer in respect of any amounts due under the Notes and Coupons (which for this purpose shall not include Talons) shall be prescribed from 1 January of the fourth (4) year following the date on which such amount fell due (in accordance with the law n°68-1250 dated 31 December 1968, as amended).

11 REPRESENTATION OF NOTEHOLDERS

Except as otherwise provided by the relevant Final Terms, Noteholders will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a masse (in each case, the "**Masse**").

The Masse will be governed by the provisions of the French Code of commerce with the exception of Article L.228-48, Article L.228-59, Article L.228-71, Article R.228-63, Article R.228-67 and Article R.228-69 and subject to the following provisions:

(a) **Legal Personality**

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

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

(b) **Representative**

The office of Representative may be conferred on a person of any nationality. However, the following persons may not be chosen as Representatives:

(i) the Issuer, the members of its Conseil Régional or its employees as well as their ascendants, descendants and spouse; or

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

(iii) persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing an enterprise in whatever capacity.

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

The Representative will be entitled to such remuneration in connection with its functions or duties, payable on such date(s), as set out in the relevant Final Terms.

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

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

(c) **Powers of the Representative**

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

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

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

(d) **General Meeting**

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

Notice of the date, time, place and agenda of any General Meeting will be published as provided under Condition 15.

Each Noteholder has the right to participate in a General Meeting in person, by proxy or by correspondance. Each Note carries the right to one vote or, in the case of Notes issued with more than one Specified Denomination, one vote in respect of each multiple of the lowest Specified Denomination comprised in the principal amount of the Specified Denomination of such Note.

(e) **Powers of the General Meetings**

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

The General Meeting may further deliberate on any proposal relating to the modification of the Conditions including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, it being specified, however, that the General Meeting may not increase amounts payable by Noteholders, nor establish any unequal treatment between the Noteholders.

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

Decisions of General Meetings must be published in accordance with the provisions set forth in Condition 15.

(f) **Information to Noteholders**

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

(g) **Expenses**

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

(h) **Single Masse**

The Noteholders of Notes of the same Series, and the holders of Notes of any other Series which have been assimilated with the Notes of such first-mentioned Series in accordance with Condition 14, shall, for the defence of their respective common interests, be grouped in a single Masse. The Representative appointed in respect of the first Tranche of any Series of Notes will be the Representative of the single Masse of all such Series.

In this Condition 11, the expression "outstanding" (as defined in Condition 4) does not include the Notes subscribed or purchased by the Issuer in accordance with Article L.213-1 A of the French *Code monétaire et financier* which are held by the Issuer and not cancelled.

12 MODIFICATIONS

These Conditions may be amended, modified or supplemented by one or more supplements to this Base Prospectus.

The Agency Agreement will be capable of amendment or waiver by the parties thereto, without the consent of Noteholders or Couponholders, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the parties to the Agency Agreement mutually deem necessary or desirable and which does not, in the reasonable opinion of such parties, adversely affect the interests of the Noteholders or Couponholders.

13 REPLACEMENT OF DEFINITIVE MATERIALISED NOTES, COUPONS AND TALONS

If, in the case of any Materialised Notes, a Definitive Materialised Note, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange regulations, at the specified office of the Fiscal Agent or such other Paying Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Definitive Materialised Bearer Note, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Definitive Materialised Notes, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Materialised Notes, Coupons or Talons must be surrendered before replacements will be issued.

14 FURTHER ISSUES AND CONSOLIDATION

(a) **Further Issues**

Unless otherwise specified in the relevant Final Terms, the Issuer may from time to time without the consent of the Noteholders, or Couponholders create and issue further notes to be assimilated (*assimilées*) and form a single Series with the Notes provided such Notes and the further notes carry rights identical in all respects (or in all respects save for the issue date, the issue price and the first payment of interest specified in the relevant Final Terms) and that the terms of such further notes provide for such assimilation and references in these Conditions to "**Notes**" shall be construed accordingly.

(b) **Consolidation**

The Issuer may, with the prior approval of the Redenomination and Consolidation Agent, from time to time on any Interest Payment Date occurring on or after the date specified for a redenomination of the Notes pursuant to Condition 1 (d) on giving not less than 30 days' prior notice to the Noteholders in accordance with Condition 15, without the consent of the Noteholders or Couponholders, consolidate the Notes of one Series with the Notes of one or more other Series issued by it, whether or not originally issued in one of the European national currencies or in euro, provided such other Notes have been redenominated in euro (if not originally denominated in euro) and which otherwise have, in respect of all periods subsequent to such consolidation, the same terms and conditions as the Notes.

15 NOTICES

(a) Notices to the holders of Dematerialised Notes in registered form (*au nominatif*) shall be valid if either, (i) they are mailed to them at their respective addresses, in which case they will be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the mailing, or, (ii) at the option of the Issuer, they are published in a leading economic and financial daily newspaper of general circulation in Europe (which is expected to be the *Financial Times*); provided that, so long as such Notes are admitted to trading on any Regulated Market and the rules of such market so require, notices shall be valid if published in a leading economic and financial daily newspaper with general circulation in the city/ies where the regulated market on which such Notes is/are admitted to trading which in the case of Euronext Paris is expected to be *Les Echos*, and it any other manner required, as the case may be, by the rules applicable to such market.

(b) Notices to the holders of Materialised Notes and Dematerialised Notes in bearer form (*au porteur*) shall be valid if published in a leading economic and financial daily newspaper of general circulation in Europe (which is expected to be the *Financial Times*) and so long as such Notes are admitted to trading on any market (regulated or not), and so long as the rules applicable to the relevant market so require, in a leading economic and financial daily newspaper with general circulation in the city/ies where the regulated market on which such Notes is/are admitted to trading which in the case of Euronext Paris, is expected to be *Les Echos*, and it any other manner required, as the case may be, by the rules applicable to such market

(c) If any such publication is not practicable, notice shall be validly given if published in a leading economic and financial daily English language newspaper with general circulation in Europe, and for the avoidance of doubt, insofar as the Notes remain admitted to trading on any Regulated Market, notices should be published in any other manner as may be required by the rules applicable to such Regulated Market. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Materialised Notes in accordance with this Condition.

(d) Notices required to be given to the holders of Dematerialised Notes (whether in registered or in bearer form) (*au porteur* or *au nominatif*) pursuant to these Conditions may be given by delivery of the relevant notice to the Euroclear France, Euroclear, Clearstream, Luxembourg and any other clearing system through which the Notes are for the time being cleared in substitution for the mailing and publication as required by Conditions 15 (a), (b), (c), above; except that (i) so long as such Notes are admitted to trading on any Regulated Market and the applicable rules of that market so require, notices shall also be published in a leading economic and financial daily newspaper with general circulation in the city/ies where the market on which such Notes is/are admitted to trading which in the case of Euronext Paris is expected to be *Les Echos*, and it any other manner required, as the case may be, by the rules applicable to such market and (ii) notices relating to the convocation and decision(s) of the General Meetings pursuant to Condition 11 shall also be published in a leading economic and financial newspaper of general circulation in Europe.

16 GOVERNING LAW, LANGUAGE AND JURISDICTION

(a) **Governing Law**

The Notes (and, where applicable, the Coupons and the Talons) and the Agency Agreement are governed by, and shall be construed in accordance with, French law. However, no private law enforcement steps or seizure procedures may be carried out in relation with the assets and goods of the Issuer.

(b) **Language**

This Base Prospectus has been prepared in English and in French but only the French version shall be regarded as binding.

(c) **Jurisdiction**

Any dispute relating to the Notes, Coupons or Talons will be submitted to the competent courts within the jurisdiction of the Court of Appeal of Paris (subject to the application of mandatory rules governing territorial competence of French courts). However, as a legal entity governed by public law, the Issuer is not subject to enforcement proceedings and its assets are exempted from seizure.

TEMPORARY GLOBAL CERTIFICATES ISSUED IN RESPECT OF MATERIALISED NOTES

Temporary Global Certificates

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

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

Exchange

Each Temporary Global Certificate issued in respect of Materialised Notes will be exchangeable, free of charge to the holder, on or after its Exchange Date (as defined below), in whole, but not in part, for the Definitive Materialised Notes, upon (unless the relevant Final Terms indicates that such Temporary Global Certificate is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see "Summary of the Programme - Selling Restrictions")) certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement.

Delivery of Definitive Materialised Notes

On or after its Exchange Date, the holder of a Temporary Global Certificate may surrender such Temporary Global Certificate to or to the order of the Fiscal Agent. In exchange for any Temporary Global Certificate, the Issuer will deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Materialised Notes. In this Base Prospectus, Definitive Materialised Notes means, in relation to any Temporary Global Certificate, the Definitive Materialised Notes for which such Temporary Global Certificate may be exchanged (if appropriate, having attached to them all Coupons and that have not already been paid on the Temporary Global Certificate and a Talon). Definitive Materialised Notes will be security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Agency Agreement.

Exchange Date

"**Exchange Date**" means, in relation to a Temporary Global Certificate, the day falling after the expiry of fourty (40) calendar days after its issue date, provided that, in the event any further Materialised Notes are issued prior to such day pursuant to Condition 14(a), the Exchange Date shall be postponed to the day falling after the expiry of forty (40) calendar days after the issue of such further Materialised Notes.

USE OF PROCEEDS

The net proceeds of the issue of the Notes will be used to finance the Issuer's investments unless otherwise specified in the relevant Final Terms.

DESCRIPTION OF REGION ILE-DE-FRANCE

1. PERSONS ACCEPTING RESPONSIBILITY

1.1 IDENTITY OF PERSONS ACCEPTING RESPONSIBILITY

Issuer: Région Ile-de-France
Address of the Issuer:
33 rue Barbet de Jouy
75007 Paris
France

Person accepting responsibility

Mr Laurent Machureau
Deputy Director General
Telephone : 01 53 85 51 90
Facsimile : 01 53 85 51 99
Finance Audit Management Control Unit
35 boulevard des Invalides
75007 Paris
France

By a decision n°15-025 dated 2nd March 2015, permanent delegation of authority was granted to Mr Laurent Machureau to sign all documents, decisions, contracts, procurement contracts or agreements, as well as all documents required in connection with the execution of the above and falling within the scope of authority of the "finance, audit and management control" unit, including those relating to borrowings, cash loans and advances entered into by the Région Ile-de-France, and loan guarantees granted by it, with the exception of decisions in respect of appointments to permanent or temporary positions and official assignments, reports to be delivered to and communications with the regional Council and standing committee.

2. INFORMATION RELATING TO THE ISSUER

2.1 Legal name of the Issuer

The issuer is the Région Ile-de-France (the **Region**), a local authority.

2.2 Head office, geographical location, legal form

2.2.1 Head office

The Région Ile-de-France's head office is at 33 rue Barbet de Jouy in Paris (75007).

The telephone number of the head office of Région Ile-de-France is 01 53 85 53 85.

2.2.2 Geographical location

2.2.3 Legal form, organisation and powers

1° Legal form

For administrative purposes, the French territory is divided into three types of local authorities, also known as "*local authorities of the Republic*" since the decentralisation law dated 2 March 1982. These local authorities, in respect of which a principle of self-government has been established under article 72 of the French Constitution ("*Under and in accordance with the provisions of the law, these local authorities shall govern themselves freely through elected councillors and shall have regulatory authority with respect to the exercise of their powers*"), are the *Région*, the *Département* and the *Commune*.

Each of these authorities, which covers a specific geographical area, is a separate legal entity with resources available for it to apply at its discretion.

The constitutional law no. 2003-276 dated 28 March 2003 relating to Government decentralisation, supplemented article 72 of the Constitution promoting the idea of specialisation whilst respecting the independence of each individual local authority. Local authorities therefore shall "*take the decisions that, pursuant to their powers, are best implemented at their level*". This concept derives from the principle of European Community law known as subsidiarity. The object is to give local authorities the legal means to exercise the powers conferred upon them by law.

Local authorities may implement projects in consultation with other local authorities, without one such authority having supervisory control over the other.

The law n°2015-29 of 16 January 2015 concerning regional boundaries, regional and departmental elections and amending the electoral calendar, provides for the replacement as of 1st January 2016 of the existing 22 mainland regions, with 13 regions. The aim of this new boundary redefinition is to create stronger regions that will be able to engage in interregional cooperation in Europe and achieve efficiency gains. The boundaries of the Region Ile-de-France remain unchanged. There are eight *Départements* in the Région Ile-de-France: Paris (which is both a city and a *Département*), three *Départements* forming Paris' inner circle (Hauts-de-Seine, Seine-Saint-Denis, Val-de-Marne) and four *Départements* forming an outer circle around the city (Val-d'Oise, Essonne, Yvelines, Seine-et-Marne). The Ile-de-France contains 1,281 municipalities (*Communes*). France will be accordingly, as of 1st January 2016, divided into 18 *Régions*, of which 5 are overseas, each *Région* encompassing several *Départements*, each of which in turn encompasses a number of *Communes*.

In addition, the law provides that *Communes* may group together with a view to drawing up joint plans for municipal, urban or conurbation inter-communities. Accordingly, as at 1st January 2014, in the Région Ile-de-France, there are 113 "*intercommunalités à fiscalité propre"* (inter-communal structures with powers to raise taxes) of which 67 new *communautés de communes* (municipal associations), 43 new *communautés d'agglomérations* (conurbation associations) and 3 new *syndicats d'agglomérations* (conurbation boards) in Ile-de-France (source *Institut d'Aménagement et d'Urbanisme* – Ile-de-France).

The law n°2014-58 of 27 January 2014 for the modernisation of local public action and the affirmation of metropolises provides that the metropolis of "Grand Paris" shall, as from 1st January 2016, group together at least the *commune* of Paris and all of the *communes* in the *départements* of the suburban inner circle.

The Region Ile-de-France is managed by a *regional Council* composed of 208 members elected by direct universal suffrage at the latest elections of 14th and 21st March 2010. The law no. 2015-29 of 16th January 2015 concerning regional boundaries, regional and departmental elections and amending the electoral calendar provides that the next date for the election of regional councillors shall be December 2015. The regional Council runs the Region's affairs through its deliberations. Executive power is conferred on the President of the regional Council.

The *President of the regional Council* who is elected by the councillors, prepares and executes the decisions of the regional assembly. He authorises expenditure, decides how regional income will be allocated, manages the Region's assets and heads up the services set up by the Region for the exercise of its powers. He may be assisted by vice-presidents with responsibility for a particular area of regional activity.

The *Standing Committee*, whose members are elected by regional councillors, emanates from the regional Council. Some of its powers are delegated to it by the regional Council, with the exception of those relating to voting the budget and approving the authority's administrative accounts, in particular.

The regional Council and its President are advised by the *regional economic, social and environmental Council (CESER)*. It "*assists, through its opinions, in the administration of the Région"*.

It issues opinions addressed to the regional Council in the following two cases:

(a) upon referral:

- prior to their examination by the regional Council, the CESER is mandatorily consulted on:

  - the Region's Draft plan and its annual implementation report, as well as all other planning documents and action blueprints that affect the Region,

  - the Region's various budgetary documents, to opine on their general guidelines;

  - the general guidelines in its areas of authority and any other blueprint, programme or report on actions undertaken.

- the President of the regional Council may refer any economic, environmental or cultural project to the CESER, although it is not mandatory to do so.

(b) upon self-referral:

- the CESER can issue an opinion on any question within the scope of the *Region's* powers and, for this purpose, relies on various committees.

2° Organisation and operations

The Région Ile-de-France is a descendant of the Paris region district. It became a public entity by virtue of the law of 6 May 1976 and, since 16 March 1986 like all other Regions when the first election of regional councillors by universal suffrage was held, is now a fully autonomous local authority in the same way as *Départements* or *Communes*.

The regional Council

The Ile-de-France regional Council comprises 208 members, who were elected by direct universal suffrage at the latest elections held on 14th and 21st March, 2010 for a period of 5 years.

The 208 members of the Ile-de-France regional Council belong to the following political parties as at 5th January 2015:

(a) Republican Socialist Party Group and Affiliated: 61

(b) Europe Ecology Group – The Green party: 51;

(c) Popular Movement Group, Independent Citizens and Ecologists: 51;

(d) Democrats and Independents Union Group: 18;

(e) The Left Front Group: 15 ;

(f) Radical Left Party Group - Progressive Movement : 6;

(g) Left Front Group, Party of the Left and Alternatives: 5;

(h) Non-registered: 1.

- *The President*

The President of the regional Council is Mr. Jean-Paul HUCHON.

There are 15 vice presidents who have been delegated powers for specific aspects of regional policy.

1st Vice President: Mrs Marie-Pierre DE LA GONTRIE, Finance and contractualisation ;

2nd Vice President: Mr Pierre SERNE, responsible for transportation and mobility;

3rd Vice President: Mr Jean Paul PLANCHOU, responsible for economic development, new information and communication technologies (NICT), tourism, innovation, social and united economy (SUE);

4th Vice President: Mrs Corinne RUFET, responsible for the environment, agriculture and energy;

5th Vice President: Mr Julien DRAY, responsible for culture;

6th Vice President: Mrs Corinne BORD, responsible for personnel, general administration and public procurement;

7th Vice President : Mrs Laure LECHATELLIER, responsible for social action, social and sanitation training, health and special assistance needs;

8th Vice President : Mrs Emmanuelle COSSE, responsible for housing, habitation, urban renewal and real estate action;

9th Vice President : Mrs Hella KRIBI-ROMDHANE, responsible for professional training, apprenticeships and part-time work placements and employment;

10th Vice President : Mr Francis PARNY, responsible for sport and leisure;

11th Vice President : Mrs Henriette ZOUGHEBI, responsible for High schools (*lycées*);

12th Vice President : Mr Abdelhak KACHOURI, responsible for citizenship, town planning and security;

13th Vice President : Mrs Isabelle THIS SAINT-JEAN, responsible for higher education and research;

14th Vice President : Mr Alain AMEDRO, responsible for territorial development, inter-regional cooperation and rural contracts;

15th Vice President: Mr Roberto ROMERO, responsible for international and European affairs.

The President of the Region is also assisted by two delegates: Mr Eddie AÏT, special delegate responsible for societal responsibility and modernisation of regional public action and by Mr Jean-Marc NICOLLE, special delegate for Greater Paris and metropolitan Ile-de-France, representative of the President in Metropolitan Paris

- *The Standing Committee*

The Standing Committee has 57 members:

- President: Mr. Jean-Paul HUCHON;

- The 15 Vice-presidents;

- and 41 additional members.

- *Thematic committees*

For the purposes of studying business brought before it, and of preparing the necessary decisions, the regional Council has set up 15 committees, each specialising in a specific area (in addition to the payments and procurement committees (the *Commission du Règlement* and the *Commission d'appels d'offres*)). Each committee has between 21 and 24 standing members and 18 to 25 alternate members.

Furthermore, committees may be set up at the request of the elected representatives on specific subjects in accordance with the internal regulations of the assembly.

- *The regional Economic, Social and Environmental Council*

The Ile-de-France Economic, Social and Environmental Council has 128 members, appointed for 6 years, including:

(a) 41 representatives of businesses and independent non-salaried professions in the Region;

(b) 41 representatives of salaried employee trade union organisations;

(c) 41 representatives of bodies, associations and foundations which participate in community affairs of the Region; and

(d) 5 qualified persons appointed by order of the prefect (*Préfet*) of the Region.

The Council drafts reports and issues opinions on topics within the Region's areas of authority and, more broadly, on any matters relating to its development and the living conditions of its population. It is a consultative assembly and matters may be referred for its consideration by the president of the regional Council, either on a mandatory or optional basis.

- *The regional civil service*

As of 31/12/2014 there are 10,482 permanent civil servants (posts filled) of which 8,616 teaching establishment technical staff.

The regional administrative services are divided into ten divisions:

(a) There are 5 operating divisions:
- International and European affairs ;
- Sustainable urban planning ;
- Development ;
- High schools (*lycées*);
- Society.

(b) 5 administrative divisions :
- Legal Affairs, markets and quality ;
- Communication;
- Finance, audit and management controls;
- Property and general resources;
- Personnel and human resources.

The information systems division also directs the Region's IT, technical and office projects.

The Ile-de-France Region also has an inspectorate-general, which provides advice and monitoring of the organisation and operation of regional services and assessment of regional policies.

The audit department, which forms part of the finance, audit and management control unit has responsibility, as part of a risk analysis process, for carrying out audits of systems and organizations in receipt of regional funding.

- *The Region's affiliated partners*

The regional Council relies for part of its activities on external affiliated organisations. Such organisations act within their areas of authority such as planning and development, the economy, employment, training, culture or health, within the framework of the policies laid down by the regional Council.

The main affiliated partners of the Region are:

a) I.A.U. Ile-de-France, the Institute for Urban Planning and Development of the Région Ile-de-France. The purpose of this organisation is to assist regional managers in decision-making with respect to urban planning, habitat, infrastructure, economic development, the environment, transport and health;

b) A.E.V., the Agency for Parks and the Green Belt. This agency implements the Region's policies with respect to the green belt including parks, forests, public footpaths and hiking trails. It makes acquisitions and carries out planning and maintenance of the Region's parks and green belt on the Region's behalf. It coordinates the French government's investment programmes and allocates financial aid for the acquisition and planning of parks and the green belt;

c) Paris Région Entreprises, an association launched in July 2014 which groups together the regional development agency (*Agence Régionale de Développement Paris Ile-de-France*) and the innovation centre (*Centre Francilien de l'Innovation*). Its main purpose is to provide long-term support in order to help businesses grow, to attract and establish foreign businesses with growth potential in Ile-de-France and to simplify, make more understandable and efficient the various types of support available to businesses in Ile-de-France ;

d) C.R.T., the Regional Tourist Board. It implements the Region's policies in relation to tourism and provides technical consultancy services to the regional Council with respect to tourism infrastructure and investment. It coordinates the activities of organisations in the leisure sector and implements promotional activities relating to tourism in France and abroad;

e) A.R.E.N.E., the Regional Agency for the Environment and Renewable Energy created in 1994. ARENE's object is to implement sustainable development policy in the Ile-de-France by contributing to the integration of environmental and energy concerns. It accordingly supports the Region's environmental policies by ensuring that they are passed on and developed by as many partners as possible;

f) ONDIF, the national orchestra of the Ile-de-France. It is a symphony orchestra whose principal remit is to perform musical works throughout the region's territory and especially before new audiences. This orchestra is one of the most dynamic ensembles in the country.

g) CRIPS, regional Centre for Awareness and Prevention of AIDS in Ile-de-France. It is a fund of resources for those involved in Ile-de-France in preventing AIDS, hepatitis and in reducing the risks of drug abuse. This centre organises national and international events, training programmes suited to various audiences, including health prevention and education events for school children to help reduce risk-taking by young people.

3° The Region's powers and authority

The decentralisation laws of 1982 and 1983 laid down the powers and authority of regions and strengthened and widened the scope of their interest in planning and the economy.

Each region now has the legal right to promote its economic, social, cultural and scientific development and territorial planning. They may undertake regional development studies, finance infrastructure projects and act on economic issues. Regions may enter into project agreements with central government to define joint development objectives over seven year periods.

Regions have also been given powers in relation to on-going professional training and apprenticeship as well as public education: the regions therefore have responsibility for the construction, furnishing and maintenance and operation of high schools (*lycées*).

The French law N° 2000-1208 of 13 December 2000 relating to urban regeneration and solidarity also implemented as from 1 January 2002 the transfer of responsibility for financing and organising regional passenger rail services to the regions, with the exception of Ile-de-France and Corsica, which have a separate status. Each region became the authority for organizing regional rail transport as from 1 January 2002.

Région Ile-de-France on the other hand has a specific status. The French law N° 76-394 of 6 May 1976 had already granted this region special powers of authority in matters of road traffic and public transport, as well as for parks and green belt management.

As a result of the Law n° 2000-1208 of 13 December 2000, the Region Ile-de-France joined the S.T.I.F executive board (Ile-de-France Transport Syndicate), a Government public administrative entity, established in 1959, with responsibility for running public transport facilities within the region of the Capital.

The regions' powers have been extended by law n° 2002-276 of 27 February 2002 relating to local democracy. The regions now have increased powers to assist local businesses by reinforcing their own funds. These provisions enable regions to assist financially to reinforce local businesses' shareholders' equity without assuming the risks inherent in venture capital, to make more effective use of funds and mobilise more effectively the financial support for such actions through European structural funding.

This law has also increased their powers in relation to professional training and apprenticeships notably by creating an "adult" section in the regional professional training development programme and by transferring power to the regions in relation to fixed compensation paid to businesses employing apprentices.

Law N° 2004-809 dated 13 August 2004 concerning local authorities' rights and duties therefore transferred new powers on local authorities.

The regions have therefore been granted new responsibilities with regard to:

- economic development: acting as coordinator for economic development action pursued by local authorities;
- vocational training: defining and implementing apprenticeship and vocational training policy for young people and adults seeking employment or a career change; implementation of the regional development plan for vocational training with the aim of outlining a medium-term timetable for vocational training schemes;
- education: transfer of management of High school technicians, workers and service staff known as "TOS";
- health and social matters: authorising and financing training establishments for paramedics and social workers, assistance to students in these professions;
- furthermore, the law strengthened the Ile-de-France Region's role in transportation. The Region now has a majority (51 per cent.) of seats in the S.T.I.F, the public transport authority for the region, which has become a local public administrative entity.

These new powers were introduced from 2005 onwards.

The law no. 2014-58 of 27 January 2014 on modernisation of local public authority action and the establishment of urban agglomerations (*métropoles*) has re-established the general authority clause in respect of *départements* and *régions*, which the law of 16 November 2010 on the local authority reform had been due to abolish as from 1st January 2015. This new law constitutes the first stage of a new decentralisation phase, focused around two major reforms:

- The recognition of the existence of metropolises, with at the top, the creation in 2016 of the metropolis of "Grand Paris", which shall group together the *commune* of Paris, all of the *communes* of the *départements* of Hauts-de-Seine, Seine-Saint-Denis and Val-de-Marne and the IDF *communes* belonging to an intercommunal cooperation establishment (EPCI), including at least one *commune* in the suburban inner circle ("*petite couronne*"), organised around local councils responsible for local services;
- rationalisation of local public action by the establishment of "leader" local authorities and the creation of a local authority public action conference. Regions are thereby responsible in particular for establishing the arrangements for joint action by local authorities and their public entities in areas of responsibility such as sustainable local planning and development, economic development, support for innovation, internationalisation of businesses, intermodality and complementarity of transport systems and support for higher education and research.

Furthermore, the law n°2014-58 of 27 January 2014 confers management authority on the regions for part of the European structural funds. Accordingly, the Île-de-France regional council will directly manage 540 million euros of funds over the period 2014-2020 in four main priority areas decided by Europe : employment and economic competitivity, management of natural resources, ecological and energy transition, development of social and physical infrastructure and equality of locality and opportunity.

The draft law introducing changes to the regional organisation of the Republic, adopted at its first reading by the Senate on 27 January 2015, marks a continued progress towards decentralisation and the reform of public action. It will confirm and highlight the role of regions as local economic policy makers. It will also increase their powers in areas such as the environment, local planning and development and transport.

Regional budgets in mainland France have thus increased greatly over time, reaching €27.9 billion in 2014 (an increase of 1.6 per cent compared to 2013, source Local Authorities Directorate General).

2.3 **Solvency of the Issuer**

2.3.1 **The legal framework for local authority borrowing reduces the risk of insolvency**

(cf. chapter on risk factors)

2.3.2 **The Region's rating**

The Ile-de-France Region has been attributed a credit rating since 1993 initially by one, and since 1998 by two, credit rating agencies. Since 2011, the two credit rating agencies appointed by the Region are Standard & Poor's and Fitch Ratings. The Region has, each year and without interruption, been ranked amongst the most financially sound entities.

On 10 October 2014, the rating agency Fitch confirmed the Region's rating of AA+ stable outlook. However, after the French Republic was placed on negative watch and its rating downgraded, Fitch placed the Region Ile-de-France on negative watch and also downgraded its rating to AA stable outlook on 17 December 2014.

Similarly, following Standard & Poor's decision, on 10 October 2014, to place the French Republic's AA rating on negative outlook, this credit rating agency also, on 17 October 2014, revised the Région Ile-de-France's AA long-term rating outlook from stable to negative.

Indeed, the Région's two rating agencies consider that by their rating methodology, the credit rating of a French local authority cannot be higher than that of the State. For this to be the case the French local authorities would have to enjoy a sufficient degree of fiscal and budgetary autonomy, which is not presently the case in the view of these agencies. Various aspects of the analysis led to this conclusion and relate to French local authority dependency on the State. In particular, State endowments represent a significant portion of their funding (30% of permanent revenue for Ile-de-France), they do not collect taxes, their liquidities must be deposited with the Treasury (Trésor Public) and do not earn interest.

The short-term benchmark ratings A1+ (Standard & Poor's) and F1+ (Fitch Ratings) of the Region were however confirmed.

2.4 The demographic and economic environment of the Issuer

2.4.1 The population of Ile-de-France

With an estimated population of 11,978,363 inhabitants as at 1 January 2013 as compared to 10,946,012 inhabitants in the 1999 census, Ile-de-France is the most densely populated French *Région* accounting for nearly 19 per cent of the French mainland population inhabiting only 2 per cent of the national land mass (12,012 km^2). The Ile-de-France therefore has on average around 997 inhabitants per km^2 and has, as at 1 January 2013, a population greater than countries such as Belgium (11.2 million), Sweden (9.6 million), Austria (8.5 million) and Finland (5.4 million).

Ile-de-France's demographic position has been stable since the 1960's at 18.8 per cent of the French mainland population in 2013 (18.3 per cent of the entire French population). Ile-de-France has nearly twice the population of the second most populated *région*, Rhône-Alpes.

Comparative Population of French Regions as at 1st January 2013

	Census 2006	Census 2011	2011/2006	Estimate 2013 (p)	Compared to France as a whole
Alsace	1 815 493	1 852 325	2,0%	1 861 020	2,8%
Aquitaine	3 119 778	3 254 233	4,3%	3 303 392	5,0%
Auvergne	1 335 938	1 350 682	1,1%	1 355 630	2,1%
Bourgogne	1 628 837	1 642 734	0,9%	1 643 931	2,5%
Bretagne	3 094 534	3 217 767	4,0%	3 259 659	5,0%
Centre	2 519 567	2 556 835	1,5%	2 572 931	3,9%
Champagne-Ardenne	1 338 850	1 336 053	-0,2%	1 333 497	2,0%
Corse	294 118	314 486	6,9%	322 120	0,5%
Franche-Comté	1 150 624	1 173 440	2,0%	1 177 906	1,8%
Île-de-France	**11 532 398**	**11 852 851**	**2,8%**	**11 978 363**	**18,3%**
Languedoc-Roussillon	2 534 144	2 670 046	5,4%	2 727 286	4,2%
Limousin	730 920	741 072	1,4%	741 047	1,1%
Lorraine	2 335 749	2 350 657	0,6%	2 350 657	3,6%
Midi-Pyrénées	2 776 822	2 903 420	4,6%	2 946 507	4,5%
Nord-Pas-de-Calais	4 018 644	4 042 015	0,6%	4 052 156	6,2%
Basse-Normandie	1 456 793	1 475 684	1,3%	1 479 242	2,3%
Haute-Normandie	1 811 055	1 839 393	1,6%	1 848 102	2,8%
Pays de la Loire	3 450 413	3 601 113	4,4%	3 658 351	5,6%
Picardie	1 894 355	1 918 155	1,3%	1 924 737	2,9%
Poitou-Charentes	1 724 123	1 777 773	3,1%	1 792 159	2,7%
Provence-Alpes-Côte d'Azur	4 815 232	4 916 069	2,1%	4 937 445	7,5%
Rhône-Alpes	6 021 346	6 283 541	4,4%	6 393 470	9,8%
Provincial France	**49 867 335**	**51 217 493**	**2,7%**	**51 681 245**	**78,9%**
Mainland France	**61 399 733**	**63 070 344**	**2,7%**	**63 659 608**	**97,1%**
Guadeloupe	400 736	404 635	1,0%	405 739	0,6%
Guyane	205 954	237 549	15,3%	250 109	0,4%
Martinique	397 732	392 291	-1,4%	386 486	0,6%
Réunion	781 962	828 581	6,0%	840 974	1,3%
Overseas Regions	**1 786 384**	**1 863 056**	**4,3%**	**1 883 308**	**2,9%**
France as a whole	**63 186 117**	**64 933 400**	**2,8%**	**65 542 916**	**100,0%**

(p) provisional figures as at end of 2013 ; Data updated as of 14 January 2014

Source : "Population Estimates", Institut National de la Statistique et des Etudes economiques (INSEE).

Since the 2006 census, the population of Ile-de France has increased by 3.9 per cent (which is an increase of 446,000 inhabitants), and an average increase of 0.6 per cent per year.

This is a slightly higher increase than that of the mainland population. In Ile-de-France, the sole reason behind this increase is the Region's inherent dynamism, linked to the youthfulness of its population. The surplus of births over deaths translates into an average population growth of 0.9 per cent per year over the period 2006-2013. Thus, in 2012, Ile-de-France recorded a natural surplus of 108,700 people (or 181,229 births for 72,529 deaths) and contributed up to 47 per cent to the natural balance in mainland France. The total increase in population is less marked because the overall balance of migration between Ile-de-France and the provincial Regions is negative (decrease of 0.4 per cent per year on average).

The *Départements* of the "outer perimeter" now account for 43.5 per cent of the regional population. The percentage of Paris and the "inner perimeter" is therefore 56.5 per cent in 2013 (of which 19.0 per cent for Paris and 37.5 per cent for the "inner perimeter").

Change in population distribution by Département

	1999	2007	2013 (p)
Paris	19,41%	18,91%	18,98%
Hauts-de-Seine	13,05%	13,32%	13,37%
Seine-Saint-Denis	12,63%	12,95%	12,90%
Val-de-Marne	11,21%	11,23%	11,26%
Total Inner Perimeter and Paris	**56,28%**	**56,41%**	**56,51%**
Essonne	10,36%	10,36%	10,34%
Val-d'Oise	10,09%	10,01%	9,94%
Yvelines	12,37%	12,10%	11,84%
Seine-et-Marne	10,90%	11,12%	11,37%
Total Outer Perimeter	**43,72%**	**43,59%**	**43,49%**

(p) provisional figures as at end of 2013 ; Data updated as of 14 January 2014

Source : "Population Estimates", INSEE.

As at 1st January 2013, the population of Ile-de-France is relatively younger than the average for France as a whole with a higher proportion of the population aged under 39 (54.9 per cent compared to 49.3 per cent on average in France as a whole). At the same time, the proportion of persons aged over 60 is lower (18.8 per cent compared to 23.8 per cent on average in France as a whole).

Regional population distribution by age as at 1st January 2013 (p)

	Ile-de-France		France as a whole	
0 to 19 yrs	3 098 719	25,9%	16 122 039	24,6%
20 to 39 yrs	3 468 108	29,0%	16 158 670	24,7%
40 to 59 yrs	3 164 202	26,4%	17 639 435	26,9%
60 to 74 yrs	1 447 783	12,1%	9 698 383	14,8%
75 and over	799 551	6,7%	5 924 389	9,0%
Total	**11 978 363**	**100%**	**65 542 916**	**100%**

(p) provisional figures as at end of 2013 ; Data updated as of 14 January 2014

Source : "Population Estimates", INSEE.

2.4.2 **The economy of the Issuer**

1° Gross Domestic Product

With a gross domestic product (GDP) of 612.3 billion euros in 2012, which is around 4.7 per cent of the 27 member European Union's GDP, Ile-de-France as an economic region is one of the main European centres and one of the largest in the world.

At the crossroads of European and global trade, Ile-de-France stands at the top of the economic leader board compared with other French regions due not only to the scale of its productive capacity but also to the presence of the main economic decision-making centres. The GDP of the Ile-de-France represents 30.1 per cent of the GDP of France in 2012 this percentage having remained relatively stable (at between 29.7 per cent and 30.4 per cent) over the last few years.

Evolution of GDP in value from 2009 to 2012

GROSS DOMESTIC PRODUCT	2009	2010	2011	2012 (p)
GDP (€Bn)				
Ile-de-France	**559,4**	**588,9**	**601,2**	**612,3**
France as a whole	1 885,8	1 936,7	2 001,4	2 032,3
Ile-de-France / France as a whole (as %)	**29,7%**	**30,4%**	**30,0%**	**30,1%**
GDP/Inhabitant (K€)				
Ile-de-France	**47,6**	**49,8**	**50,6**	**51,3**
Mainland France	30,5	29,6	30,2	31,1

(p) Provisional figures

Sources : "Regional GDP from 1999 to 2011", 2005 basis, INSEE (updated : February 2014); "Regional GDP 2012", 2005 basis , INSEE (updated : February 2014); "Population Estimates", INSEE.

Following a contraction in 2009 due to the economic crisis, economic activity in Ile-de-France returned to positive growth in the following years, increasing by 5.3 per cent. in 2010 and 2.1 per cent. in 2011. In 2012, Ile-de-France's GDP increased by 1.8 per cent according to *Institut National de la Statistique et des Etudes Economiques* - INSEE provisional figures.

With a GDP per inhabitant of 51,250 euros, 60 per cent higher than the GDP per inhabitant of mainland France as a whole, and gross disposable income[1] per inhabitant in 2011 of 24,598 euros, compared to 19,588 euros for provincial France, Ile-de-France is the leading French Region.

Great disparities both socially and territorially are however evident in Ile-de-France.

Indeed in 2012, 9.9 per cent of employees in the Region are in insecure jobs (fixed-term contracts, part-time work, apprentices, internships and assisted place contracts).

Of the approximately one hundred French urban free zones (ZFU)[2], 26 are located in Ile-de-France, accounting for approximately one third (490,000) of the 1.5 million inhabitants of these zones.

At the end of 2013, 6.6 per cent of the Ile-de-France population was receiving the active solidarity income (*Revenu de Solidarité Active or RSA*[3]), a slightly lower percentage than the rate in mainland France as a whole. This figure however disguises significant geographical variations: whereas 3.9 per cent of the population of the Yvelines *département* receives the RSA, the rate in Seine-Saint-Denis is 13.4 per cent.

Faced with this situation, the Ile-de-France Region has chosen to pursue a policy of solidarity. The aim of each of its policies is to reduce local and social inequalities and to achieve solidarity and social cohesion over the whole Region.

2° Principal sectors

The Ile-de-France Region stands out from the world's other capital cities by the diversity of its economic make up. Particularly innovative sectors (information and communication technologies, biotechnologies, nanotechnologies and even 3D graphic animation) and creative industry (luxury goods, fashion) sit alongside more traditional sectors such as the aeronautical or automobile industries. It is a pivotal location for high value-added services, as well as for principal decision-making centres, corporate headquarters and the main government and administrative offices.

- *A diverse and dynamic economic make up*

The Ile-de-France region is host to practically all of the main French industrial companies. The Ile-de-France region is also home to three quarters of the head offices of banks and insurance companies established in mainland France. In addition, Ile-de-France is home to around one fifth of the active establishments (i.e. producers of goods or providers of services) listed by INSEE in France.

[1] Gross disposable income represents the proportion of primary income that remains available to households in the region, for spending and saving.

[2] Free urban zones (*zones franches urbaines*) are underprivileged geographical areas benefitting special tax measures, aimed at relaunching economic activity and encouraging social and professional integration.

[3] The active solidarity income is a benefit that raises initial household income to the minimum guaranteed level.

Number and distribution of establishments per département and business sector as at 31 December 2012

	Agriculture, forestry and fishing	Industry	Construction	Trade, transport, miscellaneous services	Public administration, education, health and social action	Combined
Paris	0,2%	3,2%	5,3%	83,0%	8,3%	582 578
Seine-et-Marne	3,8%	4,9%	12,2%	66,3%	12,8%	105 303
Yvelines	1,5%	3,8%	9,3%	71,5%	13,9%	120 437
Essonne	1,4%	4,2%	12,4%	68,9%	13,1%	93 638
Hauts-de-Seine	0,2%	3,5%	7,2%	78,0%	11,1%	175 217
Seine-Saint-Denis	0,1%	4,3%	15,4%	70,8%	9,4%	126 257
Val-de-Marne	0,2%	3,5%	10,5%	73,7%	12,1%	112 413
Val-d'Oise	1,1%	4,6%	12,8%	68,8%	12,7%	87 878
IDF	0,7%	3,7%	8,7%	76,5%	10,4%	**1 403 721**

Scope: Establishments active as at 31 December 2012, excl. Defence.

Source : INSEE, Local Knowledge of Productive Sector (CLAP)

In 2013, 65,915 new businesses were created in the Region (excluding sole traders) in the services sector in particular, i.e. 25.0 per cent of new business start-ups in France.

Businesses created in 2012 and 2013 (excluding sole traders)

	2012	2013	Région / France as a whole
Ile-de-France	**63 067**	**65 915**	**25,0%**
Provence-Alpes-Côte d'Azur	25 456	27 631	10,5%
Rhône-Alpes	26 318	28 719	10,9%
France as a whole	**242 489**	**263 240**	**100%**

Source : Insee - directory of companies and businesses, semi-final data

As regards business failures, there were 11,471 in 2013, or 18.9% of the total for mainland France. Business failures were up 0.9 per cent compared to 2012 in Ile-de-France, as against an increase of 2.4 per cent in the provinces.

Its well-diversified real estate assets and the quality of its workforce are factors that are very attractive to businesses. The Region has one of the largest stocks of commercial real estate in Europe with 52 million m² of office space, 1,300 business activity zones covering more than 28,000 hectares of which 2,370 in available plots (in the year 2013).

- *Services : drivers of the Region's economic activity*

Services, along with research & development, finance and tourism, are the key sectors that drive and stimulate the Region and where innovation efforts are focused.

At the end of 2013, INSEE estimated that there were 3.3 million salaried jobs in the commercial tertiary sector (combining transport, commerce, business services, personal services and real estate and financial business). Eight out of ten salaried employees therefore work in these services. Business services including support and advisory services (0.88 million jobs), have the lead over the information and communications sectors (0.38 million jobs) and financial services (0.33 million jobs).

As regards added value, commercial tertiary represented, in 2012, 71 per cent of the value-added generated by the Ile-de-France region.

The headquarters of the large utilities groups (electricity, telephone, water, etc.), whether publicly or pivately owned, are in Paris (Electricité de France (EDF), Veolia Environnement, Orange).

- *The leading French industrial region*

Ile-de-France is the leading French industrial region, ahead of the Rhône-Alpes region. Its industrial sector in fact represented in 2012 14 per cent of employees in industry in France and almost 14 per cent of the firms at the end of 2011. Excluding construction, it hosts more than 45,000 firms and 475,000 private sector salaried employees.

Today therefore Ile-de-France is one of the leading worldwide centres both for industry and the high-level tertiary sector.

It also plays a major role in the sectors of airline traffic, business tourism, higher education, culture and also research.

- *One of the best infrastructure and transport networks*

The region has one of the best passenger transport networks in the world (with 200 km of underground (*métro*), 1,820 km of railways, more than 80km of tramlines, added to which 454 km of rapid urban highways). It is also the leading continental European air traffic hub with two international airports and the leading business travel airport in Europe. The region is less than two hours flight from most large European cities. It has been a pioneer of air and rail travel inter-modality, with both the high speed train (TGV) and the regional express network (RER)).

- *A welcoming region*

Ile-de-France is the leading tourist region in the world with more than 68 million hotel room nights occupied in 2012 (more than half of which were overseas tourists) and has one of the largest hotel room capacities in the world (150,077 rooms).

Ile-de-France is one of the world leaders for business meetings and events (business seminars, international conventions and scientific and cultural symposia) as well as for trade fairs and exhibitions. With one of the largest exhibition capacities in the world, it attracts several million business visitors each year at its exhibitions. 1000 conferences were held throughout the territory in 2012.

279 direct foreign investment projects came to fruition in Ile-de-France in 2013, of which 70 per cent. concerned new business start-ups. In 2012, the region registered 201 new foreign business establishments. The principal investors came from the United States (51 new establishments), Germany (23 new establishments) and Italy (16 new establishments). Ile-de-France principally attracts decision-making centres and high value-added activities.

In 2013, the value of imports into the Ile-de-France region totalled 131 billion euros whilst exports totalled 77 billion euros. Natural hydrocarbons are the leading imported products in the Region (12.2 per cent) followed by automobile construction products (11.9 per cent) which are also the leading export products (10.2 per cent) ahead of aeronautical and space construction products (9.1 per cent).

In 2013, Germany was the number one client of Ile-de-France (10.7 per cent of exports) ahead of the United States (10.0 per cent), followed by Italy (6.6 per cent) and the United Kingdom (6.6 per cent). As regards imports, Germany remains the principal supplier of the region (14.1 per cent) followed by China (13.5 per cent), then Belgium (11.8 per cent).

- *A highly qualified population and major centre for research and development*

Ile-de-France accounts for more than one quarter of higher education students in France (635,353 out of a national student population of more than 2.3 million, i.e. 27 per cent in 2012). In total, Ile-de-France boasts 18 universities and 59 *grandes écoles*. The region is therefore very attractive to young adults who are continuing their education or seeking employment.

The concentration in Ile-de-France of individuals highly qualified in scientific and technological areas encourages businesses to locate their research and development facilities there. The region is one of the European and world leaders in research both in terms of workforce: 150,414 people working in research, and in terms of expenditure: €18.4 billion in 2011. Thus 37.4 per cent of the French research workforce is located in the Region and its internal research and development expenditure represents 40.8 per cent of national expenditure. A total of 4,800 patents were filed in 2012 in Ile-de-France, which is 36.7 per cent of the patents filed in mainland France.

3° Employment

In 2013 Ile-de-France accounted alone for 2.4 per cent of the active population in the 28 European Union countries.

In 2012, the region accounts for 23 per cent of those in employment in France, representing over 6 million salaried and non-salaried jobs. The breakdown of employment in Ile-de-France is as follows:

Employment in Ile-de-France in 2012

	2012 Structure	
	Ile-de-France	Provinces
Active working population	**100%**	**100%**
Men	53,7%	52,0%
Women	46,3%	48,0%
Ages		
Under 30 yrs	19,2%	19,0%
30 to 49 yrs	54,3%	52,9%
50 yrs and over	26,5%	28,1%
Job Types		
Non-salaried	8,8%	12,2%
Salaried, of which:	91,2%	87,8%
Non-secure	*9,9%*	*12,8%*
(fixed-term contracts, part-time, apprentice, internship and assisted placements)		
Stable positions	*81,3%*	*75,0%*
- excl. State and local authorities	*64,1%*	*57,5%*
-State and local authorities	*17,3%*	*17,6%*
Socio-professional categories, of which:		
- Executives and intellectual professions	31,2%	14,6%
- Intermediate professions	26,1%	24,3%
- Employees	24,3%	29,1%
- Workers	12,9%	22,8%
Business Sectors, of which:		
- Industry	9,4%	14,8%
- Construction	5,6%	7,2%
- Tertiary	84,5%	73,9%

Source : INSEE, on-going employment survey 2012

Salaried employment in Ile-de-France is largely centred in Paris as well as in the Hauts-de-Seine *département* where, in particular in La Défense, the headquarters of the largest French businesses are located.

Distribution of salaried and non-salaried employment in Ile-de-France in 2012

	Salaried Employment	Non-salaried Employment	Total Employment
Paris	30,8%	35,4%	31,1%
Seine-et-Marne	7,8%	9,4%	7,9%
Yvelines	9,7%	10,4%	9,7%
Essonne	7,8%	8,0%	7,8%
Hauts-de-Seine	18,0%	12,5%	17,6%
Seine-Saint-Denis	9,9%	7,9%	9,8%
Val-de-Marne	9,4%	9,1%	9,3%
Val-d'Oise	6,8%	7,2%	6,8%
TOTAL	100,0%	100,0%	100,0%

2012 provisional data

Source : Insee - Local employment estimates

Despite an unfavourable economic background, the rate of unemployment in Ile-de-France remains lower than the national average, at 8.6 per cent in Ile-de-France in the first quarter of 2014 compared to 9.7 per cent in mainland France as a whole.

Change in unemployment rate in Ile-de-France by département and in mainland France (percentage)
Seasonally adjusted average quarterly data

	4th Quarter 2009	4th Quarter 2010	4th Quarter 2011	4th Quarter 2012	1st Quarter 2013	2nd Quarter 2013	3rd Quarter 2013	4th Quarter 2013
Paris	8,3	8,0	7,8	8,1	8,3	8,3	8,3	**8,1**
Seine-et-Marne	7,3	7,0	7,1	7,8	7,9	8,0	8,0	**7,9**
Yvelines	6,7	6,5	6,4	6,9	7,1	7,2	7,2	**7,0**
Essonne	6,8	6,6	6,7	7,2	7,4	7,4	7,4	**7,3**
Hauts-de-Seine	7,4	7,1	7,1	7,5	7,7	7,7	7,7	**7,6**
Seine-Saint-Denis	11,2	11,1	11,4	12,3	12,6	12,6	12,7	**12,6**
Val-de-Marne	7,9	7,7	7,9	8,3	8,6	8,6	8,7	**8,6**
Val-d'Oise	9,2	9,0	9,0	9,7	10,0	9,9	9,9	**9,8**
Ile de France	**8,1**	**7,9**	**7,9**	**8,4**	**8,7**	**8,7**	**8,7**	**8,6**
Mainland France	**9,1**	**8,8**	**8,9**	**9,7**	**9,9**	**9,9**	**9,9**	**9,7**

Source : Insee - Local unemployment rates

2.5 **Description of the political system**

Cf. 2.2.3 Legal form, organisation and powers.

3. **PUBLIC FINANCES AND EXTERNAL TRADE**

3.1 **Tax and budgetary system**

3.1.1 **The Region's revenues**

The Region's revenues derive from :

- *Direct and indirect taxation*

Since the tax reforms of 2010 abolishing the business tax (TP), the new regional tax revenue comprises:

- the flat-rate network corporation tax relating to rolling stock used on the national rail network for passenger transport operations (IFER "rolling stock");

- the flat-rate network corporation tax relating to the principal local copper wire telephone exchanges and the subscriber connection units of the switched telephone network (IFER "telecoms");

- a fraction equal to 25 per cent of the enterprise value-added contribution in Ile-de-France (CVAE);

- an additional subsidy, if necessary, for regions whose tax receipts, as a result of the new tax system, are less than the 2010 tax revenue, which forms the benchmark (this is not the case for Ile-de-France).

Abolition of the former regional tax revenues has been compensated for euro-for-euro. The tax revenues received in 2010 (property taxes and the TP – business tax - bridging compensation, less the value-added related cap) constituted the tax revenue benchmark used as the basis for calculating the new tax revenue applicable as from 2011 (taxation plus endowments).

Calculation of the CVAE for each region uses two successive rebalancing mechanisms.

- In 2011, the revenue of those regions for which the revenue derived from new tax system is greater than the 2010 benchmark tax revenue, is capped at 2010 levels, to support the national individual resources guarantee fund ("FNGIR"), which re-allocates collected revenue to the under-compensated Regions. Ile-de-France is the only region subject to actual levy by the FNGIR. The annual amount of the levy has theoretically been fixed once and for all (however several corrective adjustments to the margin have since been made);

- Since 2013, a re-balancing mechanism relating to growth of the regions' enterprise value-added contribution CVAE has been introduced. A region is the subject of a levy if its new post-reform tax revenue increases at a rate greater than the overall average for all regions. The entire amount of the difference is then levied for re-balancing, subject to a cap of 50 per cent of the total variation in such revenues, such variations being calculated on a cumulative basis by reference to 2011. In 2013 and in 2014, Ile-de-France was the subject of a levy under this new system.

Indirect taxation includes vehicle registration certificate tax and driving licence tax. The Ile-de-France tax on driving licences has been set at 0 euro since 1999.

- *Miscellaneous taxes attributed to the Region by law.*

The revenue from taxes that are specific to Ile-de-France (office space creation duty, the supplemental local amenities tax levied on works involving construction, reconstruction and extension of all types of buildings, 50 per cent of the revenues from the tax on its portfolio of offices and commercial and storage space capped at 182,938,800 euros) was allocated by law to the Region Ile-de-France to compensate for the specific expenditure assumed by it, particularly in the area of transportation. As from 1st March 2012, the supplemental local amenities tax was replaced by the regional portion of the development tax that the Region may by deliberation decide to introduce and in respect of which it may fix the rate (subject to a maximum of 1 per cent, the current supplemental local amenities tax rate).

The 2015 finance law introduces as from 2015 two new sources of tax revenue specific to the Region Ile-de-France to be used to finance investment in public transport:

- an "annual car parking space tax": the assessment basis of this tax is identical to that of the office space tax (TSB) linked to car parking space (car parking space adjoining office, commercial and storage premises attracting the office space tax). Like the TSB, the applicable rates of this tax are fixed by district and are indexed to the construction cost index (ICC). The rates set for this new tax in 2015 are 1.85 times greater than those of the TSB on parking spaces for 2014.

- an "annual special additional tax" : this new tax is a distributional tax inspired by the local equipment taxes (TSE). The Region will adopt a level of tax revenue for year N by deliberation taken before 31/12/N-1 (with an exemption for 2015), within the limits of a cap fixed at 80 million euros. However, this additional tax is added only to the real estate tax on developed land and the business real estate contribution: persons who are liable to the residence tax and the real estate tax on undeveloped land are not therefore affected by this new tax, unlike the TSE.

In accordance with article 41 of the 2014 finance law, regions shall as from 2014 benefit from a new source of tax income: management expense relating to the business real estate contribution (CFE), the enterprise value-added contribution (CVAE) and the residence tax (TH). This new tax revenue and also an additional percentage of the internal tax on the consumption of energy products (TICPE) replaced, as from 2014, the general decentralisation endowment (DGD) relating to vocational training (cf. infra).

The Ile-de-France Region also, like other regions, receives the contribution to the development of apprenticeships (CDA), which was substituted for the compensation subsidy paid in respect of transfer of regions' powers concerning apprenticeships. However, this CDA is abolished as from 2015. As from such date, regions will in fact receive a new Regional Revenue for Apprenticeship (RRA) comprising both a percentage of the apprenticeship tax (51 per cent of the tax) and a new percentage of TICPE. The RRA will take the place of the CDA and the former apprenticeship endowments.

Other than the development tax, the Region has no power to fix the rate or tariff of its taxes which remains parliament's prerogative.

- *Internal tax on consumption of energy products (TICPE, formerly TIPP) under the new decentralisation phase.*

To compensate for the transfers of power implemented by the law of 13 August 2004, the Government has allocated to the regions a portion of the internal tax on consumption of energy products. Since 2006 the percentage attributed to each region varies. The percentage payable to Ile-de-France was set for 2014 at €17.10 per hectolitre on unleaded petrol and €12.10 per hectolitre on diesel.

Since 2007, the regions can modulate this rate up to certain limits ("2007 modulation"). The Ile-de-France Region has decided to apply the maximum upwards modulation, i.e. an increase of 1.77 euro/hl on unleaded petrol and an increase of 1.15 euro/hl on diesel.

The finance law 2010 (as amended by the supplemental finance law 2011) also introduced a new option to increase the regional TICPE tariff (+0.73 euro/hl on unleaded petrol and +1.35 euro/hl on diesel) provided that the proceeds of such increase are applied to the "financing of sustainable rail or river transport infrastructure, as referred to in articles 11 and 12 of the planning law no. 2009-967 of 3rd August 2009 relating to implementation of the "*Grenelle de l'environnement*" or improvement of the urban transport network in Ile-de-France". Ile-de-France has adopted this new so-called "Grenelle" part of the TICPE as from 2012 at the maximum tariff.

In addition, since 2014, the Region Ile-de-France has, like the other regions, received two new TICPE fractions:

- one fraction, aim at compensating the responsibilities placed on regions in the area of Vocational Training: the relevant tariff percentages are 0.79 euro/hl for unleaded petrol and 0.56 euro/hl for diesel, and, unlike the "modulation 2007" and the "TICPE Grenelle", apply to total national consumption and are therefore not assessed on a regional basis (article 41 of the 2014 finance law). The total revenue collected nationally is handed over to the regions prorata the 2013 distribution of the vocational training DGD, an endowment that was abolished in 2014.

- one fraction aimed at compensating for the responsibilities placed on regions in respect of financing premiums payable to employers of apprentices (article 140 of the 2014 finance law) in replacement of the former "apprentice fixed compensatory indemnity" (IFC) endowment abolished in 2014. These tariff percentages were fixed in the 2014 finance law at 0.31 euro/hl for unleaded petrol and 0.22 euro/hl for diesel, and also apply to total national consumption and are therefore also not assessed on a regional basis (article 40 of the 2014 finance law).

In 2015, the Region shall receive an additional percentage of the TICPE, which, together with a percentage of the new apprenticeship tax directly allocated to the Region (derived from the combined apprenticeship tax and CDA), shall form the regions' revenue for apprenticeship or "RRA" (rectificatory finance law of August 2014). The RRA shall replace the former FNDMA Special Allocation Account endowments and contribution to the development of apprenticeship (CDA) taxation.

- *Central Government grants (for operating and capital expenditure).*

These central government grants are made essentially to offset the additional spending budget transferred to the Regions for on-going vocational training and apprenticeship, as well as for high school amenities and operating expenses.

The allocations for operating expenses have been incorporated within the global operating endowment (*dotation globale de fonctionnement* – "DGF") introduced in 2004.

The DGF replaces the following four operating endowments previously awarded: 95 per cent. of the endowment granted to cover the operating costs of High schools, the endowments granted to compensate for the abolition of the regional portion of the habitation tax and of the additional regional tax on property transfers (*Taxe Régionale Additionnelle au Droit d'Enregistrement* – T.R.A.D.E) and the subsidies granted to compensate for the gradual abolition of the wages element of the business tax (TP).

Furthermore, article 41 of the 2014 finance law has abolished the general decentralisation endowment (DGD) relating to vocational training and its replacement by new tax revenues derived from, on the one hand, management fees relating to direct taxation and, on the other hand, a new percentage of the TICPE revenue. The law guarantees the regions a minimum level of revenue. The total revenue in compensation for the abolition of the DGD (management expenses and TICPE) may not be less than the amount of the 2013 grant. A TICPE guarantee-floor mechanism is to be implemented.

As regards the financing of apprenticeship premiums the system has been fundamentally changed since 2013 with the gradual replacement of endowments collected through tax revenue (TICPE and RRA).

- *Repayments of loans granted to certain companies and advances granted to local authorities.*

These repayments are essentially on loans made by the Region under its public transport policies to the Paris Metropolitan transit system (*Régie Autonome des Transports Parisiens* or R.A.T.P.), the French national railway (*Société Nationale des Chemins de Fer* or S.N.C.F.) and Réseau Ferré de France (R.F.F.) which, pursuant to the Law of 13 February 1997, assumed the prime contracting responsibility for railroad infrastructure instead and in place of S.N.C.F.

- *Other revenues, including:*

• a portion of the revenues from fines for traffic violations and other police fines and since 2006 a portion of the fines derived from speed trap radars;

• reimbursements provided by the central government to all local government authorities through the VAT Compensation Fund (*FCTVA*), designed to offset the VAT paid on capital expenditure;

• payments by the European Union Social Fund (ESF) under the 2007-2013 programme for certain vocational training initiatives;

• as from 2015, payments of European structural funds (European social fund – ESF , European regional development fund– FEDER and the European agriculture rural development fund - FEADER) as part of the transfer to regions of authority for management of EU funds under the new 2014-2020 programme (law for the modernisation of regional public action and affirmation of metropolises of 27 January 2014). Part of these funds will be paid by way of subsidy to third party beneficiaries and part will be paid directly to the Region Ile-de-France as part of European co-financing (50 per cent) of projects or initiatives for which it is directly responsible or which it implements through a public procurement process.

3.1.2 **The budgetary and accounting framework**

The initial budget is the document that sets out and approves the revenues and expenditure of local authorities in France.

The initial budget for local authorities must be approved before 15th April of the fiscal year to which it applies or prior to 30 April in deliberative assembly election years.

If the budget is not approved, the Law (Article L.1612-2 of the French *Code Général des Collectivités Territoriales*) sets out a procedure which allows the regional prefect, as the State's representative in the region, to fix the budget of the local authority after consultation with the regional audit office (*Chambre régional des comptes*).

Adoption of the budget authorises the executive body of the local authority to collect the revenue and undertake the expenditure.

The budgets of France's local authorities must respect the following five principles:

- unity: all revenue and expenditure must be contained in a single document;
- annual Basis: the authorisation given to the executive body of the local authority to collect revenue and undertake expenditure is given for a single year, which runs from 1st January to 31 December;
- universality: the budget for the fiscal year includes all revenue and expenditure without offsetting;
- balance: this means that, on the basis of a true and fair estimation, projected revenues must equal projected expenses, both for the operating budget (ordinary expenses) and the capital expenditure budget. Reimbursement of the principal on borrowings should be covered by income excluding borrowings;

- the principle of specialism of expenditure: this means that expenditure is only authorised for a specific department or purpose. Accordingly, credits are allocated to a department, or to a group of departments, and are specialised by chapter grouping together all expenditure depending on its type or purpose. However, this principle may be relaxed if authorisation is given by the Assembly to the President of the regional Council to transfer payment credits between chapters, subject to a maximum of 7.5 per cent of actual expenditure in each section.

Corrective or supplementary budgets may adjust the revenue and expenditure approved in the initial budget.

The administrative accounts, reviewed before 30 June of the following fiscal year, recapitulate the revenue and expenditure of the fiscal year.

These accounts, published by the local authority (originator), must be in conformity with the management accounts drawn up by the public auditor who is responsible for payment of expenses and collection of all revenue owed to the local authority.

The result of this practice, which is applied by all local authorities and derives from the principle (established by the general law governing public accounting rules and practices in France) that the originator should not also be the accountant, is that public funds are handled by the public auditor and an annual external audit is carried out on all authorizations for payment issued each year by the local authority.

The role thus conferred on the public auditor serves as a guarantee for the financial integrity of the local authority.

Three types of control therefore exist under the law of 2 March 1982: administrative or legal compliance control, budgetary and financial control, jurisdictional and management control.

Administrative or legal compliance controls of local authorities' acts are carried out after the event by the prefect (*Préfet*). Once such acts are in force and have been notified to the prefect, they may be referred by the prefect to the administrative tribunal within a period of two months.

Budgetary and financial controls are also carried out after the event by the prefect under the supervision of the *Chambre Régionale des Comptes* (CRC). These controls are exercised in the following five situations: voting the budget out of time; failure to list a compulsory item of expenditure; lack of real balance in the budget; administrative accounts deficit; failure to provide the administrative account.

Jurisdictional accounting controls are carried out by the CRC: they opine on the conformity of public auditor's accounts; they also carry out controls in relation to officials who have powers to authorize expenditure in cases of de facto management. Management controls are exercised in relation to the proper utilization of public funds by local authorities: They take the form of observations delivered by the CRC on the local authorities' management.

3.2 **Gross public debt, historical summary of the debt, maturity structure of debt outstanding showing residual maturities (including where less than one year) and debt repayments and debt outstanding in foreign currencies**

The borrowings policy pursued by the Ile-de-France Region is informed by the desire to control the amount of existing borrowings, limit the cost of new borrowings and reduce finance charges in order to direct available resources in priority to responsibilities conferred on the Region.

3.2.1 **Current position and management of debt**

(a) Existing financing instruments

A long-term revolving credit facility

The Region has one revolving credit facility with Groupe Caisse d'Epargne for a total amount since 1st January 2014 of 724 million euros.

The EMTN Programme

In May 2001, the Region, which has regularly issued on the financial markets, established a Euro-Medium-Term-Note (E.M.T.N.) programme in an amount of 1 Bn euros, since increased to 6 Bn euros, with a term of 30 years. The Region was also the first French local authority to make use of this type of instrument.

This programme, whilst significantly enhancing the Region's reputation, exposes it to an even wider investor base and enables it to take market or private placement opportunities, over all maturities, with greater flexibility and speed due to the pre-existence of contractual terms and conditions governing these financing operations.

With these various instruments, the Region is able to choose between bank finance and issuing securities for its medium and long-term financing.

A diverse borrowing strategy

In 2012 , the Région Ile-de-France was the first local authority in Europe to launch an environmentally and socially responsible bond issue targeting responsible investors to form a sustainable base for diversification of its sources of finance. The Region has begun ex-ante targeted theme fund allocation and produced a report on its fund allocation the following year.

In the spring of 2014, the Region once again launched an environmentally and socially responsible bond issue on the green bonds market which is now rapidly expanding. Transactions of this kind offer the opportunity to bring to the forefront the exemplary nature of regional sustainable development policy. In this regard, the Region acts in the utmost transparency, both by identifying, ahead of launching the issue, the categories of projects for whose benefit it undertakes to allocate the funds during the financial year and also by undertaking to report on the use made of the funds raised. Guided by its sustainable development approach, a schedule of 11 project selection criteria has been drawn up which has been ratified by an independent agency. Firm investor demand totalled more than 750 million euros for an initial announced amount of between 350 and 500 million euros.

The objective of diversification is therefore complemented by a transparent approach to the Region's action. In addition to credit ratings by the two agencies Standard & Poor's and Fitch Ratings, Vigeo has also analysed the Region's extra-financial performance in terms of environmental, social and governance criteria (ESG criteria). Since 2012, this agency has rated the Region as one of the leading responsible operators amongst the major European local authorities analysed (29 in 2014). In its latest report, the agency considered that the Region's performance is at an advanced stage in the six chosen areas of analysis (environment, human resources, human rights, territorial development and solidarity, public procurement and governance).

(b) Debt characteristics

(i) *Outstanding debt*

The Region's outstanding debt as at 31st December 2013 was 4,730.6 million euros. Forecast outstanding debt as at 31 December 2014 is of 5,123.6 million euros.

With outstanding debt of 3,433.4 million euros as at 31st December 2013, bond issues represent 72.6 per cent of total direct indebtedness of which 56.8 per cent public issues and 15.8 per cent private placements. The forecast total amount of bond issues as at 31 December 2014 represents 74.5 per cent of its debt.

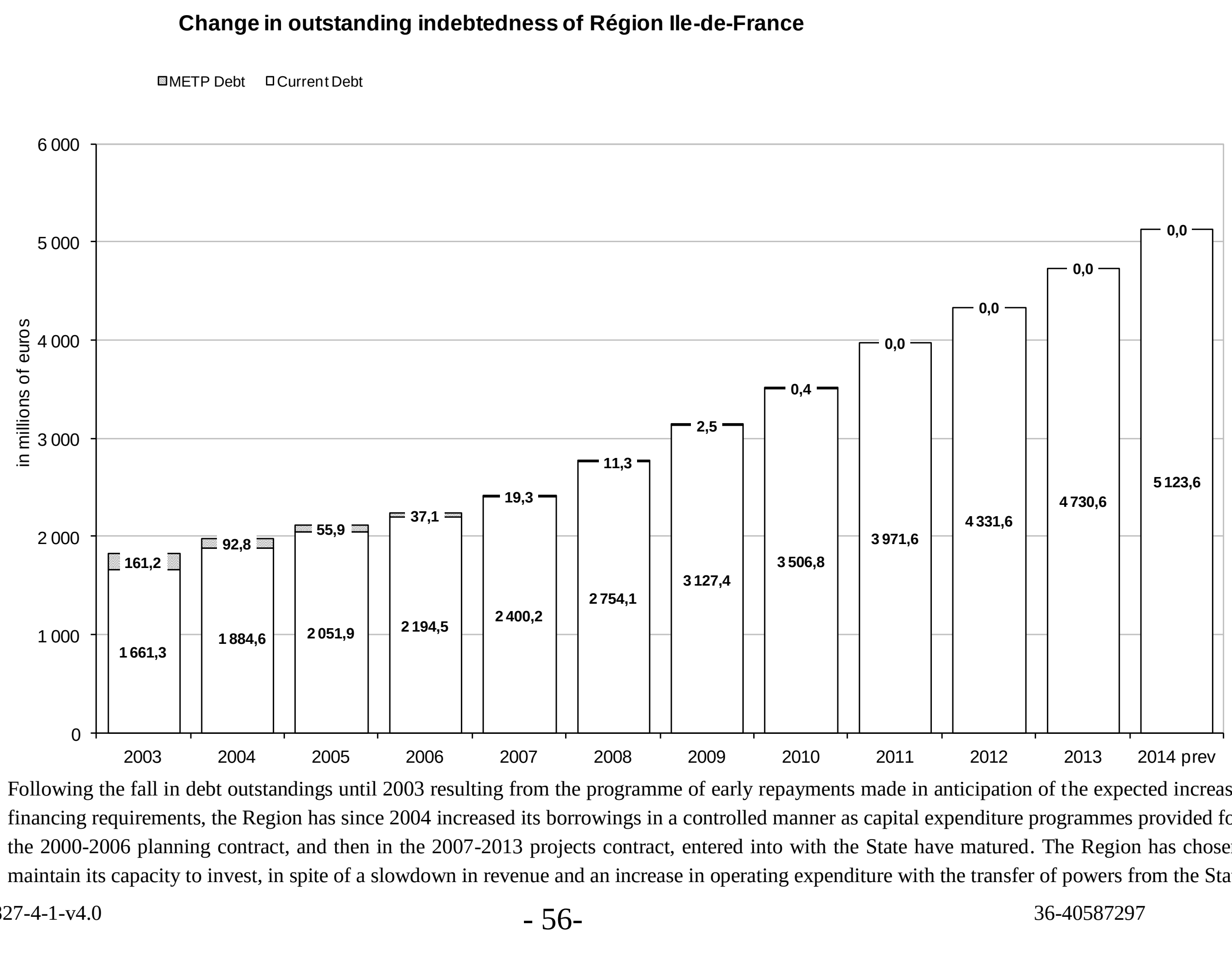
Changes in outstanding debt levels (in millions of euros as at 31/12 of year n)

	2003	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	***2014 prev*****
Current Debt	1 661.3	1 884.6	2 051.9	2 194.5	2 400.2	2 754.1	3 127.4	3 506.8	3 971.6	4 331.6	4 730.6	*5 123.6*
METP*	161.2	92.8	55.9	37.1	19.3	11.3	2.5	0.4	-	-	-	-
TOTAL	**1 822.5**	**1 977.4**	**2 107.9**	**2 231.6**	**2 419.5**	**2 765.4**	**3 129.9**	**3 507.2**	**3 971.6**	**4 331.6**	**4 730.6**	***5 123.6***

* METP : *Marchés d'Entreprise de Travaux Publics (public works procurement contracts)*

** Consistent with the 2015 Initial Budget

Change in outstanding indebtedness of the Region Ile-de-France



Following the fall in debt outstandings until 2003 resulting from the programme of early repayments made in anticipation of the expected increase in financing requirements, the Region has since 2004 increased its borrowings in a controlled manner as capital expenditure programmes provided for in the 2000-2006 planning contract, and then in the 2007-2013 projects contract, entered into with the State have matured. The Region has chosen to maintain its capacity to invest, in spite of a slowdown in revenue and an increase in operating expenditure with the transfer of powers from the State.

Between 2004 and 2013, the amount of utilised borrowings reached approximately €5.23 billion whereas capital expenditure (excluding debt) was in the order of €16.13 billion, which means that on average over this period nearly 68 per cent approximately of capital expenditure was covered by the Region's own income and 32 per cent by borrowings. In 2013, the Region's self-financing ratio was 58.0 per cent.

The policy can be seen in an improvement in debt ratios, which remain under control, as shown in the tables below.

Debt level as at 31 December compared to permanent revenue for the financial year

	2003	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	***2014 prev***
Outstanding debt / permanent revenue stated in the Administrative Account (as %)	78.3	83.3	76.9	70.2	69.0	75.4	80.9	91.9	103.6	109.3	116.4	*127.9*

Outstanding debt as at 31 December compared to gross savings of the financial year[1]

or debt reduction capacity

	2003	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	***2014 prev***
Debt reduction capacity (in years)	2.0	2.2	2.1	2.0	2.4	2.9	3.5	4.3	4.8	5.8	6.3	*7.1*

Outstanding debt per inhabitant as at 31 December of the year

	2003	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	***2014 prev***
Outstanding debt (in euros per inhabitant)	166.4	180.6	184.9	195.8	210.6	236.9	268.2	300.5	338.3	367.0	398.3	*424.9*

As of 31 December 2013, total debt levels are equivalent to 116.4 per cent of permanent revenue; the Region's debt amortisation capacity remains under 6.5 years. Higher than the average in other mainland Regions, its debt reduction capacity is however similar to that of most other large Regions.

(ii) *Average debt levels and interest rate exposure*

The Region has for several years been implementing a prudent debt management strategy pursuing two principal objectives:

- limiting the interest rate risk on the Region's debt;
- seizing market opportunities to reduce interest costs.

This cautious policy consists in using simple hedging products dividing its debt between long-term fixed interest rates and short-term variable rates, depending on market conditions and opportunities, in such a way as to adjust to optimum effect the Region's debt position on the interest rate curve and thereby limit the interest costs effectively paid.

This strategy has since 2004 enabled the Region to smooth out fluctuations in the annual rate paid on regional debt and allowed it to benefit from favourable market trends such as, for example, the fall in interest rates in 2009. Thus,

- between 2005 and 2008, whilst fixed rates were considered to be abnormally low and variable rates were on the rise, the fixed rate portion of its debt was increased;
- conversely in 2009, market conditions began to favour short-term rates which reached historically low levels. The strategy then adopted was to take advantage of these rates whilst limiting the risk of a rapid rise of short-term rates by purchasing caps[2] ;
- since 2010, the Region has elected to move further towards fixed rates against a background of great uncertainty and market volatility;
- in 2013, better market fluctuation visibility led to the debt structure tipping slightly more towards floating rates. This structure enabled the

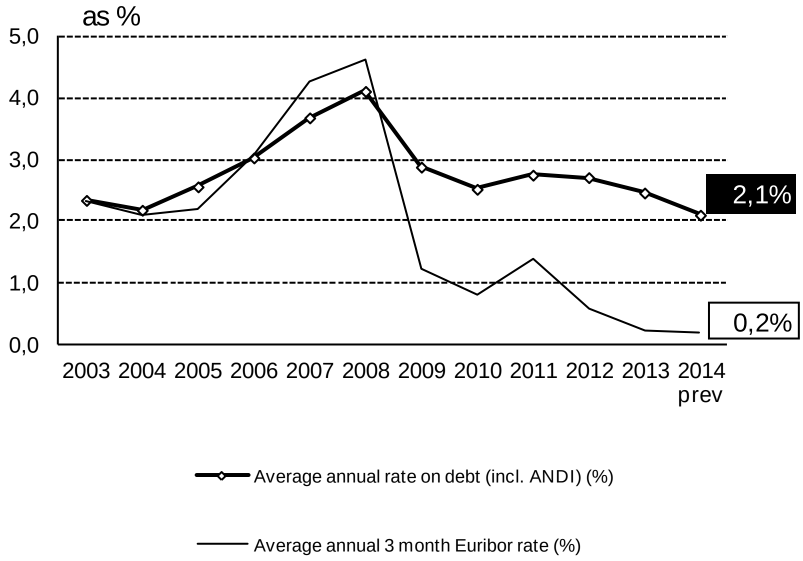
[1] Difference between operating revenue and expenditure
[2] Caps are options contracts that allow the interest rate paid by the Region to be pegged to a variable rate facility, if the benchmark index exceeds a predetermined threshold.

average interest rate level to be lowered.

Changes in average interest rates on the Region's debt

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 prev
Average annual rate on debt (incl. ANDI) (%)	**2,34**	**2,18**	**2,56**	**3,03**	**3,68**	**4,11**	**2,88**	**2,52**	**2,75**	**2,71**	**2,46**	**2,10**
Average annual rate on debt (excl. ANDI) (%)	*2,34*	*2,18*	*2,56*	*3,03*	*3,68*	*4,11*	*2,85*	*2,10*	*2,55*	*2,32*	*2,44*	*1,90*
Average annual 3 month Euribor rate (%)	2,33	2,11	2,18	3,08	4,28	4,63	1,22	0,81	1,39	0,57	0,22	0,20

*ANDI: Accrued Not Due Interest



As regards the financial instruments it employs, the Region's active management operations are implemented with the greatest caution and only involve simple hedging instruments, the Region having always ruled out the use of complex structured products that are considered rightly to be too risky.

Thus of the 9 active management contracts in existence as of 31 December 2013 on the Region's outstanding debt, 7 of them are simple interest rate swap contracts (interest rate swaps), between euro zone fixed and variable rates. These products are categorised as A1 (which includes swaps, caps and tunnels), the category carrying the least risk for local authorities, according to the classification set out in Schedule 4 of the NOR IOCB1015077C circular dated 25 June 2010 on financial products offered to local authorities and their public entities. The two remaining contracts are options purchased by the Region in 2009, caps with de-activating barrier option, which are classed as category B1, a low-risk category for local authorities in accordance with the classification set out in Schedule 4 of the above-mentioned circular. These allow any increase in a variable rate to be capped at 3 per cent where such rate is between 3 per cent and 5 per cent, the only risk with these two products being a return to the market variable rate if this exceeds 5 per cent.

In total as of 1st January 2014, 93 per cent of the Region's indebtedness is indexed to euro zone fixed or variable rates, the remaining 7 per cent being hedged using simple option contracts (caps).

The Region's indebtedness, after applying interest rate swaps as at 31st December 2013 is illustrated in the table below. The outstanding principal is expressed in millions of euros.

OUTSTANDING DEBT AS AT 31ST DECEMBER 2013 TAKING ACTIVE MANAGEMENT OPERATIONS INTO ACCOUNT

Type and year of utilisation of borrowing	Arranger(s) of bond issues and private placements or lending institution(s) for bank loans	Initial rate	Rate after active management operations	Repayment	Principal outstanding	Type of product currently active under the facility (excl. currency swaps)	Start Date	Maturity Date of the product
BOND ISSUES								
Public issues								
2005	BNP PARIBAS (147,1 M€)	**EUR3M**	-	2014	147 105 852,25	-	-	-
2005	BNP PARIBAS and CSFB (96,8 M€)	**EUR3M**	-	2016	96 792 927,66	-	-	-
2006	IXIS CIB and SOCIETE GENERALE (220,0 M€)	4,250%	**EUR3M**	2017	220 000 000,00	plain vanilla swap	25/07/2006	25/07/2017
2007	UBS and ABN AMRO (203,8 M€)	**EUR6M**	-	2018	203 836 930,46	-	-	-
2008	UBS (125,4 M€)	EUR6M	**3,480%**	2014	125 391 849,53	plain vanilla swap	27/10/2008	27/11/2014
2008	BNP PARIBAS (100,0 M€)	**4,171%**	-	2015	100 033 344,45	-	-	-
2009	SOC GEN, HSBC France and BANCA IMI (200,0 M€)	4,500%	**EUR3M**	2019	200 000 000,00	3% cap with disactivating barrier at 5%	23/07/2009	23/07/2014
2009	CSFB and BNP PARIBAS (131,1 M€)	EUR3M	**EUR3M**	2015	131 100 000,00	3% cap with disactivating barrier at 5%	28/09/2009	28/09/2015
2010	SOCIETE GENERALE and BANCA IMI (300,0 M€)	**3,200%**	-	2020	300 000 000,00	-	-	-
2010	UBS (100,5 M€)	**2,753%**	-	2017	100 502 512,56	-	-	-
2011	SOCIETE GENERALE, DB, HSBC France, Natixis (410,0 M€)	**3,625%**	-	2022	410 000 000,00	-	-	-
2012	BNP and CACIB (350,0 M€)	**3,625%**	-	2024	350 000 000,00	-	-	-
2013	BARCLAYS and NATIXIS (300,0M€)	**2,250%**	-	2023	300 000 000,00	-	-	-
Private placements								
2003	BNP PARIBAS (42,6 M€)	**EUR3M**	-	2014	42 622 000,00	-	-	-
2003	CDC-IXIS (51,0 M€)	**EUR3M**	-	2015	51 000 000,00	-	-	-
2003	HSBC CCF (30,5 M€)	**EUR3M**	-	2018	30 522 701,26	-	-	-
2004	HSBC CCF (30,3 M€)	**EUR3M**	-	2014	30 263 291,00	-	-	-
2004	Mizuho (37,0 M€)	**EUR3M**	-	2016	36 974 000,00	-	-	-
2009	BNP PARIBAS (49,7 M€)	**EUR3M**	-	2018	49 668 874,17	-	-	-
2010	BNP PARIBAS (100,0 M€)	**EUR3M**	-	2017	100 000 000,00	-	-	-
2011	CREDIT AGRICOLE CIB (66,8 M€)	**EUR3M**	-	2021	66 796 318,16	-	-	-
2011	SOCIETE GENERALE (60,0 M€)	4,035%	**EUR3M**	2026	60 000 000,00	plain vanilla swap	13/07/2011	Until the maturity date
2012	BNPP (80,0 M€)	EUR3M	**1,275%**	2018	80 000 000,00	plain vanilla swap	14/12/2012	Until the maturity date
2013	NATIXIS (40,0 M€)	**2,594%**	-	2025	40 000 000,00	-	-	-
2013	CREDIT AGRICOLE (40,8 M€)	**EUR3M**	-	2028	40 816 326,53	-	-	-
2013	HSBC (70 M€)	**3,060%**	-	2028	70 000 000,00	-	-	-
2013	COMMERZBANK (50,0 M€)	**2,675%**	-	2024	50 000 000,00	-	-	-
TOTAL					**3 433 426 928,03**			
SCHULDSCHEIN								
2013	HELABA (50,0 M€)	**2,750%**	**-**	2028	50 000 000,00	-	-	-
TOTAL					**50 000 000,00**			
BORROWINGS WITH CREDIT INSTITUTIONS								
Borrowings in Euros								
2007	CADIF 75,0 M€	Livret A	**2,730%**	2017	75 000 000,00	plain vanilla swap	01/09/2009	01/09/2014
2007	CADIF 50,0 M€	**Livret A**	-	2016	50 000 000,00	-	-	-
2008	Long-term loan under revolving credit facility DEXIA (50,0 M€)	**4,265%**	-	2022	50 000 000,00	-	-	-
2008	Long-term loan under revolving credit facility DEXIA (50,0 M€)	**4,065%**	-	2022	50 000 000,00	-	-	-
2011	CDC 252,0 M€	**3,570%**	-	2026	225 550 998,78	-	-	-
2011	CDC 40,0 M€	**4,020%**	-	2017	32 620 816,55	-	-	-
2012	BEI (200,0 M€)	**3,827%**	-	2026	200 000 000,00	-	-	-
Borrowings with option to draw on liquidity facility								
	Short-term drawing on revolving credit facility Caisses d'épargne	**EONIA**	-	2022	464 000 000,00	-	-	-
2010	Long-term loan under revolving credit facility Caisses d'épargne	**2,530%**	-	2015	100 000 000,00	-	-	-
TOTAL					**1 247 171 815,33**			
OVERALL TOTAL					**4 730 598 743,36**			

N.B. : CADIF : Crédit Agricole d'Ile-de-France ; CDC : Caisse des Dépôts et Consignations ; BEI: European Investment Bank

(iii) *Debt structure*

In total as a result of these transactions, the breakdown of debt per type of rate as at 1st January 2014, excluding the debt under the Long Term Revolving Credit Facility (LTRC) of the Region, at an outstanding amount of 4,266.6 million euros, is as follows:

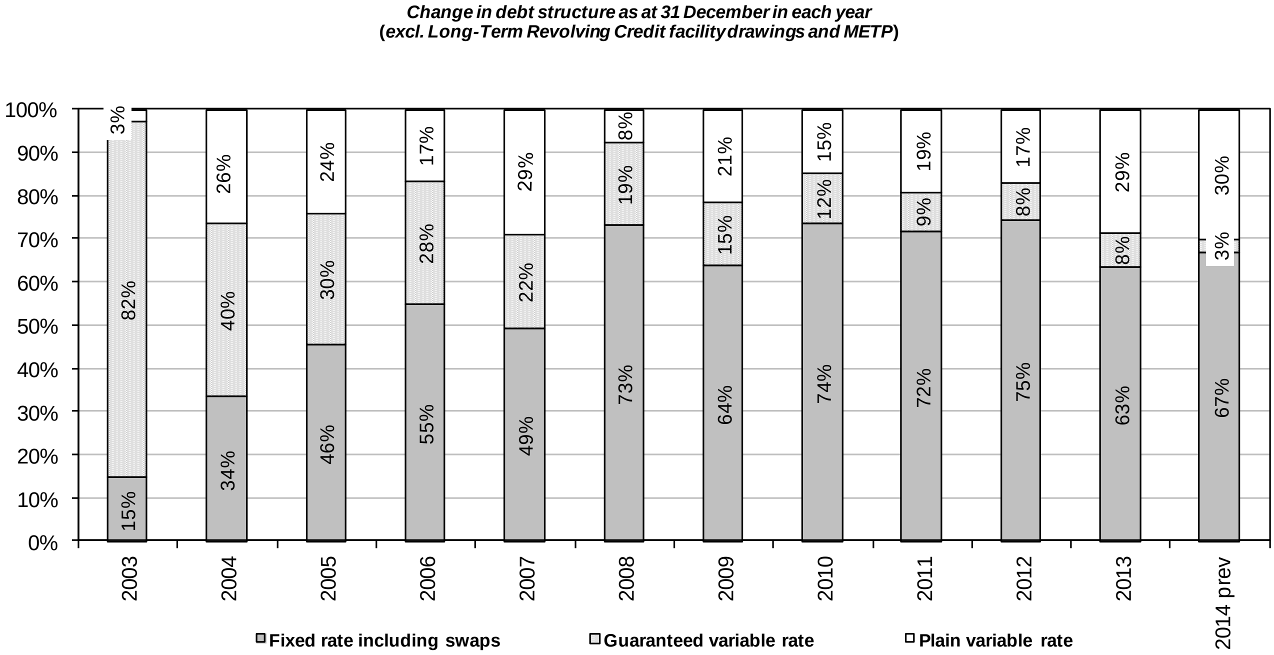
- **63.5 per cent fixed rate borrowings, for a total outstanding amount of 2,709.1 million euros,**

- **36.5 per cent floating rate borrowings, for a total outstanding amount of 1,557.5 million euros, of which:**

  - **331.1 million euros of 3 month Euribor floating rate indebtedness, capped by two deactivating barrier caps (7.8 per cent of outstanding indebtedness excluding the revolving facility) ;**

  - **1,226.4 million euros of plain vanilla floating rate indebtedness (28.7 per cent of outstanding indebtedness excluding the revolving facility) : 95.9 of this amount bears interest at 3 months Euribor, the remaining 4.1 per cent at the *Livret A* rate.**

The table below shows how the Region’s debt structure has evolved:



Including short-term borrowings utilised under the Long Term Revolving Credit Facility (LTRC) (464 million euros as at 1st January 2014), the breakdown of the Region’s debt by type of rate as at 1st January 2014 is as follows:

⇨ debt indexed on fixed rates or swapped at fixed rates: 57.3 per cent;

⇨ debt indexed on guaranteed variable rates: 7.0 per cent;

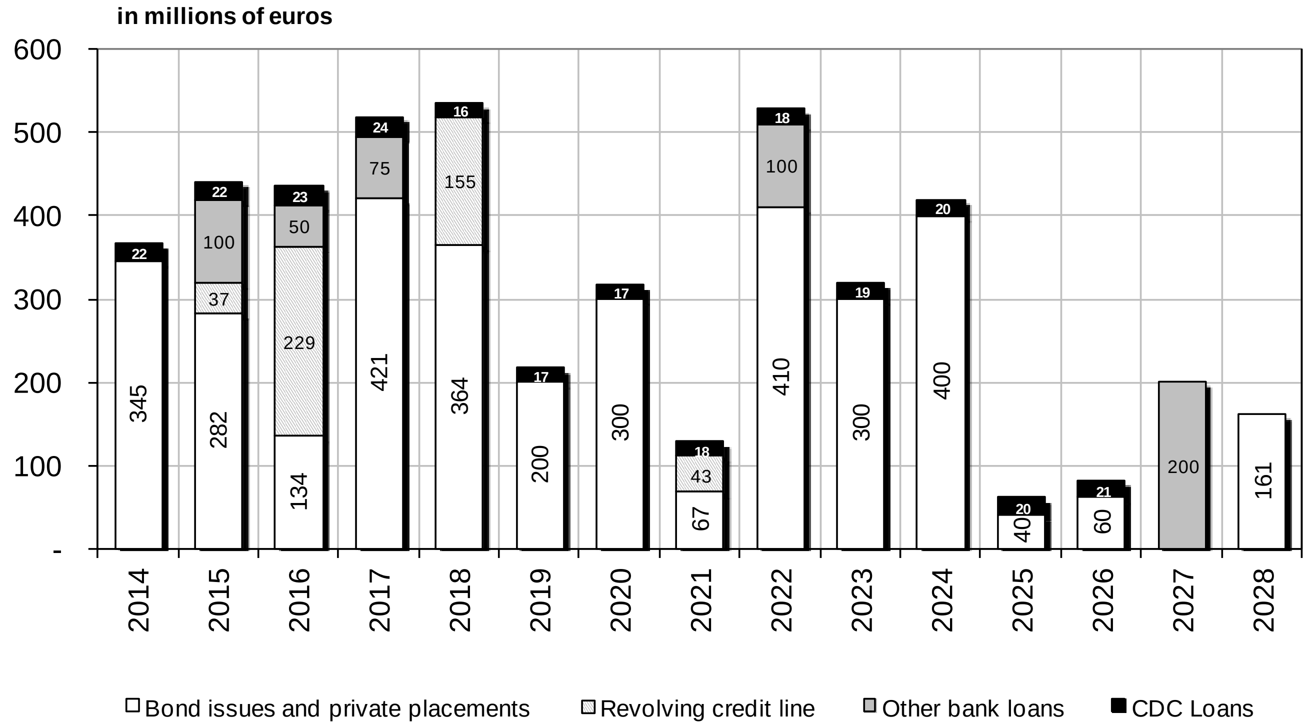
⇨ debt indexed on normal variable rates: 35.7 per cent.

The Region takes no exchange-rate risk because whenever it issues securities in a foreign currency it enters into euro currency swap contracts at the outset.

(iv) Evolution of debt redemption

The average term of the Region’s debt is around 6.3 years. Redemption of debt, based on debt outstanding as at 31st December 2013, has evolved as follows:

Estimated evolution of current debt redemption
As at 31/12/2013 (incl. LTRC)



3.2.2 **Cash flow**

With regard to short-term debt, the Region finances its cash flow requirements either by bank credit lines or by issuing commercial paper under its commercial paper programme established in 2002. The amount of the programme was raised in 2012 to 1 billion euros.

The revolving credit facility, in an amount of 724 million euros, is utilised both as a means of borrowing and as a cash management tool.

Due to its flexibility, this instrument makes it possible at any time to arbitrage rates and markets within shorter timeframes (24 hours).

This facility also provides an option for a complete or partial repayment of the debt, depending on cash flow requirements (since any amount repaid may be re-borrowed under this facility). This facility therefore enables the Region to better manage its cash requirements to optimise utilisation of public funds.

(a) Utilisation of bank credit lines for cash management purposes.

In 2013, the daily average balance of cash deposited on a non-interest bearing basis with the *Trésor Public* was 1.1 million euros.

After a slightly untypical 2012, the cash flow situation returned to more normal levels in 2013. The assurance of being able to employ the necessary borrowing throughout the year allowed for a close-to-zero cash position to be reached.

Since 2001, the daily average balance has been significantly reduced, in spite of the growth of the Region's budget which has enabled the debt service cost to be reduced.

Average cash balance since 2003

	2003	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Average cash balance (in millions of euros)	*30.1*	*9.6*	*12.4*	*6.3*	*1.7*	*2.4*	*0.0*	*0.0*	*0.0*	*37*	*1.1*

(b) The commercial paper programme – an additional cash management instrument

Since under article 25 of Law N° 2001-420 dated 15 May 2001 concerning new economic regulations, it had become possible for local authorities to issue commercial paper, Région d'Ile-de-France in 2002 established a commercial paper programme for a global amount of €500 million, increased in 2012 to €1Bn, for a 15 year term to meet a two-fold objective:

- to provide a choice in the short term between bank financing (cash credit line) and securities financing;

- to further decrease the management costs of the Region's cash assets.

Accordingly, for the management of its cash flow requirements, the Region over the short term, as for the long term with the establishment of the EMTN Programme, has the choice at any time between drawing on its revolving credit facilities and issuance on the commercial paper market.

The Region arbitrages between these two instruments depending on the foreseeable term of its financing requirements and the conditions offered by the markets. Both instruments complement each other, although issuing commercial papers is more usually reserved for standard minimum periods of 20 days.

In the last few years, given the excellent terms offered under existing the revolving credit facilities and the remaining available headroom on these lines, the Region has made very little use of commercial paper. In March of 2014, the Region made an initial issue in an amount of 100 million euros with a one month maturity and, in December, another issue of 250 million euros was made also with a maturity of one month.

3.2.3 **Receivables**

The Ile-de-France region is unusual in holding a significant level of receivables in the form of loans and advances (585 million euros at 31 December 2013) which must be taken into account when analysing the Region's outstanding commitments.

The receivables level has developed as follows:

Receivables level at 31 December in each year

	2003	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	***2014 prev***
Receivables level (in millions of euros)	*630*	*698*	*745*	*751*	*735*	*713*	*695*	*659*	*643*	*615*	*585*	*551*

In the framework of its supportive public transport policy, the Ile-de-France Region has granted loans to certain public sector establishments or companies (the R.A.T.P., the S.N.C.F. and the Réseau Ferré de France). These loans at special rates granted over a period of 25 years represent, depending on the transaction, 10 to 20% of the total amount of the transaction.

However, these loans were withdrawn in the 2007-2013 State-Region Project Contract (SRPC). The Region accordingly does not grant any more loans in connection with new SRPC 2007-2013 operations.

The detailed receivables position at 31 December 2013 is as follows:

Receivables as at 31 December 2013 (in millions of euros)

Beneficiaries	**Outstanding principal as at 31/12/2013**	**Income 2013**		
		Principal	**Interest**	**Annuities**
S.N.C.F	170,500	15,627	1,433	17,060
R.F.F.	47,696	3,425	0,393	3,818
R.A.T.P.	280,698	20,271	3,600	23,871
New Towns	81,902	4,288	-	4,288
Misc. advances	4,051	0,000	-	0,000
TOTAL	**584,847**	**43,611**	**5,426**	**49,037**

3.2.4 Loan guarantees

The total annual payments for loans guaranteed by the Region are very small. The total for 2013 was approximately 0.243 million euros for a total loan level of 0.991 million euros, split as follows:

Loan guarantees as at 31 December 2013 (in millions of euros)

Beneficiaries	Outstanding principal as at 31/12/2013	Percentage guaranteed	Annuity		
			Principal	Interest	Total
Public-Private Companies (SEM)	0.747	30%	0.083	0.036	0.119
Private Educational Establishments	0.244	100%	0.112	0.012	0.124
TOTAL	**0.991**		**0.195**	**0.048**	**0.243**

The Region's commitments therefore remain very limited.

(i) Regional funds

(a) Regional guarantee fund

On 14 December 2000, the regional Council decided to create a regional guarantee fund (Ile-de-France Regional Guarantee Fund) to facilitate access to various types of funding for certain categories of business. This fund is managed by Bpifrance, a public establishment whose object is to finance and support enterprises.

Successive amendments to this fund since 2000, have increased payments made by the Région to a total of 95.9 million euros as at end of 2013.

(b) Regional investment fund

The Region invests directly in the capital of various investment funds. This financing tool enables the Region to help reinforce the own funds of small and medium sized enterprises (SME) and small and medium sized industries (SMI).

Regional investment funds as at 31/12/2013

Fund	Year of creation	Target	Region's contribution In million of euros
Cap Décisif	2001	Pump priming	9.8
GENOPOLE 1er JOUR	1999	Pump priming	1.6
IDF CAPITAL	1995	Development Capital / Transfer	9.5
FINANCITES	2007	Urban development	2
SCIENTIPOLE IDF CAPITAL	2006	Pump priming	1.8
EQUISOL	2009	Development Capital	1.8
Fonds régional de co-investissement	2011	Development Capital	5.7

3.2.5 Other equity holdings

The Region has holdings in the capital of several entities :

- SEM 92

SEM 92's objects are to promote land development and build facilities to promote economic development in the *Hauts-de-Seine*.

The Ile-de-France Region holds 10 per cent of the capital i.e. a holding amounting to €914,694.10.

SEM 92's capital structure is as follows:

	SEM 92 - Holdings
Conseil Général des Hauts de Seine	70%
Caisse des Dépôts et Consignations	15%
Région Ile-de-France	10%
Others	5%
TOTAL	**100%**

- SEMAPA

SEMAPA, a Parisian surveyor, project management and development company, is currently a local public development company with share capital of 472,287 euros. Today, it is conducting several projects in the 13th *arrondissement* in Paris including Paris Rive Gauche. The Region Ile-de-France's share totals 38,112 euros i.e. 8 per cent of the share capital.

Its capital structure is as follows:

	Amounts (euros)	Share
City of Paris	310,127	66%
The *Département* of Paris	124,048	26%
Région Ile-de-France	38,112	8%
TOTAL	**472,287**	**100%**

- SAERP

The Region also decided (resolution dated 27 June 2002) to invest €2.4 million in the equity of the *Société d'Aménagement et d'Equipement de la Région Parisienne* (SAERP).

SAERP, established in 1956, carried out urban development operations in the Paris region until the 1980's. From 1995 onwards, the Ile-de-France region commissioned the company as a representative in the High school renovation programme and has become an important partner to the Region for this programme.

In 2008 SAERP was transformed into a "*société publique locale d'aménagement*". This new form of public limited company exclusively held by public shareholders allows SAERP to be treated as an "in house" integrated entity, pursuant to article 3.1 of the French Public Procurement Code, and accordingly contracts may be awarded to it without an open tender procedure.

In 2013, SAERP became a local public company (*Société Publique Locale* or SPL). This transformation has allowed SAERP to widen the scope of its powers beyond development with the aim of increasing its activity by participating in the implementation of the regional energy policy for the thermic renovation of Ile-de-France local authorities' real estate.

SAERP's share capital is distributed as follows:

	Amount (euros)	Share
Région Ile-de-France	2,400,000	96.32%
Other local authorities	91,680	3.68%
TOTAL	**2,491,680**	**100%**

- SEM GENOPOLE

The Ile-de-France region decided (by a resolution dated 13 December 2001), to invest in the equity of SEM GENOPOLE, which was established to carry out and develop the activity of the previous GENOPOLE non-profit organisation with regard to corporate office space in the biotechnology sector.

The GENOPOLE non-profit organisation had been established in 1998 as a hub for basic and applied genetics research. Given the extent of its projects, the non-profit organisation structure was deemed unsuitable; the organisation was transformed into a General Interest Grouping ("*Groupement d'Intérêt Public*" or GIP) which took over the organisation's research role, whilst its real estate activities were assumed by a separate entity, SEM GENOPOLE.

The region invested €9.15 million in the SEM's equity (amounting to €19 million in total) alongside the Essonne *département* and the Caisse des Dépôts et Consignations.

SEM GENOPOLE's capital structure is as follows:

	Amounts (euros)	Share
Région Ile-de-France	9,146,000	48%
Département de l'Essonne	6,097,000	32%
Caisse des Dépôts et Consignations	3,051,000	16%
Evry Centre Essonne agglomeration	305,000	1.5%
Seine Essonne agglomeration	305,000	1.5%
Miscellaneous shareholders	147,000	1%
TOTAL	**19,051,000**	**100%**

- SEM ENERGIES POSIT'IF

Pursuant to a deliberation dated 17 November 2011, the Region acquired a holding in the share capital of the public-private company SEM ENERGIES POSIT'IF in an amount today of 3.02 million euros (i.e. 57 per cent of the SEM's share capital).

The objects of this company are the provision of services, investment and financing energy renovation to improve the energy performance of buildings used principally as dwellings and their facilities and outbuildings, and also local authority buildings.

- SAFER

Since 1990 the Region has had a holding in the share capital of SAFER, the Land Planning and Rural Development Company, a limited liability company whose object is to promote rural development and facilitate environmental and nature conservation. Today, this shareholding is worth €51,405.80 (8.9 per cent of the share capital).

- Miscellaneous

In addition, the Region holds 280 ownership units of 1.5245 euros in Caisse Locale du Crédit Mutuel Agricole for an aggregate nominal amount of 426.86 euros and a number of ownership units in SCIC COPROCOO, whose object is to support the temporary portage of co-owned properties in financial difficulties, in an amount of 599,985 euros. The Region also holds one share in the Association France Active Garantie of €15.24.

- Etablissement Public Foncier Régional (EPFR)

Created by the decree n° 200-1140 dated 13 September 2006, the Ile-de-France Property Development Public Entity (*Etablissement Public Foncier d'Ile-de-France or EPFR)* has power within the Ile-de-France territory, other than in areas covered by another *EPFR*, to make property acquisitions and land and property transactions to facilitate development. The EPFR can participate in the financing of these acquisitions and transactions.

The EPFR is managed by a council comprising 30 members, including 11 representatives of the Ile-de-France *Région*. The chairman of the council is appointed from amongst the representatives of the Region.

The EPFR is financially autonomous. It decides the amount of tax resources it requires and is authorised to borrow. Its tax income is a special local development tax (*taxe spéciale d'équipement*) which is added to direct local taxes (local residence tax, property tax on developed and undeveloped land) in the area covered by the EPFR.

The following table details the Region's holdings:

Name of Entity	Legal Form	Amount of Commitment
Holding of one share		
SOCIETE D'ETUDES, DE MAITRISE D'OUVRAGE ET D'AMENAGEMENT PARISIENNE	SA with a board of directors	38,112.25 €
SOCIETE D'AMENAGEMENT FONCIER ET D'ETABLISSEMENT RURAL D'ILE-DE-FRANCE	SA with a board of directors	51,405.80 €
SOCIETE D'ECONOMIE MIXTE DES HAUTS-DE-SEINE	Public/Private SA with a board of directors	914,694.10 €
SEM GENOPOLE	Public/Private SA with a board of directors	9,146,000.00 €
SOCIETE D'AMENAGEMENT ET D'EQUIPEMENT DE LA REGION PARISIENNE	Local public company	2,400,000.00 €
GENOPOLE 1ER JOUR	SA with Executive Board	1,649,992.20 €
FINANCITES	Simplified Limited Company	2,000,000.00 €
SCIENTIPOLE IDF CAPITAL	Simplified Limited Company	1,800,000.00 €
FONDS REGIONAL DE CO-INVESTISSEMENT	Single Member Simplified Limited Company	5,700,000.00 €
ILE DE FRANCE CAPITAL	SA with Executive Board	9,511,542.61 €
CAP DECISIF	Simplified Limited Company	9,838,935.00 €
SEM ENERGIES POSIT'IF	Public/Private SA with a board of directors	3,020,000.00 €
Holding of ownership units		
EQUISOL COOP CAPITAL VARIABLE	Cooperative SA with a Board of Directors	1,750,000.00 €
COPROCOOP ILE DE FRANCE	Community interest cooperative company with HLM status	599,985.00 €
CAISSE LOCALE DU CREDIT AGRICOLE MUTUEL		426,86 €
ASSOCIATION FRANCE ACTIVE	Association	15,24 €

3.3 Balance of trade and balance of payments

Not applicable.

3.4 Foreign exchange reserves

Not applicable

3.5 Financial situation and available funds

This point is addressed, with respect to income, in 3.1.1 and with respect to debt and guaranteed regional debt, in 3.2.

However, the different ratios illustrating the financial situation of the Region are discussed hereafter.

The principal analysis indicators compared

The ratios appearing below have been calculated based on the document “The Finances of the regions 2012” (as published by the Local Authorities General Directorate “DGCL” in January 2014) in relation to the 2012 administrative accounts.

The ratios highlight the special position of the Ile-de-France region.

Its local tax revenue is significantly lower than the average for other mainland regions (€58.5 per inhabitant against an average of €71.4 per inhabitant for the other regions, which is a difference of 18%). Since the tax reforms of 2010, direct taxes include the enterprise value-added contribution (CVAE) and the two flat-rate network corporation taxes allocated to regions (in other words, the IFER "telecoms" and IFER "rolling stock"), less, in the case of the Région Ile de France, the reversal levied by the national individual resources guarantee fund (FNGIR), namely 670 million euros in 2012.

In terms of operating costs, the cost per inhabitant is lower in Ile-de-France (€225 per inhabitant against an average of €264 per inhabitant for other mainland regions, which is a difference of 14.8 per cent), with personnel costs in particular more than 30.4 per cent less than those of other mainland regions (€32 per inhabitant in Ile-de-France compared to an average of €46 in the other mainland regions).

In contrast, capital expenditure per inhabitant is 13.5 per cent higher in Ile-de-France compared to the average in other regions (€163 per inhabitant in Ile-de-France compared to an average of €141 per inhabitant in the other mainland regions) which explains why the principal amount of outstanding debt in Ile-de-France is higher than in other mainland regions.

Finally, the savings rate (in other words, the proportion of operating revenue allocated to cover capital expenditure), in Ile-de-France (21.6 per cent) is lower than the savings rate in other mainland regions (23.7 per cent).

Principal indicators

	ILE DE FRANCE 2012	MAINLAND FRANCE EXCLUDING IDF 2012	WHOLE OF MAINLAND FRANCE 2012
REVENUE RATIOS			
Local taxes (euro/inhab.)	58.5	71.4	69.0
Actual operating revenue (euro/inhab.)	286	347	336
Total revenue (excl. borrowings) (euro/inhab.)	387	411	406
EXPENDITURE RATIOS			
Operating expenditure (euro/inhab.)	225	264	257
Capital expenditure (euro/inhab.)	163	141	145
Capital expenditure as percentage of overall expenditure (as %)	42.0	35.0	36.0
Personnel costs (euro/inhab.)	32	46	43
Personal costs as percentage of actual operating expenditure (as %)	14.4	17.4	16.9
INDEBTEDNESS AND SAVINGS RATIOS			
Principal amount of debt (euro/inhab.)	365	269	287
Debt annuity * (euro/inhab.)	34.0	30.0	30.0
Annuity* / operating revenue (as %)	11.7	8.6	9.1
Borrowing * / total revenue (as %)	14.0	8.6	9.6
Savings rate (as %)	21.6	23.7	23.4

Source : DGCL – "Regions' Finances 2012"

* *Excluding active debt management (refinancing operation) and excluding the adjusting entry in relation to the revolving credit facility balanced in both expenditure and revenue.*

3.6 **Revenue and expenditure**

3.6.1 **Review of the accounts**

With the various transfers of power following the successive stages of decentralisation, the budget of the Ile-de-France Region rose from €415 million approximately in 1982 to €4,771 million in the 2013 administrative account.

(a) Evolution in the expenditure structure of the Region

Up until 2005, the budget of the Ile-de-France Region was mostly allocated to capital investment. Since 2006, with the new transfers of power, operating expenditure now accounts for a greater share of the budget than capital expenditure.

Thus between 1998 and 2005, capital expenditure (excluding debt) represented, on average, 52.5% approximately of the Region's total expenditure budget. Since 2006, this fraction has decreased to 38.2 per cent on average (35.6 per cent in 2012 and 35.1 per cent in 2013).

Capital expenditure in the Ile-de-France Region, as for other regions, generally takes the form of capital grants to the prime contractors (the central government, other local authorities or state-owned corporations) except with regard to construction and fitting-out of schools and universities, where the region undertakes the majority of the capital expenditure directly.

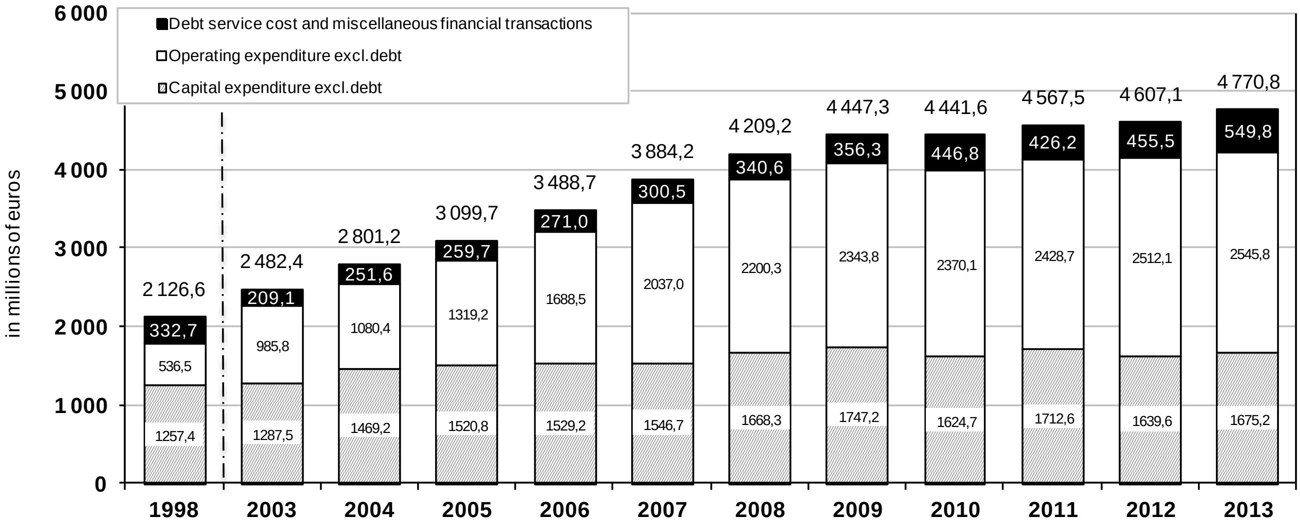
At the same time, the operating expenses (excluding debt) budget that represented on average about 35% of total expenditure from 1998 to 2005, has since 2006 accounted on average for 52.7 per cent (54.5 per cent in 2012 and 53.4 per cent in 2013). This budget includes regional expenditure for the operation of high schools, on-going vocational training, economic programmes, employment and transport.

All told, the Region's programme expenditure burden, whether for capital projects or operating expenditure (excluding expenditure of the Region as an institution), increased, rising on average from 83.4 per cent of the regional budget between 1998-2005 to 86.7 per cent over the period 2006-2013.

The Region's institutional running costs have since 2005 represented on average 4.2 per cent of the total budget, of which 2.5 per cent for personnel costs alone (personnel costs excluding High schools technical staff).

Debt service (including miscellaneous financial transactions), which represented on average about 12.5% of expenditure over the period 1998 to 2005, including finance costs relating to the METP (*Marché d'Entreprise de Travaux Publics* – M.E.T.P.) civil engineering tender process, since 2006 represents 9.1 per cent on average of the total budget.

Changes in expenditure in the administrative account



(b) Evolution in the revenue structure of the Region

Refer to 3.1.1 for the general overview.

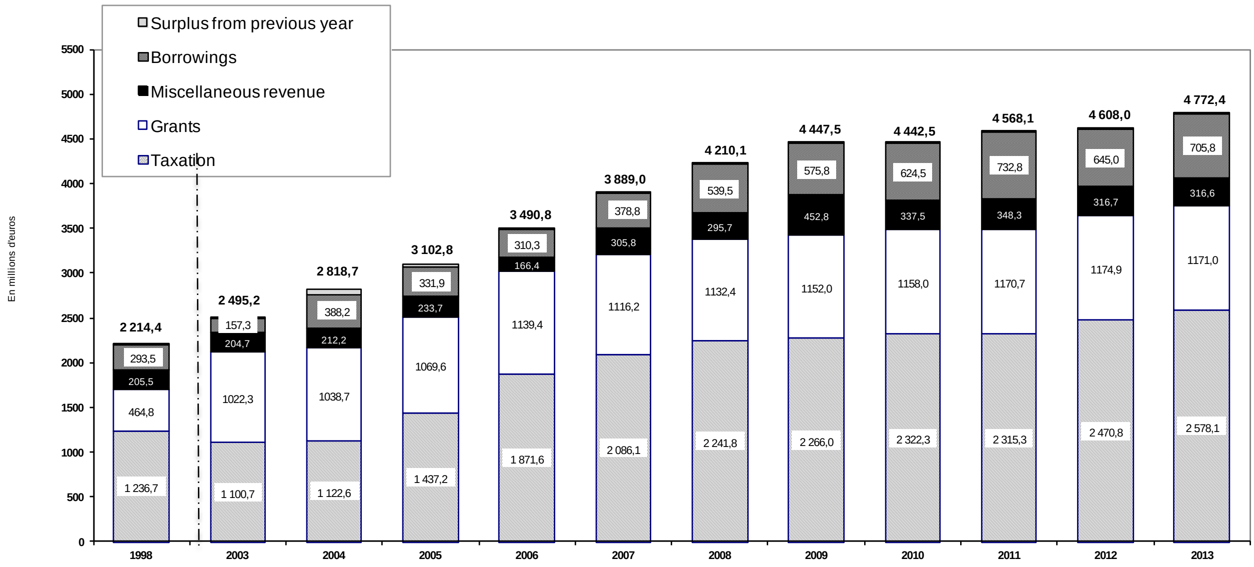
Total expenditure which, between 1998 and 2005 on average, had been financed as to 91.6 per cent from permanent revenue (revenues excluding borrowings) and 8.4 per cent from borrowings, has since 2006 been financed on average as to 86.9 per cent from permanent revenue (revenues excluding borrowings) and 13.1 per cent from borrowings.

Tax derived revenue, which today includes the enterprise value-added contribution – CVAE – and flat-rate network corporation taxes -IFER- which since 2011 have replaced the special amenities tax, vehicle registration certificate tax ("*cartes grises*"), a portion of the TICPE, contribution to the development of apprenticeships (CDA), transfer of the office space tax, office space creation duty and the supplemental local amenities tax, now represent 63.4 per cent of permanent revenue in 2013, a slight drop compared to 1998 (64.8 per cent).

However, whereas in 1998 tax revenues over which the Region had rate-setting powers represented more than half of the Region's revenue (excluding borrowings) (57.1 per cent) and more than 88 per cent of tax revenues, the power to set rates for this basket of tax revenues is now limited to the vehicle registration certificate tax and the TICPE modulation, in other words 18.4 per cent of tax revenue in 2013 and 11.7 per cent of permanent revenue.

The proportion of government grants as a percentage of overall permanent revenue has risen slightly, increasing from 24.4% of permanent revenue in 1998 to 28.8 per cent in 2013.

Changes in income in the administrative account



NB : of the amount of borrowings in 2010, 80 million euros are included to finance a provision of the same amount.

3.6.2 Recent administrative accounts

The amount of actual expenditure for the year 2013 totalled 4,770.810 million euros (excluding annual movements on the long-term credit facility balanced by revenue of an equal amount) compared to a total budget funding amount (after amending decision) of 4,821.816 million euros, i.e. an overall realization rate of 98.9 per cent indicating that expenditure was up compared to 2012 (increase of 3.6 per cent).

This actual expenditure can be broken down into:

- 1,675.227 million euros in relation to capital expenditure excluding debt (i.e. a realization rate of 99.8 per cent);
- 2,545.754 million euros in relation to operating expenditure excluding debt (i.e. a realization rate of 99.2 per cent);
- 549.829 million euros for finance cost expenses and miscellaneous financial transactions (i.e. a realization rate of 95.5 per cent).

In total, capital expenditure increased by 2.8 per cent compared to 2012, whereas operating expenditure increased by 4.1 per cent.

Three sectors by themselves represent more than two thirds of the actual expenditure:

- o The Transport-Mobility sector to which an amount of 1,398.422 million euros (29.3 per cent of total actual expenditure) was allocated;
- o The economy, employment and vocational training sector with realised expenditure in an amount of 1,073.843 million euros (22.5 per cent of the total) ;
- o The high schools sector, with total spending in an amount of 899.684 million euros (18.9 per cent of the total).

The amount of permanent revenue (revenue excluding borrowings and excluding surplus from the previous year, including interest accrued but not due) posted over the fiscal year amounted to 4,065.694 million euros, against a forecast budget (including amending decision) of 4,070.103 million euros, which is a forecast realisation rate of 99.9 per cent.

Regarding borrowings, the amounts utilised to balance the budget as regards its execution in 2013 amounted to 705.816 million euros, i.e. 94.0 per cent of the total amount allocated in the budget (750.831 million euros after the amending decision).

With income totalling 4,772.393 million euros taking into account the surplus carried over from previous years (0.883 million euros), and expenditure of 4,770.810 million euros, the 2013 financial year ended on a surplus of 1.583 million euros.

In total, gross savings (the difference between operating revenue and operating expenditure) achieved over the financial year totalled 752.761 million euros (which is a gross savings rate of 21.3 per cent) and net savings (after amortisation of debt) totalled 445.925 million euros (which is a net savings rate of 12.6 per cent).

The self-financing capacity of the Region achieved over the financial year (net savings, after redemption of debt, plus actual investment income), i.e. 970.994 million euros, was able to cover 58.0 per cent of capital expenditure. As at the end of 2013, its debt reduction capacity was 6.3 years and outstanding debt (4,730.6 million euros) represents slightly more than one year of permanent revenue (116.4 per cent).

Performance in 2013 has resulted in improved financial ratios compared to the budget voted for 2013.

As regards revenue, the tables below show the Region's actual revenue, in terms of both capital and operating revenue, for 2013.

SUMMARY TABLE

ACTUAL CAPITAL REVENUE (1)

in millions of euros

	2009	2010	2011	2012				2013			
DESCRIPTION	ACTUAL REVENUE	ACTUAL REVENUE	ACTUAL REVENUE	TOTAL VOTED BUDGET	ACTUAL REVENUE	VARIATION	REALISATION RATE	TOTAL VOTED BUDGET	ACTUAL REVENUE	VARIATION	REALISATION RATE
Tax revenue	**72,687**	**106,524**	**70,920**	**199,300**	**213,643**	**14,343**	**107,2%**	**224,297**	**229,874**	**5,577**	**102,5%**
Office space creation duty	*54,363*	*86,967*	*49,039*	*105,000*	*124,662*	*19,662*	*118,7%*	*130,000*	*139,001*	*9,001*	*106,9%*
Supplemental local amenities tax/development tax	*18,324*	*19,557*	*21,88*	*23,300*	*25,737*	*2,437*	*110,5%*	*25,397*	*23,367*	*-2,030*	*92,0%*
TICPE Grenelle				*71,000*	*63,244*	*-7,756*	*89,1%*	*68,900*	*67,507*	*-1,393*	*98,0%*
Amenities grants paid by the State	**94,089**	**96,089**	**96,089**	**96,089**	**96,089**	**0,000**	**100,0%**	**96,089**	**97,039**	**0,950**	**101,0%**
Regional schools amenities grant	*86,089*	*86,089*	*86,089*	*86,089*	*86,089*	*0,000*	*100,0%*	*86,089*	*86,089*	*0,000*	*100,0%*
Contract ("COM") for development and modernisation of apprenticeships (ex FNDMA 2nd section)	*8,000*	*10,000*	*10,000*	*10,000*	*10,000*	*0,000*	*100,0%*	*10,000*	*10,950*	*0,950*	*109,5%*
Other permanent revenue	**340,146**	**236,124**	**264,329**	**226,923**	**237,750**	**10,827**	**104,8%**	**235,038**	**211,136**	**-23,902**	**89,8%**
VAT compensation fund	*201,724*	*111,703*	*119,585*	*110,600*	*105,237*	*-5,363*	*95,2%*	*100,712*	*93,825*	*-6,887*	*93,2%*
Proceeds of police fines	*59,178*	*48,628*	*61,282*	*59,167*	*62,651*	*3,484*	*105,9%*	*64,415*	*56,447*	*-7,968*	*87,6%*
Miscellaneous	*30,355*	*30,102*	*38,847*	*13,338*	*26,044*	*12,706*	*195,3%*	*26,300*	*17,254*	*-9,047*	*65,6%*
Repayment of loans and advances	*48,889*	*45,691*	*44,614*	*43,818*	*43,818*	*0,000*	*100,0%*	*43,611*	*43,611*	*0,000*	*100,0%*
Total permanent capital revenue excluding borrowings	**506,922**	**438,737**	**431,338**	**522,312**	**547,482**	**25,170**	**104,8%**	**555,424**	**538,050**	**-17,374**	**96,9%**
Borrowings	**575,769**	**624,503**	**732,796**	**856,561**	**645,000**	**-211,561**	**75,3%**	**750,831**	**705,816**	**-45,015**	**94,0%**
Surplus from previous year	-	-	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL REVENUE	**1 082,691**	**1 063,240**	**1 164,134**	**1 378,873**	**1 192,482**	**-186,391**	**86,5%**	**1 306,255**	**1 243,866**	**-62,389**	**95,2%**

ACTUAL OPERATING REVENUE (1) and (2)

In millions of euros

DESCRIPTION	2009 ACTUAL REVENUE	2010 ACTUAL REVENUE	2010 ACTUAL REVENUE	2012 TOTAL VOTED BUDGET	2012 ACTUAL REVENUE	2012 VARIATION	2012 REALISATION RATE	2013 TOTAL VOTED BUDGET	2013 ACTUAL REVENUE	2013 VARIATION	2013 REALISATION RATE
Regional taxation	**1 013,583**	**1 029,853**	**1 039,970**	**1 045,994**	**1 052,843**	**6,849**	**100,7%**	**1 148,635**	**1 134,324**	**-14,311**	**98,8%**
of which											
TRADE	*1,006*	*0,256*	*0,183*	*0,000*	*0,070*	*0,070*	-	*0,000*	*0,071*	*0,071*	-
Tax on vehicle registration certificates	*362,241*	*358,314*	*371,244*	*360,000*	*358,035*	*-1,965*	*99,5%*	*350,000*	*333,967*	*-16,033*	*95,4%*
CVAE and IFER since 2011 and previously special amenities tax (3)	*650,336*	*671,283*	*668,543*	*685,994*	*694,738*	*8,744*	*101,3%*	*798,635*	*800,287*	*1,652*	*100,2%*
Other tax revenue:	**1 179,726**	**1 185,939**	**1 204,402**	**1 210,351**	**1 204,362**	**-5,989**	**99,5%**	**1 205,018**	**1 213,883**	**8,865**	**100,7%**
TICPE	*913,485*	*916,329*	*919,376*	*920,950*	*915,825*	*-5,125*	*99,4%*	*917,468*	*922,952*	*5,484*	*100,6%*
Contribution to the development of apprenticeships	*101,257*	*101,938*	*101,656*	*106,401*	*105,598*	*-0,803*	*99,2%*	*104,55*	*107,992*	*3,442*	*103,3%*
Repayment of office space tax	*164,984*	*167,672*	*183,370*	*183,000*	*182,939*	*-0,061*	*100,0%*	*183,000*	*182,939*	*-0,061*	*100,0%*
State grants	**1 057,936**	**1 061,953**	**1 074,650**	**1 073,546**	**1 078,813**	**5,267**	**100,5%**	**1 071,160**	**1 073,949**	**2,789**	**100,3%**
of which											
Fixed global operating grant (LFI 2004)	*731,889*	*735,578*	*734,695*	*734,695*	*734,695*	*0,000*	*100,0%*	*734,695*	*734,695*	*0,000*	*100,0%*
(General decentralisation (schools operating) grant	*8,519*	*8,519*	*8,519*	*8,519*	*8,519*	*0,000*	*100,0%*	*8,519*	*8,519*	*0,000*	*100,0%*
Vocational training decentralisation grant	*115,749*	*116,856*	*116,856*	*116,855*	*116,856*	*0,001*	*100,0%*	*116,855*	*116,856*	*0,001*	*100,0%*
Apprentice fixed indemnity transfer compensation	*118,915*	*118,915*	*119,034*	*118,915*	*119,006*	*0,091*	*100,1%*	*119,007*	*119,006*	*-0,001*	*100,0%*
Payment by CAS FNDMA (ex FNDMA 1st section)	*23,900*	*25,700*	*26,797*	*24,542*	*27,831*	*3,289*	*113,4%*	*26,797*	*27,670*	*0,873*	*103,3%*
Contract ("COM") for the development and modernisation of apprenticeships (ex FNDMA 2nd section)	*45,000*	*43,000*	*55,850*	*58,000*	*60,000*	*2,000*	*103,4%*	*55,000*	*56,144*	*1,144*	*102,1%*
Compensation for salary element of business tax	*6,439*	*5,902*	*5,464*	-	-	-	-	-	-	-	-
Compensation for exemptions on developed land tax and habitation tax	*7,525*	*7,483*	*7,436*	-	-	-	-	-	-	-	-
Grant for loss of compensation for direct local tax	-	-	-	*12,020*	*11,906*	*-0,114*	*99,1%*	*10,287*	*11,060*	*0,773*	*107,5%*
Other revenue	**109,254**	**100,071**	**82,735**	**90,148**	**80,143**	**-10,005**	**88,9%**	**90,098**	**106,719**	**16,621**	**118,4%**
Interest on loans and advances	*15,822*	*12,328*	*8,799*	*5,534*	*8,621*	*3,087*	*155,8%*	*5,818*	*5,426*	*-0,392*	*93,3%*
Investment income	*36,232*	*31,315*	*31,398*	*32,268*	*35,273*	*3,005*	*109,3%*	*25,304*	*27,140*	*1,836*	*107,3%*
European Social Fund payments	*0,000*	*13,786*	*4,639*	*10,000*	*0,000*	*-10,000*	*0,0%*	*11,576*	*11,992*	*0,416*	*103,6%*
Contribution of families of high school students to catering and accommodation services	*21,296*	*22,018*	*23,488*	*24,100*	*19,550*	*-4,550*	*81,1%*	*24,100*	*23,367*	*-0,733*	*97,0%*
Miscellaneous	*35,904*	*20,624*	*14,412*	*18,246*	*16,699*	*-1,547*	*91,5%*	*23,300*	*38,794*	*15,494*	*166,5%*
ANDI	**3,431**	**1,342**	**1,214**	***-0,010***	**-1,144**	**-1,134**	**-**	***-0,232***	**-1,231**	**-0,999**	**-**
Total permanent operating revenue excluding surplus, including ANDI	**3 363,930**	**3 379,157**	**3 402,971**	**3 420,029**	**3 415,016**	**-5,013**	**99,9%**	**3 514,679**	**3 527,644**	**12,965**	**100,4%**
Surplus from previous year	0,919	0,203	0,973	0,474	0,474	0,000	**100,0%**	0,883	0,883	0,000	**100,0%**
TOTAL OPERATING REVENUE	**3 364,849**	**3 379,360**	**3 403,944**	**3 420,503**	**3 415,491**	**-5,01**	**99,9%**	**3 515,562**	**3 528,527**	**12,965**	**100,4%**
OVERALL TOTAL	**4 447,540**	**4 442,601**	**4 568,078**	**4 799,376**	**4 607,974**	**-191,403**	**96,0%**	**4 821,817**	**4 772,393**	**-49,425**	**99,0%**

(1) Excluding accounting entries relating to the operation of the long-term variable-rate credit facility

(2) Revenue net of the value added cap in 2009 and 2010 (54.959M€). As from 2011, net of FNGIR levy and since 2013 net of CVAE rebalancing levy ; since 2005, actual operating revenue includes the payment of proceeds of the office space tax (ex FARIF).

(3) The proceeds of the Special Amenities Tax pre-2010 have been completely reclassified as operating revenue, as was the case in the other regions. Including additional roles.

As regards expenditure, the tables below show the Region's actual expenditure per sector, in terms of both capital and operating expenditure.

SUMMARY TABLE - ACTUAL CAPITAL EXPENDITURE (PAYMENT CREDITS - 2013 Execution)

in millions of euros

	2012					2013					Change in AA 2013/ AA 2012	
SECTORS	IB	TOTAL VOTED BUDGET	ACTUAL EXPENDITURE	VARIATION/IB	IB Realisation Rate	IB	TOTAL VOTED BUDGET	ACTUAL EXPENDITURE	VARIATION/IB	IB Realisation Rate	In M€	as %
INSTITUTIONAL FACILITIES	24,95	24,95	22,02	-2,94	*88,2%*	22,65	20,40	19,57	-3,08	*86,4%*	-2,45	-11,1%
Of which: Estate and assets and general services	*18,87*	*18,87*	*17,15*	*-1,72*	*90,9%*	*17,40*	*15,34*	*14,95*	*-2,45*	*85,9%*	*-2,20*	-12,8%
- Communication	*0,58*	*0,58*	*0,32*	*-0,26*	*55,0%*	*0,50*	*0,31*	*0,21*	*-0,29*	*42,9%*	*-0,10*	*-32,1%*
- IT services	*5,51*	*5,51*	*4,55*	*-0,96*	*82,6%*	*4,75*	*4,75*	*4,40*	*-0,35*	*92,7%*	*-0,15*	*-3,3%*
INTERNATIONAL AND EUROPEAN PROGRAMMES	3,80	3,80	3,64	-0,16	95,8%	4,00	1,92	1,64	-2,36	41,0%	-2,00	-54,9%
CITIZENSHIP	-	0,03	0,00	0,00	-	-	-	-	0,00	-	-0,00	-100,0%
SECONDARY EDUCATION	480,40	387,23	331,61	-148,79	69,0%	381,24	370,71	370,60	-10,64	97,2%	+ 38,99	11,8%
HIGHER EDUCATION	54,00	54,00	41,91	-12,09	77,6%	52,40	40,55	40,49	-11,91	77,3%	-1,42	-3,4%
TOURISM	2,70	4,71	3,92	1,22	145,3%	3,50	2,34	2,26	-1,24	64,5%	-1,67	-42,5%
SPORT AND LEISURE	27,30	36,79	36,79	9,49	134,7%	34,60	34,80	34,60	0,00	100,0%	-2,19	-6,0%
HEALTH AND SOCIAL DEVELOPMENT	54,56	60,71	60,39	5,82	110,7%	54,80	51,03	51,03	-3,77	93,1%	-9,36	-15,5%
Of which: Sanitation and social training	*1,18*	*1,18*	*1,04*	*-0,13*	*88,6%*	*2,45*	*0,43*	*0,43*	*-2,02*	*17,6%*	-0,61	-58,6%
TRANSPORT AND MOBILITY	535,99	605,23	605,00	69,01	112,9%	546,20	630,79	631,66	85,46	115,6%	+ 26,66	4,4%
Of which: Public transport	*351,60*	*440,55*	*440,55*	*88,95*	*125,3%*	*390,20*	*504,21*	*504,21*	*114,01*	*129,2%*	*+ 63,66*	*14,5%*
- Mobility	*169,39*	*143,78*	*143,66*	*-25,74*	*84,8%*	*144,00*	*118,48*	*119,35*	*-24,65*	*82,9%*	*-24,30*	*-16,9%*
- Dedicated route freight transportation	*15,00*	*20,90*	*20,80*	*5,80*	*138,6%*	*12,00*	*8,10*	*8,10*	*-3,90*	*67,5%*	*-12,70*	*-61,1%*
SECURITY	15,13	12,86	12,10	-3,03	80,0%	14,15	15,99	15,24	1,09	107,7%	+ 3,14	25,9%
TOWN PLANNING	34,00	51,50	51,27	17,27	150,8%	53,00	60,00	59,73	6,73	112,7%	+ 8,46	16,5%
HOUSING	180,40	157,90	155,11	-25,29	86,0%	152,30	138,21	137,93	-14,37	90,6%	-17,18	-11,1%
VOCATIONAL TRAINING, APPRENTICESHIP, EMPLOYMENT	31,28	31,28	24,02	-7,26	76,8%	22,45	23,41	22,79	0,34	101,5%	-1,23	-5,1%
of which: vocational training	*0,45*	*0,45*	*0,19*	*-0,26*	*42,9%*	*0,45*	*0,45*	*0,35*	*-0,10*	*77,9%*	*+ 0,16*	*81,4%*
- Apprenticeship	*30,00*	*30,00*	*23,60*	*-6,40*	*78,7%*	*21,90*	*22,86*	*22,38*	*0,48*	*102,2%*	*-1,22*	*-5,1%*
- Employment	*0,83*	*0,83*	*0,23*	*-0,60*	*27,3%*	*0,10*	*0,10*	*0,05*	*-0,05*	*53,8%*	*-0,17*	*-76,2%*
CULTURE	21,75	20,55	20,17	-1,58	92,7%	23,25	29,77	29,75	6,50	127,9%	+ 9,58	47,5%
DEVELOPMENT	67,60	78,86	78,49	10,89	116,1%	74,60	83,75	83,00	8,40	111,3%	+ 4,51	5,7%
INTER-REGIONAL COOPERATION	3,20	0,70	0,45	-2,75	14,1%	0,40	0,65	0,65	0,25	161,9%	+ 0,20	43,1%
ENVIRONMENT - AGRICULTURE - ENERGY	76,64	85,16	84,45	7,81	110,2%	79,05	70,90	70,58	-8,47	89,3%	-13,86	-16,4%
ECONOMIC DEVELOPMENT, INNOVATION, ITC	90,53	88,52	76,33	-14,20	84,3%	82,25	73,65	73,31	-8,94	89,1%	-3,02	-4,0%
of which: Economic development	*58,53*	*56,52*	*50,27*	*-8,25*	*85,9%*	*49,95*	*45,56*	*45,56*	*-4,39*	*91,2%*	*-4,71*	*-9,4%*
- Innovation	*25,50*	*25,50*	*20,93*	*-4,57*	*82,1%*	*23,80*	*21,74*	*21,39*	*-2,41*	*89,9%*	*+ 0,46*	*2,2%*
- Information and communication technologies	*6,50*	*6,50*	*5,13*	*-1,37*	*78,9%*	*8,50*	*6,36*	*6,36*	*-2,14*	*74,8%*	*+ 1,23*	*24,1%*
RESEARCH	32,00	32,00	31,95	-0,05	99,8%	30,25	30,25	30,42	0,17	100,6%	-1,53	-4,8%
TOTAL ACTUAL EXPENDITURE (excluding financial items)	**1 736,23**	**1 736,77**	**1 639,59**	**-96,64**	**94,4%**	**1 631,09**	**1 679,11**	**1 675,23**	**44,13**	**102,7%**	**+ 35,63**	**2,2%**
DEBT AND OTHER FINANCIAL TRANSACTIONS	*295,00*	*310,00*	*300,42*	5,42	101,8%	322,00	321,80	319,82	-2,18	99,3%	+ 19,39	6,5%
TOTAL ACTUAL CAPITAL EXPENDITURE	***2 031,23***	***2 046,77***	***1 940,02***	**-91,22**	**95,5%**	**1 953,09**	**2 000,91**	**1 995,04**	**41,95**	**102,1%**	**+ 55,03**	**2,8%**

SUMMARY TABLE - ACTUAL OPERATING EXPENDITURE (PAYMENT CREDITS - 2013 Execution)

in millions of euros

	2012					2013					Change in AA 2013/AA 2012	
SECTORS	IB	TOTAL VOTED BUDGET	ACTUAL EXPENDITURE	VARIATION/IB	IB Realisation Rate	IB	TOTAL VOTED BUDGET	ACTUAL EXPENDITURE	VARIATION/IB	IB Realisation Rate	In M€	as %
REGIONAL INSTITUTIONAL OPERATIONS (excl. HSO)	178,83	178,72	171,87	-6,96	96,1%	178,80	183,30	180,53	1,73	101,0%	+ 8,66	5,0%
Estate and assets, general services and communication	61,60	61,49	56,32	-5,28	91,4%	59,56	59,52	57,88	-1,68	97,2%	+ 1,56	2,8%
- Estate and assets	43,32	42,94	39,48	-3,84	91,1%	41,89	41,85	40,20	-1,69	96,0%	+ 0,72	1,8%
- Communication	13,65	13,54	12,06	-1,59	88,4%	12,90	12,90	12,90	0,00	100,0%	+ 0,84	6,9%
- IT services	4,63	5,01	4,77	0,15	103,2%	4,77	4,77	4,77	0,00	100,0%	-0,00	-0,1%
Head office agents and elected officials group	117,23	117,23	115,56	-1,68	97,4%	119,24	123,78	122,65	3,41	102,9%	+ 7,10	6,1%
PERSONNEL AND HUMAN RESOURCES	404,56	405,03	402,31	-2,25	99,4%	414,80	418,23	415,58	0,78	100,2%	+ 13,27	3,3%
Of which : - Head office agents and elected officials group	117,23	117,23	115,56	-1,68	98,6%	119,24	123,78	122,65	3,41	102,9%	+ 7,10	6,1%
- High school officials (HSO)	287,33	287,80	286,75	-0,57	99,8%	295,56	294,45	292,93	-2,63	99,1%	+ 6,17	2,2%
INTERNATIONAL AND EUROPEAN PROGRAMMES	5,62	5,91	3,86	-1,75	68,8%	6,01	5,27	4,66	-1,35	77,5%	+ 0,79	20,6%
CITIZENSHIP	5,96	6,06	3,69	-2,27	61,9%	5,39	5,10	4,69	-0,70	87,1%	+ 1,01	27,3%
SECONDARY EDUCATION	536,56	537,03	529,50	-7,06	98,7%	536,17	532,70	529,08	-7,08	98,7%	-0,41	-0,1%
Of which : - Secondary education excluding HSO	249,23	249,23	242,74	-6,49	97,4%	240,61	238,25	236,16	-4,45	98,2%	-6,58	-2,7%
- High school officials (HSO)	287,33	287,80	286,75	-0,57	99,8%	295,56	294,45	292,93	-2,63	99,1%	+ 6,17	2,2%
HIGHER EDUCATION	10,22	9,06	8,96	-1,26	87,7%	9,41	10,11	9,88	0,48	105,1%	+ 0,92	10,3%
TOURISM	26,63	26,63	26,48	-0,15	99,5%	24,60	20,92	20,91	-3,69	85,0%	-5,57	-21,0%
SPORT AND LEISURE	10,29	10,29	9,16	-1,12	89,1%	10,06	9,38	9,18	-0,87	91,3%	+ 0,02	0,2%
HEALTH AND SOCIAL DEVELOPMENT	181,94	181,94	178,51	-3,43	98,1%	183,90	183,56	181,98	-1,91	99,0%	+ 3,47	1,9%
Of which : - Sanitation and social training	169,78	169,78	168,52	-1,26	99,3%	172,49	172,49	171,04	-1,45	99,2%	+ 2,52	1,5%
TRANSPORT AND MOBILITY	757,79	754,17	748,38	-9,42	98,8%	770,31	766,78	766,76	-3,55	99,5%	+ 18,39	2,5%
SECURITY	4,58	4,58	2,67	-1,91	58,3%	4,70	4,70	3,65	-1,05	77,7%	+ 0,98	36,8%
TOWN PLANNING	6,35	6,35	5,52	-0,83	86,9%	6,10	6,10	5,67	-0,43	92,9%	+ 0,15	2,8%
HOUSING	1,74	1,74	0,88	-0,86	50,6%	1,25	1,25	1,06	-0,19	85,0%	+ 0,18	21,1%
VOCATIONAL TRAINING AND APPRENTICESHIP	628,67	637,61	635,56	6,89	101,1%	647,30	641,60	635,48	-11,82	98,2%	-0,08	0,0%
Of which : - Services in common	8,18	8,15	7,46	-0,72	91,2%	8,62	8,62	8,45	-0,17	98,1%	+ 0,99	13,3%
- Vocational training	257,33	251,03	251,03	-6,31	97,5%	262,38	254,73	253,08	-9,30	96,5%	+ 2,06	0,8%
- Apprenticeship	326,80	342,07	342,07	15,27	104,7%	334,65	341,60	341,38	6,73	102,0%	-0,69	-0,2%
- Employment	36,36	36,36	35,00	-1,36	96,3%	41,65	36,65	32,55	-9,09	78,2%	-2,45	-7,0%
CULTURE	60,59	62,61	59,28	-1,32	97,8%	59,21	61,89	61,80	2,59	104,4%	+ 2,52	4,3%
DEVELOPMENT	31,97	31,51	29,83	-2,14	93,3%	29,86	30,83	30,67	0,81	102,7%	+ 0,83	2,8%
ENVIRONMENT - AGRICULTURE - ENERGY	33,26	33,72	31,15	-2,11	93,7%	34,22	33,24	32,17	-2,05	94,0%	+ 1,02	3,3%
ECONOMIC DEVELOPMENT, EMPLOYMENT	42,10	40,87	40,27	-1,83	95,6%	43,40	43,29	40,65	-2,75	93,7%	+ 0,38	0,9%
Of which : - Economic Development	28,96	27,93	27,87	-1,09	96,2%	30,15	30,04	27,71	-2,44	91,9%	-0,16	-0,6%
- Innovation	10,05	9,85	9,56	-0,49	95,1%	10,10	10,10	10,05	-0,05	99,5%	+ 0,49	5,2%
- IT and communication technologies	3,09	3,09	2,84	-0,25	92,0%	3,15	3,15	2,89	-0,26	91,6%	+ 0,04	1,5%
RESEARCH	20,49	26,50	26,50	6,01	129,3%	21,21	26,21	26,20	4,99	123,5%	-0,31	-1,2%
TOTAL ACTUAL EXPENDITURE (excluding financial items)	**2 543,58**	**2 555,30**	**2 512,07**	**-31,51**	**98,8%**	**2 571,87**	**2 566,20**	**2 545,75**	**-26,11**	**99,0%**	**+ 33,69**	**1,3%**
DEBT AND OTHER FINANCIAL TRANSACTIONS	197,31	197,31	155,01	-42,30	78,6%	204,97	253,97	230,01	25,04	112,2%	+ 75,01	48,4%
TOTAL ACTUAL OPERATING EXPENDITURE	**2 740,89**	**2 752,61**	**2 667,07**	**-73,81**	**97,3%**	**2 776,84**	**2 820,17**	**2 775,77**	**-1,07**	**100,0%**	**+ 108,69**	**4,1%**

3.6.3 **The 2015 budget**

The 2015 initial budget (IB) was adopted on 19 December 2014.

Faced with a continuing fragile economic outlook in 2015, the Region Ile-de-France fully intends to pursue its policy priorities: protect the most vulnerable, who are the first victims of the crisis and fight to reduce inequality; continue reorientating growth towards a more ecologically and socially sustainable model of development which creates long-term jobs; invest to improve today the daily lives of *Franciliens* and prepare for the future.

In 2015, the Region Ile-de-France shall continue to assume its responsibilities, to promote balanced and shared growth and continue to act as a social shield against the crisis, with the following objectives:

- continued efforts towards investing in structural infrastructure; this effort shall focus on the Region's priority areas of authority, in particular in the Transport sector, where investment is at record levels;

- maintaining a proactive budget for youth, employment and supporting the regional economy;

- robust and targeted regional interventions in other areas of regional authority, in particular promotion of ecological and social transition;

- continued rigorous and prudent management and control over regional administration operating expenditure.

(c) The main provisions of the 2015 budget

The initial budget (IB) amounted to 4,949.43 million euros, an increase of 3.6 per cent compared to the 2014 IB (4,777.40 million euros). This increase incorporates the transfer to the Region of european funds management for the period 2014-2020 (37.36 million euros).

In terms of expenditure, the breakdown is as follows:

- 2,155.47 million euros for the capital budget, of which 1,688.92 million euros for capital expenditure and excluding debt and miscellaneous financial transactions;

- 2,793.96 million euros for the operating budget, of which 2,636.66 million euros for operating expenditure excluding debt and miscellaneous financial transactions.

The total amount of payment credits for debt service costs and miscellaneous financial transactions amounts to 623.85 million euros, of which 595.85 million euros for debt service alone.

The amounts for programme authorisations (PA) and commitment authorisations (CA) were fixed respectively for 2015 at 2,337.02 million euros for capital programme authorisations and 2,315.32 million euros for operating commitment authorisations.

In terms of sources of funds, permanent revenue (revenue excluding borrowings) entered in the IB for 2015 amounts to 4,093.63 million euros, which is an increase of 2.0 per cent compared to the 2014 IB. Borrowing limits were set at 855.80 million euros, an increase of 12.3 per cent compared to the 2014 IB.

The gross savings rate[1] in the IB 2015 is at around 18.6 per cent, with a net savings rate[2] of 5.7 per cent and a self-financing rate[3] of 49.3 per cent.

[1] Gross savings rate = [Operating revenue– operating expenditure] / Operating revenue.

[2] Net savings rate = [Gross savings – repayment of debt) / Operating revenue.

[3] Self-financing rate = [Net savings + Actual capital revenue) / Capital expenditure excluding debt.

The 2015 budget balance is as follows:

2015 BUDGET MAIN ITEMS

(in millions of euros)

	AA 2013	IB 2014	INITIAL BUDGET 2015		CHANGE 2014-2015 AS %
REVENUE					
PERMANENT REVENUE	**4,066.57**	**4,015.32**	**4,093.63**	**82.7%**	**2.0%**
DIRECT TAXATION (1)	800.29	632.68	782.07		23.6%
OTHER TAX REVENUE INCLUDING TICPE (2)	1,777.80	1,945.09	2,217.54		14.0%
STATE GRANTS	1,170.99	1,006.12	733.01		-27.1%
MISCELLANEOUS REVENUE (3)	317.49	431.43	361.01		-16.3%
BORROWINGS	**705.82**	**762.08**	**855.80**	**17.3%**	**12.3%**
TOTAL REVENUE	**4,772.39**	**4,777.40**	**4,949.43**	**100%**	**3.6%**
EXPENDITURE					
OPERATING EXPENDITURE (4)	**2,775.77**	**2,753.93**	**2,793.96**	**56.5%**	**1.5%**
OPERATING EXPENDITURE EXCL. DEBT	2,545.76	2,600.62	2,636.66		1.4%
OF WHICH SECTORAL OPERATING EXPENDITURE	*2,365.23*	*2,412.31*	*2,444.93*		1.4%
OF WHICH REGIONAL INSTITUTIONAL OPERATING EXPENDITURE	*180.53*	*188.31*	*191.73*		1.8%
DEBT SERVICE COST (5)	229.94	150.67	154.30		2.4%
OTHER FINANCIAL TRANSACTIONS	0.07	2.64	3.00		13.6%
CAPITAL EXPENDITURE	**1,995.04**	**2,023.47**	**2,155.47**	**43.5%**	**6.5%**
AMENITIES EXCL. DEBT	1,675.23	1,640.47	1,688.92		3.0%
OF WHICH SECTORAL AMENITIES	*1,655.66*	*1,624.47*	*1,677.72*		3.3%
OF WHICH REGIONAL INSTITUTIONAL AMENITIES	*19.57*	*16.00*	*11.20*		-30.0%
DEBT SERVICE COST (6)	306.84	367.00	441.56		20.3%
OTHER FINANCIAL TRANSACTIONS	12.98	16.00	25.00		56.3%
TOTAL EXPENDITURE	**4,770.81**	**4,777.40**	**4,949.43**	**100%**	**3.6%**
YEAR-END CUMULATIVE RESULT	**1.58**				
PROGRAMME AUTHORISATIONS	**1,678.83**	**2,409.46**	**2,337.02**	**-3.0%**	
COMMITMENT AUTHORISATIONS	**2,234.74**	**2,253.34**	**2,315.32**	**2.8%**	

(1) IFER and CVAE net of FNGIR and CVAE rebalancing.

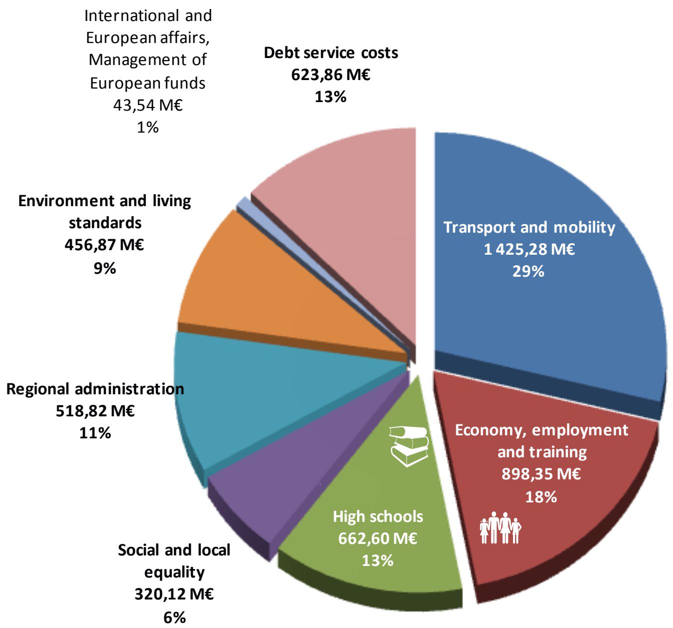
(2) Tax on vehicle registration certificates, TRADE, office space creation tax, development tax, office space tax, contribution to the development of apprenticeships (up to 2014), TICPE and local direct tax management expense ; regional revenue for apprenticeship (RRA) and new NGP revenues as from 2015.

(3) Including cash flow on swaps and including interest accrued but not due (ANDI) impact and reprise of year-end cumulative result.					
(4) Excluding CVAE rebalancing and FNGIR levies.					
(5) Including finance costs and ANDI impact.					
(6) Excluding movements on long-term revolving credit facilities (cash management and refinancing transactions).					

(d) Forecast expenditure in the 2015 budget

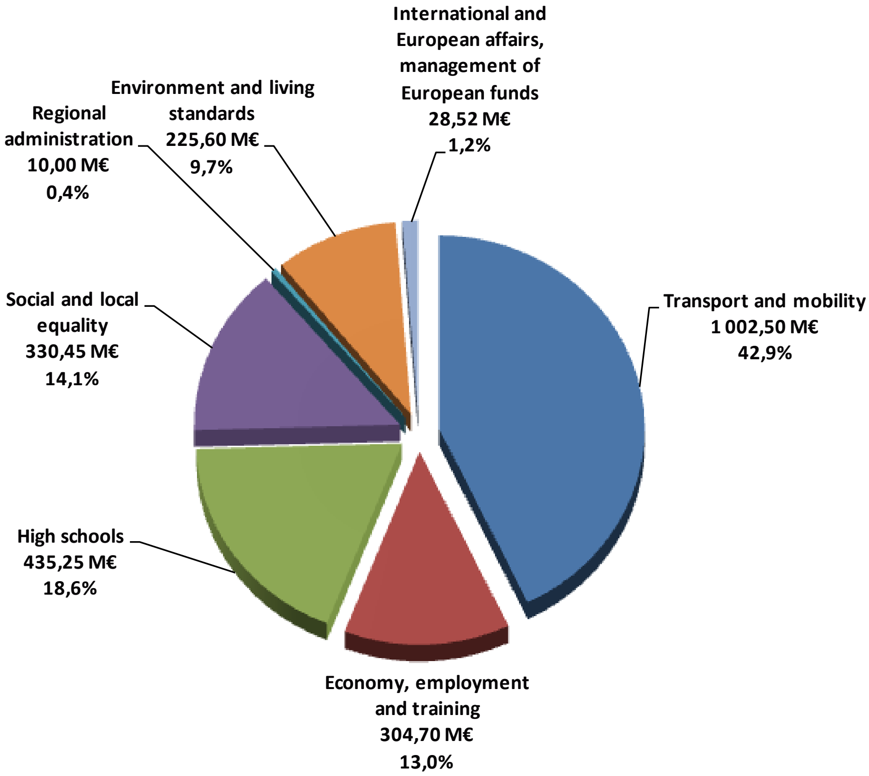
Sectoral expenditure distribution by payment credits (4,949.43 million euros) is as follows:

Distribution of payment credits by sector

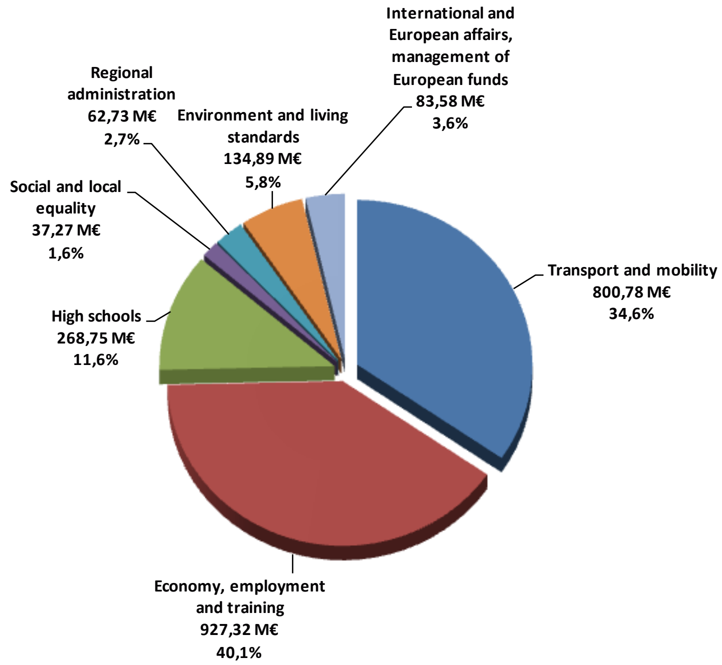


Expenditure on transport, high schools, the economy, employment and training represent 60 per cent of total expenditure.

Programme authorisations (2,337.02 million euros) are split as follows:


International and European affairs, management of European funds 28,52 M€ 1,2%
Environment and living standards 225,60 M€ 9,7%
Regional administration 10,00 M€ 0,4%
Social and local equality 330,45 M€ 14,1%
Transport and mobility 1 002,50 M€ 42,9%
High schools 435,25 M€ 18,6%
Economy, employment and training 304,70 M€ 13,0%

Commitment authorisations (2,315.32 millions d'euros) are split as follows: *[*see excel tables for translation]***



- **Continued regional structural investment efforts**

A new phase in daily transport and mobility

The modernisation of public transport, widening of public services and improvement of their efficiency are some of the region's main priorities. The Region has decided to meet these challenges by taking over the management of the STIF, by adopting with the State and the *départements* a policy of massive investment and by working towards fairer and solidarity-oriented pricing.

In 2015, the Region intends to continue its efforts already promised for public transport and mobility. The amount of appropriations provided in the budget (1,002.5 million euros in programme authorisations (PA) and 624.5 million euros in capital investment payment credits (IPC), up by almost 14 per cent compared to 2014), also reflects the high degree of advancement of projects planned and committed to by the Region since 2013 for the New Grand Paris, similarly to the programmes included in the projects contract, and confirms the priority afforded to the top regional intervention budget.

In addition to paying the regional contribution to the STIF budget (634.16 million euros), the operating budget, of 800.78 million euros in commitment authorisations (CA) and operating payment credits (OPC), will help to finance the solidarity-oriented pricing measures and, together with the *départements*, to finance transport equipment adapted for persons of reduced mobility.

Continued efforts to improve high school facilities

The 2015 budget (435.25 million euros in PA and 402.75 million euros in IPC) reflects the continued efforts undertaken in the construction, renovation, upkeep and equipment of high schools. This budget will enable the launch of several large-scale projects entered in the 2012-2022 Multi-annual Investment Programme, aiming to meet demographic demand, increase the diversity and versatility of school establishments and meet asset requirements.

Support for higher education

With a budgetary allocation in 2015 of 69.00 million euros in PA and 6.56 million euros in CA, as well as 46.56 million euros in PC, the Région Île-de-France confirms, against a background of budgetary constraint, significant efforts to support the region's higher education providers, in particular through supporting structural projects for the region's university community (particularly the real estate projects included in the State-Region planning contracts - CPER) and continuing measures to assist in the democratisation of higher education and the improvement of students' study and living conditions.

Support for planning, development and housing policy

– Regional planning and development policy

The 2015 planning and development budget affirms the Region's desire to remain a strong local authority partner, to pursue current commitments and prepare for the future, with, in the capital budget, 114.50 million euros in PA and 81.50 million euros in IPC, and, in the operating budget, 28.04 million euros in CA and OPC. These allocations should enable implementation of the Region Ile-de-France master plan (SDRIF) approved on 27 December 2013 to be accelerated, and the current CPER 2007-2013 measures, in particular for the Grand Project 3 "Increasing the Ile-de-France’s attractiveness" to be finalised.

– Housing policy

With an allocation, in the capital budget, of 162.50 million euros in PA and 131.50 million euros in IPC, the housing budget reflects the renewal of regional efforts focused on two main policy priorities which are promoting the supply of new housing and assisting tothe improvement of existing housing stock. For the operating budget, the funding proposed for 2015, of 0.88 million euros in CA and 0.98 million euros in OPC, shall be allocated towards various partnerships established by the Region.

- **Maintaining a proactive budget for youth, employment and support for the regional economy**

Support for young "Franciliens", secondary education and apprenticeships

– Support for the Region’s high school students

The secondary education operating budget, of 268.75 million euros in CA and 259.85 million euros in OPC, corresponding to the high schools global operating endowment, the reform of which commenced in 2012 shall be continued in order to improve fairness and solidarity between high schools, the transparency of endowments and energy management policy, through taking over direct management of energy supply and maintenance of gas heating facilities.

Beyond this, against a very difficult economic background for families, the social assistance measures budget, which has increased greatly, aims to ensure that the reform of school canteen pricing, taking the "family quotient" into account, is rolled out in public high schools in Seine-et-Marne and the Val-de-Marne as from September 2015, having been implemented in the public high schools of Seine-Saint-Denis and Val-d’Oise.

– Regional apprenticeship policy

Although the number of apprentices at national level and, to a lesser extent, in Ile-de-France is falling, the Region, propped up in its role piloting apprenticeships by the law of 5 March, shall in 2015 devote 37.3 million euros in PA, 307.1 million euros in CA and 317 million euros in PC to this policy area.

The Region shall, in 2015, maintain its support for apprentice training centres (ATC). Furthermore, this budget incorporates the effects of the entry into force of the new employers’ premium reserved for enterprises with less than 11 employees.

Increased commitment to professional training and employment support

– Increase in regional powers in the area of professional training and continued positive action in support of employment

In the area of professional training, with an overall budget of 286.61 million euros in PA and in CA and 273.96 million euros in PC, the Region intends to continue its efforts towards developing the availability of training as closely matched as possible to local needs and those of *Franciliens*. The aim of this budget is to implement the powers transferred by the law of 5 March 2014 on professional training, employment and social democracy, which confers on regions new duties to assist with validating acquired experience (VAE), the responsibility for training aimed at enabling jobseekers and those in workforce reintegration to gain a grounding in knowledge and skills, the training of prisoners and the duty to remunerate all trainees with disabilities in training schemes at Professional Reeducation Centres.

The Region continues its commitment towards employment, above and beyond its mandatory areas of authority, by devoting 53.69 million euros in CA and 38.55 million euros in PC to financing or cofinancing programmes such as Springboard Jobs, Jobs of the future or integration through economic activity.

– A significant effort for health and social training and support for the most vulnerable students

In 2015; the Region shall continue its efforts to support the most employment-generating sectors, and in particular the health and social sector which offers real opportunities for developing sustainable and non-relocatable employment in the Region. Thus, the endowment for health and social training amounts, in the operating budget, to 178.08 million euros in CA and PC, and, in the capital budget, to 2.80 million euros in PA and 3.00 million euros in PC.

- **Support for regional businesses and regional economic development**

This support takes the form ofdevelopment and development of innovation, tourism and research.

Economic development and innovation policy

With 157.30 million euros in PA, 46.34 million euros in CA and 115.94 million euros in PC, the aim of the 2015 budget is to further the implementation of the Regional Economic Development and Innovation Strategy (REDIS) adopted in 2011. The Region shall, in particular, continue to finance and support the creation and financing of new businesses, support the development of digital networks, schemes to promote innovation, assistance for SME and support for the social and solidarity-oriented economy.

Tourism policy

As regards tourism, the 2015 budget of 5.00 million euros in PA, 21.00 million euros in CA and 24.50 million euros in PC, aims to support the development of tourism business and, in particular, in the capital budget, to help finance structural projects that are of regional interest and also create jobs, and, in the operating budget, to consolidate resources developed to promote marketing (Regional Tourism Committee) and tourist welcoming facilities (Tourist information points in Charles-de-Gaulle and Orly airports, Versailles and Disneyland).

Continued support for employment and scientific equipment

The 2015 budget devoted to research (52.90 million euros in PA and in CA and 51.90 million euros in PC), will enable the Region to continue in its efforts to support laboratory equipment and jobs in science, under conditions of uncertainty in terms of employment for young researchers in particular.

- **Robust and targeted regional intervention in other spheres of regional authority**

In addition, the Region shall in 2015 pursue its environmental policy (113.60 million euros in PA, 39.76 million euros in CA and 98.66 million euros in PC) which is a core part of its strategy for ecological and social transformation undertaken by the Region and which helps meet the challenges of climate change, energy management, protection of biodiversity and promotion of a sustainable agriculture model.

It shall also continue its targeted efforts in the sector of health and social development, above and beyond its mandatory responsibilities in health and social training, by focusing its action around two major priorities: environmental health and access to healthcare, and support for social development (initiatives to help the most vulnerable in society).

It shall also continue its cultural initiatives (support for the construction and development of places for cultural performance and creativity, support for the cinema, the audiovisual arts, stage and street artistic creation and performance, policy for the written word, regional heritage enhancement policy), in support of sport and leisure (investment in the *Iles de Loisirs*, assistance towards the access to holidays and leisure activities, contribution to the development and renovation of sporting facilities), in the area of safety (improved safety measures in high schools, regional buildings, transport, supporting the local presence of the police force in the region's territory) and in terms of international initiatives (involvement of the Region alongside its partners in priority cooperation zones and supporting sponsors of international cooperation and solidarity projects).

Finally, the year 2015 was significant for the transfer to the regions of management of a large part of the European structural funds 2015-2020, previously the responsibility of the State and which constitutes a new phase in decentralisation by conferring to the regions new powers and increased resources to promote competitiveness, growth and employment in their territory.

(c) Revenue entered in the 2015 budget

Permanent revenue entered in the 2015 budget totals 4,093.63 million euros, an increase of 2.0 per cent compared to the amount entered in the 2014 budget.

This total comprises an amount of almost 3 billion euros in tax revenue, 733 million euros in State endowments and, for the remainder, miscellaneous revenue items.

Total anticipated proceeds from tax revenue amount to 2,999.61 million euros, after rebalancing, which is an increase of 16.4 per cent in 2015. This increase can be explained, in respect of one third, by the allocation of two new tax revenues specific to Ile-de-France (the annual special additional tax and the annual tax on parking spaces[1]) known as "New Grand Paris - NGP" revenue (140 million euros) to be employed in the capital budget towards financing Grand Paris Transport. The increase can also be explained, in

[1] Article 77 of the 2015 finance law.

respect of approximately 40 per cent, by the allocation of new tax revenues earmarked for apprenticeship (+163.5 million euros) in replacement of endowments. Indeed, apprenticeship financing reforms have led to an overall increase in tax revenue compared to 2014, with the allocation to the regions of a percentage of the new apprenticeship tax (NTA) and a new percentage of the internal tax on the consumption of energy products (TICPE), both of the above forming the new Regional Revenue for Apprenticeships (RRA)[1], in place of the former endowments for apprenticeship and the Contribution to the Development of Apprenticeships (CDA).

In terms of direct taxation, the Region should in 2015 receive an amount in respect of enterprise value-added contribution (CVAE) of in the order of 1,344.38 million euros (which is an increase of 6.7 per cent compared to 2014) and a total amount of flat-rate network corporation tax (IFER) of 123.51 million euros. However, pursuant to the legislation, this tax revenue will be reduced by an amount of 685.8 million euros approximately to fund the inter-region rebalancing mechanism including 674.82 million euros for the benefit of the national individual regional resources guarantee fund (FNGIR) and 11.0 million euros for the CVAE rebalancing Fund, which has recorded a significant fall compared to the amount allocated for 2014 (75.3 million euros). In total, total direct taxation, after rebalancing, is expected to be 782.07 million euros in 2015, an increase of 23.6 per cent compared to the 2014 budget.

The total other tax revenue excluding TICPE anticipated for 2015 is 1,133.69 million euros which is an increase in absolute terms of 230.25 million euros (plus 25.5 per cent) compared to 2014, taking into account the reform of apprenticeship financing and the new NGP revenue (cf. above). Conversely, on a like-for-like basis, in other words excluding taxation earmarked for apprenticeship and the new NGP revenue, such revenue[2] has fallen by 3.9 per cent compared to 2014 and now amounts to 765.61 million euros. This trend can be explained essentially by the decrease of 18.2 per cent (fall of 30.0 million euros) in anticipated revenue from the office creation tax ("RCB") given the continuing fragile economic background.

Finally, TICPE revenue is expected overall to be 1,083.85 million euros, which is an increase of 4.1 per cent compared to 2014, given the allocation of a new TICPE percentage under the new RRA (22.46 million euros of "RRA" TICPE) (cf. above).

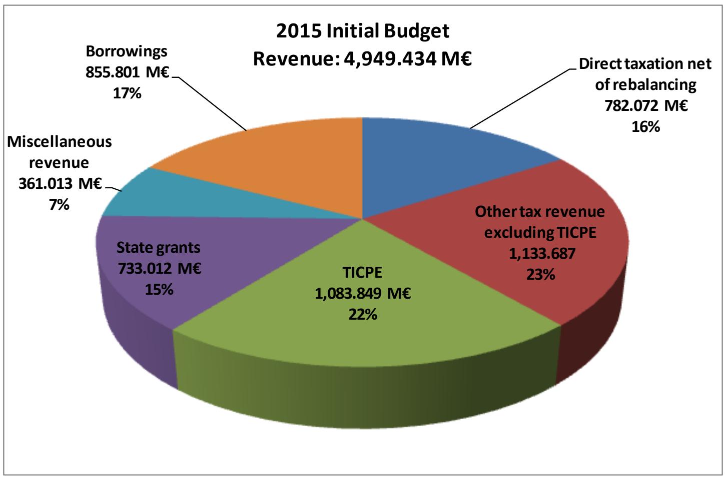
The anticipated amount of State endowments stands at 733.01 million euros, a decrease compared to the 2014 budget of 27.1 per cent, due to the contribution of local authorities to the effort to restore the public finances planned in the 2015 finance law (a fall of 76.02 million euros in the fixed global operating endowment for Ile-de-France) and also the reform of apprenticeship endowments which have been replaced by the new RRA taxes (cf. above).

As regards other revenues (income on receivables and miscellaneous revenue), these are anticipated to be 361.01 million euros. This miscellaneous revenue takes into account 52.36 million euros in European funding to the Region as Management Authority under the 2014-2020 programme.

In 2015, the Region intends to pursue the same rigorous and prudent financial policy that it has implemented over the last few years, with the aim of providing the community with a sustainable long-term financing structure, in particular by controlling the rise in its debt levels.

The borrowing authorisation limits in the 2015 budget are set at 855.801 million euros.

The amount of actual revenue entered in the 2015 initial budget, including borrowings, therefore totals 4,949.43 million euros and is split as follows:



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[1] Article 8 of the rectificatory finance law of August 2014. In 2015, the Région Ile-de-France should receive 228.080 million euros in new apprenticeship tax and 22.460 million euros in TICPE RRA.

[2] Namely, the vehicle registration certificate tax, the office creation duty (RCB), the regional share of the development tax (ex additional TLE (local equipment tax)), office space tax and direct taxation management expense.

2015 BUDGET REVENUE				
	IB 2014 (M€)	Draft Initial Budget 2015 (M€)	Change IB 2015/2014 (M€)	Change IB 2015/2014 (%)
A - TAXATION	**2 577,767**	**2 999,608**	**421,841**	**16,4%**
DIRECT TAXATION	***632,678***	***782,072***	***149,394***	***23,6%***
CVAE	1 260,000	1 344,382	84,382	6,7%
IFER	122,794	123,506	0,712	0,6%
FNGIR levy	*-674,816*	*-674,816*	*0,000*	*0,0%*
CVAE rebalancing	*-75,300*	*-11,000*	*64,300*	*-85,4%*
OTHER TAXATION REVENUE EXCLUDING TICPE	***903,437***	***1 133,687***	***230,250***	***25,5%***
Vehicle registration certificate tax	345,000	342,000	-3,000	-0,9%
Office space creation duty	165,000	135,000	-30,000	-18,2%
Supplemental local amenities tax	25,562	25,600	0,038	0,1%
Office space tax	183,000	183,000	0,000	0,0%
Contribution to the development of apprenticeship (CDA)	106,971		-106,971	
Direct taxation management expense - Vocational Training Financing	77,904	80,007	2,103	2,7%
Apprenticeship tax - Regional Revenue for Apprenticeship (RRA)		228,080	228,080	
Annual parking space tax - new NGP source of revenue		60,000	60,000	
Annual special additional tax - new NGP source of revenue		80,000	80,000	
TICPE	***1 041,652***	***1 083,849***	***42,197***	***4,1%***
TICPE allocated in compensation for expenditure transfers of which:	844,500	845,382	0,882	0,1%
STIF compensation	*395,331*	*395,331*	*0,000*	*0,0%*
Sanitation and social compensation	*157,719*	*158,601*	*0,882*	*0,6%*
High schools technical staff compensation	*216,939*	*216,939*	*0,000*	*0,0%*
Estate and assets compensation	*1,318*	*1,318*	*0,000*	*0,0%*
VAE compensation	*0,732*	*0,732*	*0,000*	*0,0%*
AFPA compensation	*55,019*	*55,019*	*0,000*	*0,0%*
Private school fixed contribution compensation	*17,442*	*17,442*	*0,000*	*0,0%*
TICPE modulation 2007	72,900	72,000	-0,900	-1,2%
TICPE Grenelle	68,000	68,000	0,000	0,0%
TICPE Vocational training	38,952	38,757	-0,195	-0,5%
TICPE Apprenticeship premium	17,300	37,250	19,950	115,3%
TICPE Regional Revenue for Apprenticeship (RRA)		22,460	22,460	
B. STATE GRANTS	**1 006,121**	**733,012**	**-273,109**	**-27,1%**
Global operating grant - fixed part	704,695	628,475	-76,220	-10,8%
General decentralisation (schools operating) grant	8,519	8,820	0,301	3,5%
Apprenticeship premium grant (CAS+DGD)	103,700	3,430	-100,270	-96,7%
National fund for the modernisation of apprenticeships (FNDMA) 1st section	27,831		-27,831	
FNDMA 2nd section (COM)	65,000		-65,000	
Regional schools equipment grant (DRES)	86,089	86,089	0,000	0,0%
Local direct taxation compensation grant	10,287	6,198	-4,089	-39,7%
C. TOTAL MISCELLANEOUS REVENUE	**431,432**	**361,013**	**-70,419**	**-16,3%**
INCOME ON RECEIVABLES	***46,544***	***45,784***	***-0,760***	***-1,6%***
Principal repayments	45,514	44,544	-0,970	-2,1%
Interest repayments	1,030	1,240	0,210	20,4%
MISCELLANEOUS REVENUE	***384,223***	***314,578***	***-69,645***	***-18,1%***
Police fines	65,512	62,624	-2,888	-4,4%
FCTVA	94,000	70,000	-24,000	-25,5%
ESF payments	11,315	15,000	3,685	32,6%
European Funds - 2014-2020 Programme - RIDF public procurement actions		15,000	15,000	
European Funds - 2014-2020 Programme - Third party beneficiary actions		37,358	37,358	
Family contribution to catering and accommodation services	24,100	23,300	-0,800	-3,3%
Investment income	20,796	22,856	2,060	9,9%
Miscellaneous	168,500	68,440	-100,060	-59,4%
ANDI	***0,665***	***0,651***	***-0,014***	***-2,1%***
TOTAL PERMANENT REVENUE	**4 015,320**	**4 093,633**	**78,313**	**2,0%**
TOTAL PERMANENT REVENUE on like-for-like basis (excluding new New Grand Paris revenue and excluding transfer of European funds under 2014-2020 programme)	**4 015,320**	**3 901,275**	**-114,045**	**-2,8%**
BORROWINGS	**762,077**	**855,801**	**93,724**	**12,3%**

TAXATION

The following discussion is a general description limited to certain tax considerations relating to the withholding tax applicable in France and in the European Union in respect of the payments relating to the Notes made to any Noteholder.

The attention of potential investors is drawn on the fact that the comments below are a summary of the applicable tax regime, based on French and European legal provisions currently in force, which are subject to change. This information is for general information and is not intended to be a complete analysis of all tax consequences that may apply to Noteholders. It is therefore recommended that potential investors should consult their usual tax advisor to examine their particular situation.

Savings Directive

On 3 June 2003, the Council of the European Union adopted a Directive on the taxation of savings income (2003/48/EC) (the "**Savings Directive**"). If a number of important conditions are met the Savings Directive requires Member States to provide the tax authorities of another Member State details of payments of interest as defined in the Savings Directive (notably interest, remuneration, margin or other similar income on debt) paid by a paying agent within its jurisdiction to a beneficiary for the purposes of the Savings Directive (individuals or certain organisations or entities without separate legal personality) resident in that other Member State ("**Information Exchange**").

The term "paying agent" is widely defined and shall include in particular any economic entity which is responsible for the payment of interest as defined in the Savings Directive to individual beneficiaries.

However, during a transitional period Austria will be required to operate a withholding system in relation to such payments of interest within the meaning of the Savings Directive instead of the Information Exchange system applied by the other Member States .The Luxembourg Government has abolished the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Savings Directive.

The amount of such withholding is 35%.

The transitional period shall come to an end if and when the European Union has concluded with several third party states (the United States of America, Switzerland, Liechtenstein, Saint-Marino, Monaco and Andorra) an agreement for the exchange of information and, for certain of these states (Switzerland, Liechtenstein, Saint-Marino, Monaco and Andorra), obtained the application of a withholding on interest payments made by paying agents in these States to beneficiaries resident in a Member State.

The Savings Directive took effect on 1st July 2005.

If any payment in respect of the Notes is made or collected by a Member State that applies the withholding system and if such payment is subject to a withholding or deduction for, any tax, actual or future, neither the Issuer, nor any paying agent, nor any other person shall be obliged to pay additional amounts in respect of the Notes in connection with such taxation.

On 24 March 2014, the Council of the European Union adopted a directive amending the Savings Directive (the "**Amending Savings Directive**") strengthening European Union rules on the exchange of information on savings income in order to enable the Member States to better clamp down on tax fraud and tax evasion. The Amending Savings Directive would amend and broaden the scope of the requirements described above, and in particular it would enlarge the scope of the Savings Directive to cover new types of savings income and products that generate interest or equivalent income and the scope of the tax authorities requirements to be complied with. The Member States would have until 1 January 2016 to implement the Amending Savings Directive in their national legislation.

France

1. The Savings Directive was implemented into French law under article 242 *ter* of the French *Code général des impôts* and under articles 49 I *ter* and 49 I *sexies* Annex II of the French *Code général des impôts*. Article 242 *ter* of the French *Code général des impôts* imposes on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments within the meaning of the Directive made to beneficial owners domiciled in another Member State, including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest paid to that beneficial owner.

2. All payments of principal and interest by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

3. Notes fall under the French withholding tax regime pursuant to article 125 A III of the French *Code général des impôts*. Payments of interest and other revenues made by the Issuer on such Notes will not be subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts* unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French *Code général des impôts*. If such payments

under the Notes are made in a Non-Cooperative State, a 75% withholding tax will be applicable (subject to certain exceptions described below and the more favourable provisions of any applicable double tax treaty) by virtue of Article 125 A III of the French *Code général des impôts*.

Furthermore, interest and other revenues on such Notes will not be deductible from the Issuer's taxable income, if they are paid or accrued to persons established in a Non-Cooperative State or paid into a bank account placed in a financial entity established in such a Non-Cooperative State. Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Article 109 of the French *Code général des impôts*, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* of the French *Code général des impôts*, at a rate of 30% or 75% (subject to the more favourable provisions of any applicable double tax treaty).

Notwithstanding the foregoing, article 125 A III of the French *Code général des impôts* provides that neither the 75% withholding tax nor the non-deductibility will apply in respect of a particular issue of Notes if the Issuer can prove that the principal purpose and effect of such issue of Notes was not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the **Exception**). Pursuant to the *Bulletin Officiel des Finances Publiques-Impôts* BOI-INT-DG-20-50-20140211 no. 550 and 990, BOI-RPPM-RCM-30-10-20-40-20140211 no.70, BOI-IR-DOMIC-10-20-20-60-20140211 no. 10 and BOI-ANNX-000364-20120912 no. 20, an issue of Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of such issue of Notes, if such Notes are:

(i) offered by means of a public offer within the meaning of Article L.411-1 of the French *Code monétaire et financier* or pursuant to an equivalent offer in a State other than a Non-Cooperative State. For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or

(ii) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or

(iii) admitted, at the time of their issue, to the operations of a central depositary or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositaries or operators provided that such depositary or operator is not located in a Non-Cooperative State.

4. Interest and other revenues on Notes issued (or deemed issued) outside France as provided under Article 131 *quater* of the French *Code général des impôts* which are to be assimilated (*assimilées*) with Notes issued before 1 March 2010 will continue to be exempt from the withholding tax set out under Article 125 A III of the French *Code général des impôts*.

In addition, interest and other revenues paid by the Issuer on Notes which are to be assimilated (*assimilées*) with Notes issued before 1 March 2010 will not be subject to the withholding tax set out in Article 119 *bis* of the French *Code général des impôts* solely on account of their being paid in a Non-Cooperative State or accrued or paid to persons established or domiciled in a Non-Cooperative State.

5. Pursuant to Articles 125 A and 125 D of the French *Code général des impôts*, and subject to certain exceptions, interest and other similar income received from 1 January 2013 by French residents are subject to a flat rate of 24%, which is deductible from the income tax due for the year of payment of such income. Social contributions (CSG, CRDS and other related contributions) are also levied by withholding tax at an effective rate of 15.5% on interest and other similar income paid to French resident.

SUBSCRIPTION AND SALE

Summary of Dealer Agreement

Subject to the terms and on the conditions contained in an amended and restated dealer agreement in the French language ("*contrat de placement*") dated 24 March 2015 as amended or supplemented as at the relevant Issue Date (the "**Dealer Agreement**") between the Issuer, the Permanent Dealers and the Arrangers, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Arrangers for expenses incurred in connection with the establishment and any update of the Programme and the Dealers for certain of their activities in connection with the Programme. The commissions in respect of an issue of Notes on a syndicated basis will be stated in the relevant Final Terms.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealers have agreed to indemnify the Issuer against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

Selling Restrictions

Offer to the public Selling Restrictions under the Prospectus Directive

In relation to each Member State of the European Economic Area (each, a "**Relevant Member State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes to the public in that Relevant Member State except that it may make an offer of such Notes to the public in that Relevant Member State:

(i) if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-Exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the Final Terms contemplating such Non-Exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Final Terms, as applicable;

(ii) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(iii) at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(iv) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive;

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

For the purposes of this provision, the expression an "offer of Notes to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State.

France

Each of the Dealers and the Issuer has represented and agreed that:

(i) Offer to the public in France:

it has only made and will only make an offer of Notes to the public in France and it has distributed or caused to be distributed and will distribute or cause to be distributed to the public in France the Base Prospectus, the Final Terms or any other offering material relating to the offer of Notes, in the period beginning on the date of publication of the Base Prospectus which has been approved by the *Autorité des marchés financiers* ("**AMF**") in France, and ending at the latest on the date which is 12 months after the date of the approval of this Base Prospectus, all in accordance with Articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and the *Règlement général* of the AMF, or

(ii) Private placement in France:

it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (i) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (ii) qualified investors (*investisseurs qualifiés*), and/or (iii) a restricted circle of investors (*cercle restreint d'investisseurs*), all as defined in, and in accordance with, Articles L.411-1, L.411-2, D.411-1 and D.411-4 of the French *Code monétaire et financier*.

United States

The Notes have not been and will not be registered under the U.S. Securities Act of 1933 as amended (the "**Securities Act**"). Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons. Each of the Dealers has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will not offer, sell or, in the case of Materialised Notes in bearer form, deliver any Notes within the United States except as permitted by the Dealer Agreement.

Materialised Notes in bearer form having a maturity of more than one year are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, expect in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

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

United Kingdom

Each of the Dealers has represented, warranted and agreed that:

(i) in relation to any Notes which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the FSMA by the Issuer; and

(ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Securities and Exchange Law of Japan (Law No. 25 of 1948, as amended) (the "**Securities and Exchange Law**"). Accordingly, each of the Dealers has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the Securities and Exchange Law and other relevant laws and regulations of Japan. As used in this paragraph, "**resident of Japan**" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

General

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in a supplement to this Base Prospectus. No action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Base Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Base Prospectus, any other offering material or any Final Terms and neither the Issuer nor any other Dealer shall have responsibility therefore.

FORM OF FINAL TERMS

The form of Finals Terms which will be prepared in relation with each Tranche is set out below:

Final Terms

[Logo, if document is printed]

REGION ILE DE FRANCE

Euro 6,000,000,000

Euro Medium Term Note Programme

for the issue of Notes

SERIES NO: [•]

TRANCHE NO: [•]

[Brief description and amount of Notes]

Issue Price [•] per cent.

[Name(s) of Dealer(s)]

DATED [•]

PART A – CONTRACTUAL TERMS

This document constitutes the Final Terms relating to the issue of the Notes described herein (Euro Medium Term Notes) (the "**Notes**") and contains the final terms of the Notes. These Final Terms supplement the base prospectus dated 24 March 2015 (approved by the *Autorité des marchés financiers* under visa n° 15-105 dated 24 March 2015) [and the supplement to the Base Prospectus dated [•] (approved by the *Autorité des marchés financiers* under visa n°[•] dated [•] relating to the programme of issue of Euros 6,000,000,000 Notes by the Issuer) which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Directive 2003/71/EC as amended by Directive 2010/73/EU (the "**Prospectus Directive**"), and must be read in conjunction with it. Terms used herein shall have the meaning ascribed to them in the Prospectus. The Base Prospectus and the Final Terms together form a Prospectus within the meaning of the Prospectus Directive. The Notes will be issued pursuant to the terms of these Final Terms combined with the Prospectus. The Issuer accepts responsibility for the information contained in these Final Terms which, together with the Base Prospectus, contain all important information relating to the issue of the Notes. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus. [An issue specific summary is attached hereto.][1] These Final Terms, the Base Prospectus [and all supplements to the Base Prospectus] are available (a) on the AMF's (www.amf-france.org) and the Issuer's (www.iledefrance.fr) websites and (b) available for inspection and copy, without charges, during normal business day and hours, any business day of the week, at the registered office of the Issuer and at the specified offices of each Paying Agent.

[*The following language applies if the first tranche of an issue which is being increased was issued under a base prospectus or an offering circular of an earlier date.*]

Terms used herein shall have the meaning ascribed to them in the [Base Prospectus/Offering Circular] dated [original date] (approved by the Autorité des marches financiers under visa n°[•] dated [•]). This document constitutes the Final Terms of the Notes described herein and supplements the Base Prospectus dated 24 March 2015 (approved by the Autorité des marchés financiers under visa n°15-105 dated 24 March 2015) [and the supplement to the Base Prospectus dated [•] (approved by the Autorité des marchés financiers under visa n°[•] dated [•])], save in respect of the Conditions which are extracted from the [Base Prospectus/Offering Circular] dated [original date]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. [An issue specific summary is attached hereto.][2] These Final Terms, the Base Prospectus [and all supplements to the Base Prospectus] are available (a) on the AMF's (www.amf-france.org) and the Issuer's (www.iledefrance.fr) websites and (b) available for inspection and copy, without charges, during normal business day and hours, any business day of the week, at the registered office of the Issuer and at the specified offices of each Paying Agent.

These Final Terms do not constitute an offer or a solicitation (and should not be used for these purposes) to subscribe or purchase, directly or indirectly, the Notes.

1	Issuer:		Région Ile-de-France
2	(i)	Series Number:	[•]
	(ii)	[Tranche Number:	[•]
	(If consolidated with an existing Series, details of that Series, including the date on which the Notes are consolidated.)]		
3	Specified Currency or Currencies:		[•]
4	Aggregate Nominal Amount:		
	[(i)]	Series:	[•]
	[(ii)]	Tranche:	[•]
5	(i)	Issue Price:	[•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (in the case of consolidated issues only, if applicable)]

1 Only for Notes with a denomination of less than EUR 100,000.

2 Only for Notes with a denomination of less than EUR 100,000.

6	Specified Denominations:		[•] (one denomination only for Dematerialised Notes)
7	[(i)]	Issue Date:	[•]
	[(ii)]	Interest Commencement Date:	[•]
8	Maturity Date:		[specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]
9	Interest Basis:		[•] per cent. Fixed Rate] [[specify reference rate] +/- [•] per cent. Floating Rate]
10	Redemption/Payment Basis:		[Redemption at par]
11	Change of Interest or Redemption/ Payment Basis:		[Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis]
12	Options:		[Issuer Call] [(further particulars specified below)]
13	[(i)] Status:		Senior[1]
	[(ii)] Date of authorisation of issue		[•]
14	Method of distribution:		[Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST PAYABLE

15	Fixed Rate Note Provisions		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub- paragraphs of this paragraph*)
	(i)	Rate [(s)] of Interest:	[•] per cent. per annum [payable [annually/semi-annually/quarterly/ monthly] in arrear]
	(ii)	Interest Payment Date(s):	[•] in each year [adjusted in accordance with [specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"]/not adjusted]
	(iii)	Fixed Coupon Amount [(s)]:	[•] per [•] in nominal amount
	(iv)	Broken Amounts:	[Not Applicable / Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount [(s)] and the Interest Payment Date(s) to which they relate]
	(v)	Day Count Fraction (Condition 5(a)):	[Actual/365 / Actual /365-FBF / Actual/Actual-ISDA / Actual/Actual-ICMA / Actual/Actual-FBF / Actual/365 / Actual/360 / 30/360 / 360/360(Bond Basis) / 30/360-FBF / Actual 30A/360(American Bond Basis) / 30E/360(Eurobond Basis) / 30E/360- FBF]
	(vi)	Determination Date(s) (Condition 5(a)):	[•] in each year (insert regular Interest Payment Dates, ignoring Issue Date or Maturity Date in the case of a long or short first or last Coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))
16	Floating Rate Note Provisions		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*).
	(i)	Interest Period(s):	[•]
	(ii)	Interest Payment Dates:	[•][unadjusted]/[adjusted in accordance with the Business Day Convention and with any applicable Financial Center for the definition of "Business Day"]
	(iii)	Business Day Convention:	[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day

		Convention/Preceding Business Day Convention] [Not Applicable]
(iv)	Business Centre(s) (Condition 5(a)):	[•]
(v)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/FBF Determination]
(vi)	Interest Period Date(s):	[Not Applicable/*specify dates*]
(vii)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent):	[•]
(viii)	Screen Rate Determination (Condition 5(c)(iii)(B)):	[Applicable/Not Applicable]
–	Relevant Time:	[•]
–	Interest Determination Date:	[[•] [TARGET] Business Days in [specify city] for [specify currency] prior to [the first day in each Interest Accrual Period/each Interest Payment Date]]
–	Primary Source for Floating Rate:	[*Specify relevant screen page or "Reference Banks"*]
–	Reference Banks (if Primary Source is "Reference Banks"):	[*Specify four*]
–	Relevant Financial Centre:	[The financial centre most closely connected to the Benchmark – specify if not Paris]
–	Benchmark:	[LIBOR, LIBID, LIMEAN, CMS, EURIBOR or other benchmark] *(If the Rate of Interest is determined by linear interpolation in respect of the [first/last] Interest Period [short/long], insert the relevant interest period(s) and the relevant two rates used for such determination)*
–	Representative Amount:	[Specify if screen or Reference Bank quotations are to be given in respect of a transaction of a specified notional amount]
–	Effective Date:	[Specify if quotations are not to be obtained with effect from commencement of Interest Accrual Period]
–	Specified Duration:	[Specify period for quotation if not duration of Interest Accrual Period]
(ix)	FBF Determination (Condition 5(c)(iii)(A)):	[Applicable/Not Applicable]
–	Floating Rate (*Taux variable*):	[•]
–	Floating Rate Determination Date (*Date de Détermination du Taux Variable*):	[•]
–	FBF definitions: (if different from those set out in the Conditions):	[•]
–	FBF Master Agreement	[2007/2013] FBF Master Agreement
(x)	Margin(s):	[+/-] [•] per cent. per annum
(xi)	Minimum Rate of Interest:	[Not Applicable/ [•] per cent. per annum]
(xii)	Maximum Rate of Interest:	[Not Applicable/ [•] per cent. per annum]
(xiii)	Day Count Fraction (Condition 5(a)):	[•]

	(xiv)	Rate Multiplier:	[Not Applicable/ [•]]

PROVISIONS RELATING TO REDEMPTION

17	Call Option:		[Applicable/Not Applicable/ (*If not applicable, delete the remaining sub-paragraphs of this paragraph]*
	(i)	Optional Redemption Date(s):	[•]
	(ii)	Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[•]per Note [of [•] Specified Denomination](*remove square bracketed phrase for Dematerialised Notes*)
	(iii)	If redeemable in part:	[•]
	(a)	Minimum Redemption Amount:	[•]
	(b)	Maximum Redemption Amount:	[•]
	(iv)	Option Exercise Date(s):	[•]
18	Final Redemption Amount of each Note:		[[•] per Note [of [•] Specified Denomination](*remove square bracketed phrase for Dematerialised Notes*)
19	Early Redemption Amount:		
	(i)	Early Redemption Amount(s) of each Note payable on redemption for taxation reasons (Condition 6(d)), or an event of default (Condition 9):	[•] per note [of Specified Denomination](*remove square bracketed phrase for Dematerialised Notes*)
	(ii)	Redemption for taxation reasons permitted on days others than Interest Payment Dates (Condition 6(d)):	[Yes/No]
	(iii)	Unmatured Coupons to become void upon early redemption (Materialised Notes only) (Condition 7(f)):	[Yes/No/Not applicable]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

20	Form of Notes:		[Dematerialised Notes/Materialised Notes] (Materialised Notes are only in bearer form) [Delete as appropriate]
	(i)	Form of Dematerialised Notes:	[Not Applicable / Bearer form (au porteur) / Registered form (au nominatif administré / Fully registered form (au nominatif pur]
	(ii)	Registration Agent:	[Not Applicable/name and details] (Note that a Registration Agent may be appointed in relation to Dematerialised Notes in fully registered form (au nominatif pur) only)
	(iii)	Temporary Global Certificate:	Temporary Global Certificate exchangeable for Definitive Materialised Notes on [•] (the "Exchange Date"), being forty (40) calendar days after the Issue Date subject to postponement as provided in the Temporary Global Certificate
	(iv)	Applicable TEFRA exemption:	[C Rules/D Rules/Not Applicable] (Only applicable to Materialised Notes)
21	Financial Centre(s) (Condition 7(h)) or other special provisions relating to payment dates:		[Not Applicable/Give details]. (Note that this item relates to the date and place of payment, and not Interest Payments Dates, to which items 15(ii) and 16(ii) relate)
22	Talons for future Coupons to be attached to Definitive Materialised Notes (and dates on which such Talons mature):		[Yes/No/Not Applicable]. (If yes, give details) (Only applicable to Materialised Notes)
23	Redenomination, renominalisation and		[Applicable/Not Applicable]

	reconventioning provisions:	
24	Consolidation provisions:	[Not Applicable/The provisions [in Condition 14(b)]
25	Masse (Condition 11):	[Applicable/Not Applicable] (insert details of Representative and Alternative Representative and remuneration, if any).

DISTRIBUTION

26	(i)	If syndicated, names and addresses[1] of Managers:	[Not Applicable/*give names*]
	(ii)	Stabilising Manager (if any):	[Not Applicable/*give name*]
	(iii)	Dealer's Commission:	[Not applicable/*precise*]
	(iv)	Date of the underwriting agreement	[Not applicable/*precise*]
27	If non-syndicated, name and address[2] of Dealer:		[Not Applicable/give name]
28	U.S selling restrictions:		Reg. S Compliance Category 1; [TEFRA C/ TEFRA D/ TEFRA not Applicable] (TEFRA are not applicable to Dematerialised Notes)
29	Non-exempt Offer:		[Not Applicable] / [An offer of Notes can be made by the Dealers] [and [*specify the names of the other financial intermediaries/dealers making non-exempt offers, to the extent known OR set out a general description of the other parties involved in the non-exempt offers in France during the Offer Period, if unknown*]] (together with the Dealers, the "**Financial Intermediaries**") if applicable)] other than pursuant to Article 3(2) of the Prospectus Directive in France during the period from [*specify date*] to [ ] [*specify the date or a wording such as the "Issue Date" or "the Date falling [•] Business Days after such date"*] (the "**Offer Period**"). For further details, see paragraph 9 of Part B.
	Consent of the Issuer to the use of the Base Prospectus during the Offer Period:		[Not Applicable / Applicable for any Authorised Offeror specified below] (*If not applicable, please delete the paragraphs below*)
	Authorised Offeror(s) in the countries where the offer is made:		[Not Applicable / Name(s) and addresse(s) of the Financial Intermediaries appointed by the Issuer to act as Authorised Offeror(s) / Any Financial Intermediary that met the conditions specified below in the item "Conditions relating to the consent of the Issuer for the use of the Prospectus"]
	Conditions relating to the consent of the Issuer to the use of the Base Prospectus:		[Not Applicable / *Where the Issuer has given its general consent to any financial intermediary to the use of the Prospectus, specify any additional condition or any condition replacing the one specified in page 2 of the Prospectus. When the Authorised Offeror is appointed for the purposes hereof, specify any condition.*]

GENERAL

30	The aggregate principal amount of Notes issued has been translated into euro at the rate of [•], producing a sum of:	[Not Applicable/Euro[•]] (Only applicable for Notes not denominated in euro)

ADMISSION TO TRADING

[1] Addresses to be mentioned only if the Manager is not a Permanent Manager.

[2] Address to be mentioned only if the Manager is not a Permanent Manager.

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the Euro 5,000,000 programme of issue of notes (Euro Medium Term Notes) by the Région Ile-de-France.]

RESPONSIBILITY

The Issuer accepts to be responsible for the information contained in these Final Terms.

Signed on behalf of the Issuer:

Duly represented by:..

PART B – OTHER INFORMATION

1. ADMISSION TO TRADING

(i) Admission to trading:	[Application has been made for the Notes to be admitted to trading on [Euronext Paris/ [•] (*specify relevant regulated or unregulated market*)with effect from **[•]**.]/[Not Applicable.]
(ii) Estimate of total expenses related to admission to trading:	[[•] Not Applicable]

2. RATINGS

Ratings:	[The Notes have not been rated/] The Notes to be issued have been rated: [Standard & Poor's: **[•]**] [Fitch Ratings: **[•]**] [[Other]: **[•]**]] (*The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.*) [*include below as appropriate*] [[*Insert the full legal name of credit rating agency*] / [*Each of the credit rating agencies above*] is a credit rating agency established in the European Union and registered under the CRA Regulation and appears on the list of registered credit rating agencies on the ESMA website (www.esma.europa.eu).]

3. [NOTIFICATION

The *Autorité des marchés financiers* [has been requested to provide/has provided - *include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues*] the [*include names of competent authorities of host Member States*] with a certificate of approval attesting that the Base Prospectus [and the supplement(s)] [has/have] been drawn up in accordance with the Prospectus Directive.]

4. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

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

"So far as the Issuer is aware, and except for information provided in the "*General Information*" section of the Base Prospectus, no person involved in the offer of the Notes has an interest material to the offer."]/**[•]**

5. REASONS FOR THE OFFER AND USE OF PROCEEDS

[*Reasons for the offer if different from making profit and/or hedging certain risks. Where applicable, disclosure of tl estimated total expenses of the issue/offer and the estimated net amount of the proceeds. These expenses and proceeds shc be broken into each principal intended use and presented by order of priority of such uses. If the issuer is aware that the anticipated proceeds will not be sufficient to fund all the proposed uses, state the amount and sources of other funds needed.*]

6. [FIXED RATE NOTES ONLY – YIELD

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

7. THE NOMINAL INTEREST RATE AND PROVISIONS RELATING TO INTEREST PAYMENT

(i)	The date from which interest becomes payable and due dates for interest:	[[•]/Not Applicable]
(ii)	The time limit on the validity of claims to interest and repayment of	[[•]/Not Applicable]

	principal:	
(iii)	Name of calculation agent:	[[•]/Not Applicable]

8. OTHER MARKETS

All the regulated markets or equivalent markets on which, to the knowledge of the issuer, securities of the same class of securities to be offered or admitted to trading are already admitted to trading:	[[•]/None]

9. TERMS AND CONDITIONS OF THE OFFER (IN CASE OF PUBLIC OFFER)

Conditions to which the offer is subject:	[•]
Total amount of the issue/offer:	[•]
Expected timetable of the offer:	[•]
Description of the application process (including any possible amendments during which the offer will be open):	[•]
Description of possibility to reduce subscriptions and manner for refunding excess paid by applicants:	[•]
Details of the minimum and/or maximum amount of application, (whether in number of securities or aggregate amount to invest):	[•]
Methods and time limits for paying up the securities and for delivery of the securities:	[•]
Manner and date in which results of the offer are to be made public:	[•]
Procedure for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised:	[•]
Categories of potential investors to which the securities are offered and if one or several Tranche his or have been reserved in various countries:	[•]
Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made:	[•]
Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	[•]

10. PLACING AND UNDERWRITING

Name and address of the co-ordinator(s) of the global offer and of single parts of the offer and, to the extend known to the issuer or to the offeror, of the placers in the various countries where the offer takes place:	[•]
Name and address of any paying agents and depository agents in each country:	[•]
Entities agreeing to underwrite the issue on a firm commitment basis, and entities agreeing to place the issue without a firm commitment or under "best efforts" agreements. Where not all of the issue is underwritten, a statement of the portion not covered:	[•]
When the underwriting agreement has been or will be reached:	[•]

11. OPERATIONAL INFORMATION

(i)	ISIN Code:	[•]
(ii)	Common Code:	[•]
(iii)	Depositaries:	[[•]/Not Applicable]
	Euroclear France to act as Central Depositary	[Yes/No] [Address]
	Common Depositary for Euroclear and Clearstream Luxembourg	[Yes/No] [Address]
(iv)	Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)]* [Address]
(v)	Delivery:	Delivery [against/free of] payment
(vi)	Name and address of the Specific Fiscal Agent (if any):[1]	[[·]/Not Applicable]
(vii)	Names and addresses of additional Paying Agent(s) (if any):[2]	[[·]/Not Applicable]

[1] A specific Fiscal Agent will be appointed in respect of any series of Materialised Notes.

[2] Mention any additional Agents appointed in respect of any Series of Notes (including any additional Agents appointed in respect of any series of Materialised Notes).

[ANNEX – SUMMARY OF THE ISSUE]

This summary relates to [*description of the Notes issued*] described in the final terms (the "Final Terms") to which this summary is attached. This summary includes the information contained in the summary of the Base Prospectus related to the Notes together with the relevant information of the Final Terms. Words and expressions which are defined in the Base Prospectus and the Final Terms shall have the same meanings where used in the following summary.

This summary should be read as introduction to the Base Prospectus and the Final Terms (together the "**Prospectus**") and is provided in order to aid investors when considering whether to invest in the Notes, but it does not replace the Prospectus. Any decision to invest in the Notes should be based on consideration of the Prospectus as a whole by the investor, including documents incorporated by reference.

Summaries are made up of disclosure requirements known as "Elements" required by Annex XXII of the Delegated Regulation (EU) n°486/2012 and Annex XXX introduced by Delegated Regulation (EU) n°862/2012. These elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of Notes and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of Notes and Issuer, it is possible that no relevant information can be given regarding this Element. In this case a short description of the Element is included in the summary with the mention of "Not Applicable".

Section A – Introduction and warnings		
A.1	**Warning:**	Please note that: • this summary should be read as introduction to the Base Prospectus; • any decision to invest in the Notes should be based on consideration of the Base Prospectus as a whole by the investor; • where a claim relating to the information contained in the Base Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Base Prospectus before the legal proceedings are initiated; and • civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus or it does not provide, when read together with the other parts of the Base Prospectus, key information in order to aid investors when considering whether to invest in such Notes of a Denomination less than Euro 100,000.
A.2	**Consent:**	[*The Issuer [consents/does not consent] to the use of the Base Prospectus in connection with subsequent resale or final placement of the Notes by any financial intermediary which is authorised to make such offers under the Markets in Financial Instruments Directive (Directive 2004/39/EC).*] [The Issuer may give consent to additional financial intermediaries after the date of the relevant Final Terms and, if it does so, the Issuer will publish the above information in relation to them on (www.iledefrance.fr).] [*To insert if applicable*] The Offer Period during which such offers may be made is [•]. [The following is a list of clear and objective conditions attached to the consent which are relevant to the use of the Base Prospectus: [•]] The Member States in which financial intermediaries may use the Base Prospectus for such offer are the following: [•] List and identity [*name and address to specify*] of the financial intermediary(ies) which is(are) authorised to use the Base Prospectus.

Section B – Issuer		
B17	**Credit Ratings:**	The Issuer has been rated AA+ with stable outlook by Fitch Ratings and its short-term debt has been rated F1+ by Fitch Ratings. The Issuer has been rated AA with negative outlook by Standard & Poor's and its short-term debt has been rated A1+ by Standard & Poor's. The Programme has been rated AA by Fitch Ratings and AA by Standard & Poor's.] [The Notes have not been rated/] Notes have been rated [•] by Fitch Ratings and [•] by Standard & Poor's. As at the date of the Base Prospectus, each of such credit rating agencies is established in the European Union and is registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies as amended (the "**CRA Regulation**") and is included in the list of credit rating agencies published by the European Securities and Market Authority on its website (www.esma.europa.eu) in accordance with the CRA Regulation. When an issue of Notes is rated, such rating will not necessarily be the same as the rating assigned

		under the Programme. Notes issued under the Programme may be rated or unrated. The rating of Notes, if any, will be disclosed in the Final Terms. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning credit rating agency.
B47	**Description of the Issuer:**	***Legal name of the issuer and description of the issuer's position within the national government framework*** Région Ile-de-France is one of the 27 French regions, with a well-defined geographic territory over which it exercises its jurisdiction. There are eight *Départements* in the Région Ile-de-France: Paris (which is both a city and a *Département*), three *Départements* comprising Paris' immediate suburbs (Hauts-de-Seine, Seine-Saint-Denis, Val-de-Marne) and four *Départements* comprising an outer perimeter around the city (Val-d'Oise, Essonne, Yvelines, Seine-et-Marne). The Ile-de-France comprises 1,281 municipalities (*Communes*). ***Legal form of the issuer*** For administrative purposes, the French territory is divided up into three types of local authorities, also known as "*Territorial Authorities of the Republic*" since the decentralisation law dated 2 March 1982. These local authorities are the *Région*, the *Département* and the *Commune*, in respect of which a principle of self-government has been established under article 72 of the French Constitution ("*Under and in accordance with the conditions provided by law, these local authorities shall freely govern themselves through elected councillors and shall have regulatory authority with respect to the exercise of their powers*"). Each of these authorities, which cover a specific geographical area, is a separate legal entity with resources available for it to apply at its discretion. Article 72 of the Constitution thus provides that "local authorities manage their affairs as they see fit". A constitutional law no. 2003-276 dated 28 March 2003 relating to Government decentralisation, supplemented the article 72 or the Constitution promoting the idea of specialisation whilst respecting the independence of each individual local authority. Local authorities therefore are to "*take the decisions that, pursuant to their powers, are best implemented at their level*". This concept derives from the principle of European Community law known as subsidiarity. The object is to give local authorities the legal means to exercise the powers conferred upon them by law. The decentralisation laws of 1982 and 1983 laid down the powers and authority of regions and strengthened and widened the scope of their interest in planning and the economy. Regions have also been given powers in relation to on-going professional training and apprenticeship as well as public education: the regions have therefore responsibility for the construction, furnishing and maintenance and operation of high schools (*lycées*). Law N° 2004-809 dated 13 August 2004 concerning local authorities' rights and duties therefore transferred new powers on local authorities. Regions have therefore been granted new responsibilities with regard to health and social matters or education. Furthermore, the law strengthened the Ile-de-France Region's role in transportation. The Ile-de-France Region now has a majority (51 per cent.) of seats in the S.T.I.F, the public transport authority for the Region. Law N° 2014-58 dated 27 January 2014 constitutes the initial phase of a new step of the decentralisation process in particular with the establishment of leader communities (*"chefs de file")*. The regions are in charge of organising, amongst other things, the ways of the joint action of the local communities for the exercise of land settlement and sustainable development capacities, economic development, synergy between ways of transports and support to higher education and research. Moreover, under the law of 27 January 2014, the Regions become responsible for the management of a part of the European structural funds. The Region Ile-de-France is managed by a *regional Council* composed of 208 members elected by direct universal suffrage at the latest elections of 14th and 21st March 2010. The next regional councillors election is scheduled on December 2015. The regional Council runs the Region Ile-de-France's affairs through its deliberations. Executive power is conferred on the President of the regional Council. ***Recent events relevant to the evaluation of the Issuer's solvency*** There are no recent events relevant to the evaluation of the Issuer's solvency. ***Description of the issuer's economy including its structure with details of its main sectors*** With a gross domestic product (GDP) of 612.3 billion euros in 2012 (which amounts to 30.1 per cent of France's GDP and 4.7 per cent of the 27 EU countries, GDP), Ile-de-France is the first economic region in France. Benefiting from a highly diversified economic make up, combining the most innovative sectors (biotechnologies, nanotechnologies,...) with more traditional sectors such as the aeronautical or automobile industries, Région Ile-de-France remains the leading French industrial region, ahead of the Rhône-Alpes region. With eight out of ten employed, the services and trade sector is another strength of the regional economy, in consultancy or finance, with Région Ile-de-France being home to majority of the head offices of banks and insurance companies established in mainland France.

		Despite an unfavourable economic background, the rate of unemployment in Ile-de-France remains lower than the national average, at 8.6 per cent in Ile-de-France in the first quarter of 2014 compared to 9.7 per cent in mainland France. In 2012, the Region attracted 201 foreign firms. The main investors come from USA (51 firms), Germany (23 firms) and Italy (16 firms). Ile-de-France attracts decision-making centres and activities with high added value. Ile-de-France is ranked the first tourist region in the world with 68 million hotel room nights occupied in 2012 (half relating to foreign customers), and has one of the largest hotel capacites in the world (150,077 rooms).
B48	**Key facts of public finance and trade information / information for the two fiscal years /significant changes since the end of the last fiscal year:**	***Situation of public finance for the two last fiscal years***

Key figures	**2012 accounts**	**2013 accounts**
Investment income	1192.482 M€	1243.866 M€
Capital expenditure	1940.018 M€	1995.044 M€
Operating income	3415.491 M€	3528.527 M€
Operating expenditure	2667.073 M€	2775.766 M€
Gross savings	748.418 M€	752.761 M€
Debt as at 31 December 2012	4331.618 M€	4730.598 M€

Trade information
Ile-de-France still occupied first place for French exporting (18 per cent. of the national total exports) and importing (26 per cent. of the national total imports of goods). In 2013, natural hydrocarbons are the leading imported products for the region (12.2 per cent) followed by automobile manufacturing products (11.9 per cent) which are also the leading export products (10.2 per cent) ahead of products of aeronautics and space manufacturing (9.1 per cent).

In 2013, Germany was the number one client of Ile-de-France (10.7 per cent of exports) and the principal supplier of the Region (14.1 per cent. of imports) ahead of the United States (for exports) and China (for imports).

Significant changes
There has been no significant change in the financial condition of the Ile-de-France Region since 31 December 2013.

Section C - Securities

C.1	**Type and class of the securities being offered and/or admitted to trading, including any security identification number:**	***Type and class of the Notes*** The Notes will constitute *obligations* under French law. ***Identification number of the Notes*** The Notes identification number (ISIN) is [•].
C.2	**Currencies of the securities issue:**	The currency of the Notes is [•].
C.5	**Restriction on the free transferability of the Notes:**	There is no restriction on the free transferability of the Notes.
C.8	**The Rights attached to the Notes:**	***Negative Pledge*** So long as any of the Notes or, if applicable, any Coupons relating to them, remains outstanding, the Issuer will not create or permit to subsist any mortgage, lien, charge, pledge or other form of security interest (*sûrete réelle*) upon any of its assets or revenues, present or future, to secure any present or future indebtedness for borrowed money in the form of, or represented by, bonds (obligations), notes or other securities with a maturity greater than one year and which are for the time being, or are capable of being, admitted to trading on a Regulated Market, unless the Issuer's obligations under the Notes and, if applicable, Coupons are equally and rateably secured therewith. ***Ranking*** The Notes and, if any, the relevant Coupons will constitute direct, unconditional, unsubordinated and (subject to the provisions relating to negative pledge) unsecured obligations of the Issuer and will rank

		pari passu among themselves and (save for certain obligations required to be preferred by French law) equally with all other present or future unsecured and unsubordinated obligations of the Issuer from time to time outstanding. ***Events of Default*** The Notes may become due and payable at their principal amount together with any accrued interest: a) in the event of a principal or interest or any other amount payment default relating to any Notes by the Issuer within a period of thirty (30) calendar days (under specific conditions); or b) in the event of a default in the performance of, or compliance with, any other provisions of the Terms and Conditions of the Notes, within a period of sixty (60) calendar days (under specific conditions); or c) (i) any bank or bond indebtedness of the Issuer in excess individually or in aggregate of Euro 100 million (or its equivalent in any other currency) in principal is (are) not paid by the Issuer (under specific conditions) or (ii) any guarantee(s) given by the Issuer for bank or bond indebtedness of others in excess individually or in aggregate of Euro 100 million (or its equivalent in any other currency) is (are) not honoured when due and called upon (under specific conditions); ***Selling Restrictions*** There are restrictions on the sale of Notes and the distribution of offering material in the United States, in the United Kingdom, in France, in States of the European Economic Area and in Japan.
C.9	**Interest, maturity and redemption provisions, yield and representation of the Noteholders**	***Nominal interest rate*** Notes may be interest bearing or non interest bearing. Interest (if any) may accrue at a Fixed Rate, or a Floating Rate. ***Date from which interest becomes payable and the due dates for interest*** The date from which interest becomes payable and the due dates for interest for each issue of Notes will be indicated in the relevant Final Terms applicable to the relevant issue of Notes. ***Description of the underlying on which the rate is based, when such rate is not fixed*** Not Applicable; interest (if any) will accrue at a Fixed rate, or a Floating rate. ***Maturity Date and arrangements for the amortisation of the loan, including the repayment procedures*** *Redemption on the Maturity Date* Notes will be redeemed at par or at such other Redemption Amount as specified in the relevant Final Terms. *Early Redemption* Notes may be redeemable prior to maturity subject to the terms of this redemption specified in the relevant Final Terms. *Early Redemption for tax reasons* Notes will be redeemable for tax reasons at the option of the Issuer prior to maturity subject to the terms of this redemption specified in the relevant Final Terms. ***Yield*** The yield of the Notes will be specified in the relevant Final Terms. ***Representative of debt security holders*** The Representative of the Noteholders and the Alternative Representative will be appointed in the relevant Final Terms for each issue of Notes.
C.10	**Explanation on how the value of the investment is affected by the value of the underlying instrument(s) related to the interest payment:**	Not Applicable
C.11	**Admission to Trading of the securities in a regulated market:**	[*To specify*]
C.21	**Admission to Trading and publication of the Base Prospectus:**	Application may be made for Notes to be admitted to trading on, and the Base Prospectus has been published for Euronext. [A Series of Notes may be unlisted.]

Section D – Risks		
D.2	**Key information on the key risks that are specific to the Issuer:**	The Ile-de-France Region is not exposed to industrial risks nor environmental risks and covers through insurance the miscellaneous risks related to both buildings owned or occupied in any capacity whatsoever by itself and wholly-owned vehicles. The civil liability of the Region and its different services is covered by a specific insurance. In relation to financial risks, the Ile-de-France Region, as a local authority and pursuant to applicable laws, can freely borrow, and its relationships with lenders are based on private law and the right to enter into contractual agreements. However, applicable laws provide that: - Borrowings may only finance investments; - Reimbursement of the capital of borrowings must be covered by the territorial unit's own resources. - Debt service is a mandatory expenditure (*dépense obligatoire*), whether it concerns interest or repayment of capital. Pursuant to an active but prudent debt management policy, the Region has recourse to financial instruments (derivative products such as swaps, caps, tunnels…) the use of which is restricted by the inter-ministerial circular, n° NOR IOCB1015077C of 25 June 2010 relating to financial products offered to local authorities and to their public entities. The Region's policy in relation to interest rate risk is prudent: it aims to protect regional debt against an increase in rates whilst at the same time reducing cost. Besides this, the Region takes no exchange-rate risk because whenever it issues securities in a foreign currency it enters into contracts for the exchange of the currency into euro at the outset. The Issuer, as a legal entity governed by public law, is not subject to enforcement proceedings according to the principle of exemption from seizure of assets applicable to entities governed by public law.
D.3	**Key information on the key risks that are specific to the securities:**	Investors are informed that the value of their investment may be affected by certain factors or events. ***The trading market for debt securities may be volatile and may be adversely impacted by many events*** The market for debt securities issued by issuers is influenced by economic and market conditions and, to varying degrees, interest rates, currency exchange rates and inflation rates in other European and other industrialised countries. ***An active trading market for the Notes may not develop*** There can be no assurance that an active trading market for the Notes will develop, or, if one does develop, that it will be maintained. If an active trading market for the Notes does not develop or is not maintained, the market or trading price and liquidity of the Notes may be adversely affected. ***The Notes may be redeemed before maturity*** If, on the occasion of a repayment of principal or a payment of interest, the Issuer would be obliged to pay Additional Amounts in accordance with Condition 8(b), the Issuer may redeem all outstanding Notes at the Early Redemption Amount together, unless otherwise specified in the relevant Final Terms, with interest accrued up to the date set for redemption. [*To insert if applicable*] ***Any early redemption at the option of the Issuer, if provided for in any Final Terms for a particular issue of Notes, could cause the yield received by Noteholders to be considerably less than anticipated*** The Final Terms for a particular issue of Notes may provide for early redemption at the option of the Issuer. As a consequence, the yield received upon redemption may be lower than expected, and the redeemed amount of the Notes may be lower than the purchase price for the Notes paid by the Noteholder. As a consequence, part of the capital invested by the Noteholder may be lost. [*To insert if applicable*] ***Investors will not be able to calculate in advance their rate of return on Floating Rate Notes*** A key difference between Floating Rate Notes and Fixed Rate Notes is that interest income on Floating Rate Notes cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of Floating Rate Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments having longer fixed interest periods. [*To insert if applicable*] ***Risks arising in relation with fixed rate Notes*** It cannot be set aside that the value of fixed rate Notes be affected by future variations on the interest rate markets. [*To insert if applicable*] ***Exchange rate risks and exchange controls*** The Issuer will pay principal and interest on the Notes in the currency specified in the relevant Terms and Conditions. This presents certain risks relating to currency conversions if an investor's financial activities are principally in a currency or currency unit which is different than that of the relevant Notes. Government and monetary authorities may impose (as some have done in the past) exchange controls

		that could adversely affect exchange rates. As a result, investors may receive less interest or principal than expected, or even no interest or principal.

Section E – Offer		
E.2b	**Reasons for the offer and use of proceeds when different from making profit and/or hedging certain risks:**	[The net proceeds of the issue of the Notes will be used to finance the Issuer's investments unless otherwise specified in the relevant Final Terms.] /[*Other*]
E.3	**Terms and conditions of the offer:**	The Notes will be issued at the issue price of [•] [*Specify the issue price*]. [There are restrictions on the sale of Notes and the distribution of offering material in the United States, in the United Kingdom, in France, in States of the European Economic Area and in Japan. In connection with the offering and sale of a particular Tranche, additional selling restrictions may be imposed which will be set out in the relevant Final Terms.]
E.4	**Interest that is material to the issue/ offer :**	[*To specify*]
E.7	**Estimated expenses charged to the investor by the issuer or the offeror:**	[*To specify*]

GENERAL INFORMATION

(1) The Issuer has obtained all necessary consents, approvals and authorisations in the Republic of France in connection with the establishment and the update of the Programme. The establishment of the Programme was authorised by the *Délibération* Nr. CR-12.00 of the *Conseil Régional* of the Issuer made on 4 May 2000.

In general, any issuances of Notes under the Programme must be authorised by a resolution (*"délibération"*) of the *Conseil Régional* of the Issuer.

The Issuer's budget for 2015 was adopted in accordance with article L.4311-1 of the General Code of Local Authorities and authorised borrowings, notably by the issuance of Notes under the Programme, for the year 2015, up to a maximum aggregate amount of Euro 855,801,000.

The issuance of Notes in 2015 was authorised by the *Délibération* Nr. CR90-14 of the *Conseil Régional* of the Issuer made on 19 December 2014.

(2) There has been no significant change in the financial condition of the Issuer since 31 December 2013.

(3) There has been no material adverse change in the prospects of the Issuer since 31 December 2013.

(4) The Issuer has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Base Prospectus which may have or have had in the recent past, significant effects on the financial position of the Issuer.

(5) Each Definitive Materialised Note, Coupon and Talon will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".

(6) Notes may be accepted for clearance through the Euroclear and Clearstream, Luxembourg systems. The Common Code, the International Securities Identification Number (ISIN) or the identification number for any other relevant clearing system (where applicable) for each Series of Notes will be set out in the relevant Final Terms.

(7) This Base Prospectus will be published on the websites of (i) the AMF (www.amf-france.org), (i) the Issuer (www.iledefrance.fr/conseil-regional/budget-2015), and/or (iii) and any other relevant regulatory authority. The Final Terms related to Notes admitted to trading on any Regulated Market of the EEA or offered to the public in a Member State of the EEA other than France, in each case in accordance with the Prospectus Directive, will be published on the websites of (a) the AMF (www.amf-france.org), (b) the Issuer (www.iledefrance.fr) and (c) any relevant regulatory authority.

(8) For so long as Notes may be issued under the Programme are outstanding, the following documents will be available, as soon as published, free of charge, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), for inspection and, in the case of documents listed at (i), (ii), (iii) and (iv) free of charge copy at the office of the Fiscal Agent or each of the Paying Agents:

(i) the Agency Agreement (which includes the form of the *lettre comptable*, the Temporary Global Certificates, the Definitive Materialised Notes, the Coupons, and the Talons);

(ii) the two most recently published administration statement and initial budget, as amended, if applicable, by a supplemental budget of the Issuer;

(iii) each Final Terms for Notes that are admitted to trading on Euronext Paris or any other Regulated Market;

(iv) a copy of this Base Prospectus together with any Supplement to this Base Prospectus or further Base Prospectus; and

(v) all reports, letters and other documents, valuations and statements, made by any expert at the Issuer's request, any part of which is extracted or referred to in this Base Prospectus in respect of each issue of Notes.

RESPONSIBILITY FOR BASE PROSPECTUS

Individuals assuming responsibility for this Base Prospectus

1 In the name of the Issuer

I declare, after taking all reasonable measures for this purpose and to the best of my knowledge, that the information contained in this Base Prospectus is in accordance with the facts and that it makes no omission likely to affect its import.

Région Ile-de-France
33, rue Barbet de Jouy
75007 Paris

Paris, 24 March 2015

Represented by Mr Laurent Machureau
Deputy Chief Executive
in charge of the Finances Audit Management Control Unit

AMF | AUTORITÉ DES MARCHÉS FINANCIERS

Autorité des marchés financiers

In accordance with articles L.412-1 and L.621-8 of the French Code monétaire et financier and with the General Regulations (*Réglement général*) of the *Autorité des marchés financiers* (AMF), in particular articles 212-31 to 212-33, the AMF has granted to this Base Prospectus the visa n°15-105 on 24 March 2015. This document may only be used for the purposes of a financial transaction if completed by Final Terms. It was prepared by the Issuer and its signatories assume responsibility for it. In accordance with article L.621-8-1-I of the French Code monétaire et financier, the visa was granted following an examination by the AMF of "whether the document is complete and comprehensible, and whether the information it contains is coherent". It does not imply that the AMF has verified the accounting and financial data set out in it. This visa has been granted subject to the publication of Final Terms in accordance with article 212-32 of the AMF's General Regulations, setting out the terms of the securities being issued.

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France

UBS Limited
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United Kingdom

**Fiscal Agent, Principal Paying Agent, Redenomination Agent,
Consolidation Agent and Calculation Agent in respect of Dematerialised Notes**

BNP Paribas Securities Services
(Affiliated with Euroclear France under number 29106)
Les Grands Moulins de Pantin
9 rue du Débarcadère
93500 Pantin
France
Attention : Corporate Trust Services

Operational notification:

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