



Base Prospectus dated 29 October 2015

CITY OF PARIS

Notes Issue Programme

(Euro Medium Term Note Programme)

of €4,000,000,000

Under the Euro Medium Term Note Programme (the “**Programme**”) described in this Base Prospectus (the “**Base Prospectus**”), the City of Paris (the “**Issuer**”), subject to compliance with all relevant laws, regulations and directives, may from time to time issue notes (the “**Notes**”). The aggregate nominal amount of notes outstanding may not at any time exceed [€4,000,000,000] (or the equivalent of that amount in other currencies).

In certain circumstances, an application may be made for admission to trading on Euronext Paris (“**Euronext Paris**”). Euronext Paris is a regulated market within the meaning assigned by Directive 2004/39/EC of 21 April 2004 (a “**Regulated Market**”). The Notes may also be admitted to trading on another Regulated Market of the European Economic Area (“**EEA**”) on another non-regulated market or may not be admitted to trading. The relevant Final Terms (as defined in the section “Terms and Conditions of the Notes” and a template of which is contained herein) as prepared for any issue of Notes will specify whether or not such Notes will be admitted to trading and, if so, the relevant Regulated Market. This Base Prospectus was submitted to the Autorité des Marchés Financiers (“**AMF**”) which approved it under the n° 15-550 on 29 October 2015.

The Notes may be issued either in dematerialised form (“**Dematerialised Notes**”) or in physical form (“**Materialised Notes**”), as more fully described in the present Base Prospectus.

Dematerialised Notes will be in book entry form in compliance with Articles L. 211-3 and following of the Monetary and Financial Code. 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 form inscribed as from the issue date in the books of Euroclear France (acting as central depository) which shall credit the accounts of the Account Holders (as defined in “Terms and Conditions of the Notes - Form, Denomination, Title, Redenomination and Consolidation”) including Euroclear Bank S.A./N.V. (“**Euroclear**”) and the depository bank for Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”) or (b) in registered form and, in such latter case, at the option of the relevant Noteholder (as defined in “Terms and Conditions of the Notes - Form, Denomination, Title, Redenomination and Consolidation”), either in fully-registered form, in which case they will be inscribed with the Issuer or with a registration agent (designated in the relevant Final Terms) for the Issuer, or in administered registered form, in which case they will be inscribed in the accounts of the Account Holders designated by the relevant Noteholder.

Materialised Notes will be in bearer form only and may only be issued outside France. A Temporary Global Certificate in bearer form without interest coupons attached (“**Temporary Global Certificate**”) will be issued in respect of the Materialised Notes. Such Temporary Global Certificate will then be exchanged against the Materialised Notes represented by Physical Securities (“**Physical Securities**”) accompanied, where applicable, by interest coupons, on or after a date expected to be around the 40th 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 that the securities are not held by United States Persons, in compliance with US Treasury rules, as described more precisely in the present Base Prospectus. The Temporary Global Certificates will (a) in the case of a Tranche (as defined in “Terms and Conditions of the Notes”) intended to be cleared through Euroclear and/or Clearstream, Luxembourg, be deposited on the issue date with a common depository for Euroclear and/or Clearstream, Luxembourg, or (b) in the case of a Tranche intended to be cleared through a clearing system other than or in addition to Euroclear and/or Clearstream, Luxembourg or to be delivered outside a clearing system, be deposited as agreed between the Issuer and the relevant Dealer (as defined below).

The Programme has been given a rating of AA by Standard & Poor’s Rating Services and AA+ by Fitch Ratings. Notes issued pursuant to the Programme may or may not be subject to a rating. The rating of the Notes, if there is one, will be specified in the relevant 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 rating agency. The issuer is rated AA and A-1+ Negative Outlook by Standard & Poor’s Rating Services and AA and F1+ Negative Outlook by Fitch Ratings for its long-term and short-term debt respectively.

At the date of the present Base Prospectus, both of the rating agencies are established in the European Union and registered under Regulation (EC) n° 1060/2009 of the European Parliament and Council of 16 September 2009 as amended by Regulation (EU) n° 513/2011 (the “CRA Regulation”), and included in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority (<http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation.

Investors are invited to have regard to the risks described in the section headed “Risk Factors” before making their decision to invest in the Notes issued under the present Programme.

The present Base Prospectus will be published on the websites of (i) the AMF (www.amf-france.org) and (ii) the Issuer (http://www.paris.fr/municipalite/l-hotel-de-ville/taxes-et-impots-2318#programme-d-emissions-de-titres-emptn_10). Documents incorporated with reference to the Base Prospectus are published on the website of the AMF (www.amf-france.org).

Arranger

HSBC

Dealers

BNP PARIBAS

Barclays

HSBC

Citigroup

Crédit Agricole CIB

NATIXIS

This Base Prospectus (together with any supplement thereto) comprises a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC of the European Parliament and Council dated 4 November 2003 as amended by Directive 2010/73/EU of the European Parliament and Council dated 24 November 2010 (the “Prospectus Directive”) and contains all useful information with regard to the Issuer to enable investors to make an informed assessment of the assets, activity, financial position, results and prospects of the Issuer and the rights attached to the Notes, and in particular the information required by Annexes V, XIII and XVI of Regulation 809/2004/EC and Annexes XXII and XXX of Regulations n° 486/2012/EU and n° 862/2012/EU. Each Tranche (as defined in the section “Terms of the Notes”) of Notes will be issued in application of the provisions of the section “Terms of the Notes” of this Base Prospectus, as completed by the provisions of the Final Terms agreed upon between the Issuer and the Dealers (as defined on the last page of this Base Prospectus) concerned on issue of the said Tranche. The Base Prospectus (together with any supplement thereto) and the Final Terms taken together shall comprise a prospectus within the sense assigned by Article 5.1 of the Prospectus Directive.

The Issuer hereby certifies, having taken all reasonable measures to this effect, that all information included in this Base Prospectus is true to the facts to the best of its knowledge and includes no omissions likely to alter the scope thereof. The Issuer assumes the responsibility resulting therefrom.

No person has been authorised to give any information or to make any declarations other than those contained in this Base Prospectus in connection with the issue or sale of the Notes. If given or made, any such information or representation must not be considered as having been authorised by the Issuer, the Arranger or any of the Dealers (as defined on the last page of this Base Prospectus). Under no circumstances may delivery of this Base Prospectus or any sale made herewith create any implication that there has been no adverse change in the affairs of the Issuer since the date hereof or since the date upon which this Base Prospectus was most recently amended or supplemented, or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing it.

The distribution of this Base Prospectus and the offering or sale of the Notes may be subject to legal restrictions in some countries. Neither the Issuer nor the Dealers guarantee that this Base Prospectus shall be distributed in application of the law or that the Notes shall be offered in application of the law, in compliance with all applicable registrations or with any other requirements a jurisdiction might have, or by virtue of an exemption that might be applicable to it, and they may not be held responsible for having facilitated such a distribution or such an offering. In particular, neither the Issuer nor the Dealers have undertaken any action to allow the offering of the Notes to the public or the distribution of this Base Prospectus within any jurisdiction that might require such action. Consequently, the Notes may not be offered or sold, directly or indirectly, and this Base Prospectus or any other offering document may not be distributed or published in a jurisdiction unless it is compliant with all applicable laws and regulations. Any persons into whose possession this Base Prospectus or the Notes might come are required to inform themselves about any restrictions on the distribution of this Base Prospectus or on the offering or sale of the Notes, and to observe them. In particular, there are restrictions as to distribution of this Base Prospectus and to the offering or sale of the Notes in the United States, Japan and the European Economic Area (notably in France, Spain, Italy, the Netherlands and the United Kingdom).

Any reference in this Base Prospectus to “Permanent Dealers” shall refer to the persons named on the cover page in the capacity of Dealers, and to any other person who might have been appointed a Dealer for the whole Programme (and who has not been revoked) and any reference to “Dealers” shall refer to any Permanent Dealer or any other person appointed as a Dealer for one or several Tranches.

The Notes have not been and shall not be registered pursuant to the United States Securities Act of 1933 (U.S. Securities Act of 1933, as amended) or with any authorities responsible for stock market regulation in any American state or any other American jurisdiction, and the Notes may include Materialised Notes in bearer form subject to U.S. tax law provisions. Subject to certain exceptions, the Notes may not be offered, sold or, in the case of Materialised Notes in bearer form, remitted in the United States of America or in the case of certain Materialised Notes in bearer form, to, or on behalf of or for the benefit of American nationals (U.S. Persons) as defined in the U.S. Internal Revenue Code of 1986, as amended, and its application texts. The Notes shall be offered and sold outside the United States in accordance with Regulation S of the U.S. Securities Act (“Regulation S”).

For a description of certain restrictions applicable to the offer, sale and transmission of the Notes, to distribution of this Base Prospectus and a number of other restrictions, refer to “Subscription and Sale”.

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

The Dealers and the Issuer do not make any declaration whatsoever to a prospective investor in the Notes as to the legality of his or her investment by the terms of the applicable laws. Any prospective investor in the Notes must be in capable of assuming the economic risk of his or her investment in the Notes for an unspecified period of time.

The Arranger and Dealers have not separately verified the information contained in this Base Prospectus. None of the Dealers or the Arranger makes any representation, express or implied, or accepts any responsibility with respect to the accuracy or completeness of any of the information in this Base Prospectus. This Base Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation to purchase the Notes made by the Issuer, the Arranger or the Dealers to any recipient of this Base Prospectus. Any prospective investor in the Notes must make their own assessment of the pertinence of the information contained in this Base Prospectus and must base their investment decision on the investigations they deem necessary. Neither the Arranger nor any of the Dealers undertakes to review the financial situation or affairs of the Issuer during the life of this Base Prospectus nor to advise any investor or to inform any prospective investor in the Notes of any information that might be brought to the attention of any of the Dealers or of the Arranger.

Within the scope of each Tranche (as defined in “Programme Summary”), one of the Dealers may act as the establishment handling stabilisation operations (“Stabilising Manager”). The identity of the “Stabilising Manager” shall be indicated in the Final Terms in question. For the purposes of any issue, the Stabilising Manager (or any other entity acting on behalf of the Stabilising Manager) may over-allot Notes or conduct operations with a view to supporting the price of the Notes at a higher level than that which might have prevailed in the absence of any such operations. However, there is no assurance that the Stabilising Manager (or any other entity acting on behalf of the Stabilising Manager) shall perform such operations. Any such stabilisation action may only begin on or after the date on which the final terms of the issue were disclosed and, once it has begun, it may be ended at any time and must end no later than the earlier of the following two dates: (i) thirty (30) calendar days after the date of issue and (ii) sixty (60) calendar days after the date of allotment of the Notes. Any stabilisation action must be carried out in compliance with all applicable laws and regulations.

In this Base Prospectus, unless otherwise specified or unless the context does not lend itself thereto, all references to “€”, “Euro”, “EUR” or “euro” shall mean the legal currency in the Member States of the European Union that have adopted the single currency introduced in application of the European Economic Community Treaty, all references to “£”, “Pound Sterling” or “Sterling” shall mean the legal currency in the United Kingdom; all references to “\$”, “USD”, “U.S. dollar” or “American dollar” shall mean the legal currency in the United States, all references to “¥”, “JPY” or “yen” shall mean the legal currency of Japan and all references to “CHF” or “Swiss francs” shall mean the legal currency of Switzerland.

RETAIL CASCADES

The Issuer accepts responsibility in the Country of the Public Offer for information with regard to this Base Prospectus in the case where any offer of Notes in France (the “**Country of the Public Offer**”) which is not made pursuant to an exemption from the requirement to publish a prospectus under the Prospectus Directive (a “**Non-Exempt Offer**”), with respect to any person (an “**Investor**”) to whom any offer of Securities is made by any financial intermediary, to whom the Issuer has given consent for him to use this Base Prospectus (an “**Authorised Offeror**”), when the offer is made during the period and in the Country of the Public Offer for which consent has been given and in compliance with all other conditions attached to the granting of this consent, as specified in this Base Prospectus. However, neither the Issuer nor any Dealer can be held responsible for any conduct of any Authorised Offeror, including the compliance of any Authorised Offeror with the applicable rules of conductor any other local regulatory requirements and legislative requirements regarding securities in connection with this offer.

The Issuer agrees to the use of this Base Prospectus for a subsequent resale of the Notes or their final investment by any Authorised Offeror within the framework of a Non-exempt Offer during the Offer Period specified in the applicable Final Terms (the “**Offer Period**”) or (1) in the Country of the Public Offer specified in the applicable Final Terms by any Authorised Offer with permission to make such offers under the Markets in Financial Instruments Directive (Directive 2004/39/EC) and which meets the conditions mentioned (if any) in the applicable Final Terms, or (2) by any Authorised Offeror indicated in the applicable Final Terms, in the Country of the Public Offer specified in the Final Terms and subject to the applicable conditions specified in the relevant Final Terms, as 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 applicable Final Terms and, if he goes ahead with this, the Issuer will publish the above information about them on (http://www.paris.fr/municipalite/l-hotel-de-ville/taxes-et-impots-2318#programme-d-emissions-de-titres-emptn_10).

Subject to respect of the conditions specified in the relevant Final Terms, consent to the use of this Base Prospectus described above concerns periods of Offers occurring within twelve (12) months following the date of this Base Prospectus.

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

Insofar as this is indicated in the applicable Final Terms, a Non-exempt Offer may be made during the Offer Period concerned by each of the Issuers and Dealers or, subject to any restrictions on the consent, of any Authorised Offer in the Country of the Public Offer and subject to all applicable conditions in all cases as specified in the relevant Final Terms.

Unless otherwise noted, neither the Issuer nor any Dealer has authorised the initiation of any Non-exempt offer of Notes by any person in any circumstances and such a person is not authorised to use this Base Prospectus in the framework of his offer of Notes. Such unauthorised Non-exempt Offers are not made by or on behalf of the Issuer and Dealers or any Authorised Offeror, and neither the Issuer nor any Dealer or Authorised Bidder shall be held responsible for the conduct of any person setting up such offers.

An Investor intending to acquire or acquiring any Notes from an Authorised Offeror shall do so, and offers and sales of the Notes to an Investor by an Authorised Offeror shall be made, in compliance with any terms and other arrangements in place between such Authorised Offeror and the relevant Investor, including as regards price, allocations and settlement arrangements (the “Terms of the Non-Exempt Offer”). The Issuer shall not be a party to any such arrangements with Investors (other than Dealers) in connection with the offer or sale of the Notes and, consequently, the Base Prospectus and any Final Terms will not contain such information. The Terms and Conditions of the Public Offer shall be provided to Investors by that Authorised Offeror at the time of the Non-exempt Offer. Neither the Issuer nor any of the Dealers or other Authorised Offerors is in any way responsible for such information.

In the case of a Tranche of Notes which is (a) available to the public in the country of the Public Offer (other than when applying one or more of the exceptions provided for in Article 3.2 of the Prospectus Directive) and/or (b) admitted to trading on a regulated market in the Country of the Public Offer, the applicable Final Terms will not change nor replace the information contained in this Base Prospectus. Subject to the above, to the extent permitted by law and/or applicable regulations, Final Terms relating to any Tranche of Notes may supplement any information contained in this Base Prospectus.

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PROGRAMME SUMMARY

Warning to the reader:

Summaries contain required information called "Elements". These elements are numbered in the sections A to E (A.1-E.7).

This summary contains all the Elements required in a summary for this type of securities and Issuer. The numbering sequence of the Elements may contain gaps as some Elements are not required to be addressed.

Although an Element may be required in the summary on account of the type of security and Issuer, it is possible that no relevant information can be given relating to the Element in question. In this case a short description of the Element is included in the summary followed by the wording "Not applicable".

This summary is provided in the framework of issues of Notes with a nominal value of less than €100,000 (or the equivalent of this amount in any other currency) carried out under the Programme. A specific summary for each programme type will be appended to the applicable Final Terms.

Section A - Introduction and warnings		
A.1	General warning regarding the summary:	This summary should be read as an introduction to this Base Prospectus. Any decision to invest in the Notes must be based on an exhaustive examination of the Base Prospectus by the investors, including any documents incorporated by reference and any supplements that might be published in the future. When legal action concerning the information contained in this Base Prospectus is taken before a court, in accordance with the national legislation of the Member State of the European Economic Area, the plaintiff may be required to bear the costs of translation of this Base Prospectus prior to the beginning of the judicial proceedings. Only the civil liability of the persons who presented this summary or its translation may be incurred, but only if the content of the summary, including its translation, is misleading, inaccurate or inconsistent when read in relation to the other parts of the Base Prospectus or if it does not provide, when read in relation to the other parts of the Base Prospectus, the key information required to help investors considering investing in the Notes.
A.2	Information relating to the consent of the Issuer concerning use of the Base Prospectus:	The Issuer accepts responsibility in the Country of the Public Offer for information with regard to this Base Prospectus in the case where any offer of Notes in France (the "Country of the Public Offer") which is not made pursuant to an exemption from the requirement to publish a prospectus under the Prospectus Directive (a "Non-Exempt Offer"), with respect to any person (an "Investor") to whom any offer of Securities is made by any financial intermediary, to whom the Issuer has given consent for him to use this Base Prospectus (an "Authorised Offeror"), when the offer is made during the period and in the Country of the Public Offer for which consent has been given and in compliance with all other conditions attached to the granting of this consent, as specified in this Base Prospectus. However, neither the Issuer nor any Dealer can be held responsible for any conduct of any Authorised Offeror, including the compliance of any Authorised Offeror with the applicable rules of

conduct or any other local regulatory requirements and legislative requirements regarding securities in connection with this offer.

The Issuer agrees to the use of this Base Prospectus for a subsequent resale of the Notes or their final investment by any Authorised Offeror within the framework of a Non-exempt Offer during the Offer Period specified in the applicable Final Terms (the "Offer Period") or (1) in the Country of the Public Offer specified in the applicable Final Terms by any Authorised Offer with permission to make such offers under the Markets in Financial Instruments Directive (Directive 2004/39/EC) and which meets the conditions mentioned (if any) in the applicable Final Terms, or (2) by any Authorised Offeror indicated in the applicable Final Terms, in the Country of the Public Offer specified in the Final Terms and subject to the applicable conditions specified in the relevant Final Terms, as 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 applicable Final Terms and, if he goes ahead with this, the Issuer will publish the above information about them on (http://www.paris.fr/municipalite/L-hotel-de-ville/taxes-et-impots-2318#programme-d-emissions-de-titres-emtn_10).

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

Unless otherwise noted, neither the Issuer nor any Dealer has authorised the initiation of any Non-exempt offer of Notes by any person in any circumstances and such a person is not authorised to use this Base Prospectus in the framework of his offer of Notes. Such non-exempt, unauthorised offers are not made by or on behalf of the Issuer and Dealers or any Authorised Offeror, and neither the Issuer nor Dealers or any Authorised Offeror shall be held responsible for the conduct of any person setting up such offers.

An Investor intending to acquire or acquiring any Notes from an Authorised Offeror shall do so, and offers and sales of the Notes to an Investor by an Authorised Offeror shall be made, in compliance with any terms and other arrangements in place between such Authorised Offeror and the relevant Investor, including as regards price allocations and settlement arrangements (the "Terms and Conditions of the Non-Exempt Offer"). The Issuer shall not be a party to any such arrangements with Investors (other than Dealers) in connection with the offer or sale of the Notes and, consequently, the 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 time of the Non-exempt Offer. Neither the Issuer nor any of the Dealers or other Authorised Offerors is in any way responsible for such information.

		<p>Summary of the issue [Not applicable]/</p> <p>The Issuer agrees to the use of the Base Prospectus for a subsequent resale of the Notes or their final investment through any Authorised Offeror, with regard to any offer of Notes which is not made by virtue of a prospectus exemption under the Prospectus Directive (a "Non-Exempt Offer"), subject to the following conditions:</p> <p>(i) consent is only given for the period [[●] to [●]/ the Issue Date]/[the date that falls on the [●] next Business Day]] (the "Offer Period");</p> <p>(ii) the only offerors allowed to use the Base Prospectus in the framework of a Non-exempt Offer of Notes are [Dealers and[(i) [●] [and[●]]] (specify the name and address of any authorised financial intermediary) and/or if the Issuer consents to other financial intermediaries after the [●] (<i>being the date of the Final Terms</i>) and has specified information about them on his website (http://www.paris.fr/municipalite/l-hotel-de-ville/taxes-et-impots-2318#programme-d-emissions-de-titres-emptn_10)]/ [[and] any financial intermediary who is authorised to make such an offer in the framework of the applicable law transposing the Markets in Financial Instruments Directive (Directive 2004/39/EC), which recognises on its website that it uses the Prospectus Base to offer the Notes during the Offer Period (the "Authorised Offeror[s]"); [and]</p> <p>(iii) consent is given only for use of the Base Prospectus for the purposes of a Non-exempt Offer in France; [and]</p> <p>[(iv) consent is given subject to the following condition[s]: [●].]</p> <p>Any Authorised Offeror as set out in paragraph (ii) above who satisfies all the other conditions specified above and wishes to use this Base Prospectus in the framework of a Non-exempt Offer shall, for the duration of the Offer Period, publish on his website that he is using the Base Prospectus for such a Non-exempt Offer in accordance with the consent of the Issuer.</p> <p>An Investor intending to acquire or acquiring any Notes from an Authorised Offeror shall do so, and offers and sales of the Notes to an Investor by an Authorised Offeror shall be made, in compliance with any terms and other arrangements in place between such Authorised Offeror and the relevant Investor, including with regard to price, settlement arrangements and payment (the "Terms of the Non-exempt Offer"). The Issuer shall not be a party to any such arrangements with Investors (other than Dealers) in connection with the offer or sale of the Notes and, consequently, the 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 on his website, at the time of the Non-exempt Offer. Neither the Issuer nor any Dealer or</p>
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	other Authorised Offeror shall be held responsible for this information.
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<i>Section B - Issuer</i>	
B.17	<p>Credit issues assigned to the Issuer or Notes:</p>
	<p>The Programme has been given a rating of AA by Standard & Poor's Rating Services and AA by Fitch Ratings. Both of the rating agencies are established in the European Union and registered under Regulation (EC) n°1060/2009 of the European Parliament and Council of 16 September 2009 as amended by Regulation (EU) n°513/2011 (the "CRA Regulation"), and included in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority (http://www.esma.europa.eu/page/List-registered-and-certified-CRAs) in accordance with the CRA Regulation). The notes issued pursuant to the Programme may or may not be subject to a rating. When the Notes are rated, that rating may not necessarily be the same as that given to the Programme. If there is a rating, it will be specified in the Final Terms. A rating is not a recommendation to purchase, sell or hold notes and may be suspended, lowered or withdrawn at any time by the rating agency concerned.</p> <p>The issuer is rated AA and A-1+ Negative Outlook by Standard & Poor's Rating Services and AA and F1+ Negative Outlook by Fitch Ratings for its long-term and short-term debt respectively.</p> <p>Summary of the issue</p> <p>The Programme has been rated AA by Standard and Poor's Rating Services and AA by Fitch Ratings. [The Notes to be issued have been rated [●] by Standard and Poor's Rating Services and [●] by Fitch Ratings].</p> <p>Both of the rating agencies are established in the European Union and registered under Regulation (EC) n°1060/2009 of the European Parliament and Council of 16 September 2009 as amended by Regulation (EU) n°513/2011 (the "CRA Regulation"), and included in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority (http://www.esma.europa.eu/page/List-registered-and-certified-CRAs).</p>
B.47	<p>Description of the issuer</p>
	<p>As well as being the political and administrative capital, Paris is also the most densely-populated city in France and its economic, financial and cultural centre. This importance explains the fact that it has an administrative structure that is unique in France. French territory is divided up administratively into three categories of local authorities - the region, the department and the municipality - each of which has its own geographic territory, legal personality, specific powers, regulatory power and autonomous budget. Paris however, combines two of these levels of government - municipality and department - in the same territory and within a single entity.</p> <p>The link between the municipality of Paris and department of Paris is defined by Article L2512-1 of the General Local Authority Code. In fact, the interdependence between the two entities is total. In particular, the affairs of both local authorities are governed by the decisions of the same assembly, the "Council of Paris", comprising 163 members elected for six (6) years chaired by the Mayor of Paris. Due</p>

to many transfers between its two budgets (the municipality contributes to the budget of the department and vice versa), political and financial decisions are taken on the basis of the existence of a single entity, the Paris authority.

Therefore, although the Issuer of this bond programme is the municipality of Paris and despite the existence of separate budgets for the City of Paris and Department of Paris, this Base Prospectus describes the Paris authority as a whole.

The major decentralisation reforms undertaken in 1982 - defined in the General Local Authorities Code - transferred a large number of specific powers to the local authorities, including Paris. The current status of Paris was therefore fixed by the Law of 31 December 1982 (known as the PML (Paris, Marseilles, Lyons) law), aiming to bring management of the three largest municipalities in France closer to their citizens. Without calling into question the unity of Paris, this law set up district councils in each of its twenty administrative subdivisions ("*arrondissements*").

Issuer powers

By virtue of the principle of subsidiarity, reiterated in 2003 in Article 72 of the French Constitution, the institutions of Paris take decisions in all those areas that are best managed at their level. These powers are entrusted by law to the municipalities and departments, with a few specific characteristics.

As a municipality, Paris is responsible for all local policies. These include, among others, young children (schools and daycare centres), streets, water treatment and waste collection, but also city planning, housing and culture. The Mayor is responsible for applying the decisions of the Municipal Council relating to these local policies, subject to the powers allocated to the mayors of the *arrondissements* and those conferred on the police prefecture.

Paris is the only city in France where the powers of the municipal police (traffic, peace and order, public health) are not exercised entirely by an elected mayor but by a civil servant of the State, the *Préfet de Police*, appointed in the Council of Ministers by the President of the Republic. To carry out its activities, the *Prefecture de Police* has a separate, so-called "special" budget voted by the Paris Council and to which the City contributes over 40%. The organisation of transport is another specific feature of Paris, being governed by a regional entity, the STIF (*Syndicat des Transports d'Ile-de-France*), to which the City makes a financial contribution.

As a department, Paris is responsible for all social and territorial solidarity policies. This means that Paris manages local facilities within its boundaries. In particular, it builds and maintains middle schools and roads. It also manages welfare expenditure for children, the elderly, the disabled and persons who are in difficulty.

For the purpose of its investment projects, the Paris authority borrows each year for its financing needs and in order to balance its budget. However, the freedom to do so is closely regulated.

Recent events of relevance to assess the solvency of the Issuer

No recent events have occurred of relevance to assess the solvency of the Issuer.

Description of the economy of the issuer

Paris benefits from a central position in geographical and administrative terms and attracts foreign investments, with 90 projects in 2013 representing 3,233 jobs. This represents 32.3% of the projects and 50% of the jobs attracted to the Ile de France region as a whole. The Business Registry of the Commercial Court in Paris listed 363,660 existing businesses in Paris at 31 December 2013 (excl. independent professionals and self-employed entrepreneurs), representing an increase in the total number of businesses of +0.4 % on the same period in 2012.

The breakdown of the workforce by sector (industry, construction and tertiary) is stable, with the tertiary sector being over-represented: 94.4% of all private-sector employees. This sector has continued progressing slowly at the expense of the other sectors for several years, now. Industry and construction, meanwhile, are under-represented in Paris. The unemployment rate in December 2013 stood at 8.2% in Paris against 8.6% in Ile de France and 9.8% in Metropolitan France.

More than half of the current operating income of the Paris authority is composed of taxes and other contributions (over 65% including taxation transferred within the framework of transfers of certain powers), with close to one-fifth coming from State grants and other subsidies and contributions (19.05%) and compensation paid by the State for transfers of certain powers (4.4%) and the rest coming mainly from fees paid by operators and concession holders and for occupancy and use of public space (3.55%), from rents (5.3%) and from services provided to users of services in Paris (2.1%).

Actual operating expenditure mainly comprises more than one-third of personnel costs (28.8%), welfare spending (21.1 %), contributions to cross-subsidy mechanisms (16.4%), current operating expenditure (11.2%), mandatory contributions (10.6%), subsidies and other contributions (7.2%).

Works are the first item in investment expenditure (over 54.5%), followed by subsidies for facilities subsidies, notably to social housing organisations for building social housing (29.1%), and acquisitions of land, equipment, furniture, vehicles and works of art (11.8%), with other expenditure corresponding to work carried out for third parties, advances...

Investment income is mainly composed of subsidies and grants received, representing more than 52.5% (in particular, reimbursement by the State of a fraction of the VAT paid on investment expenditure for the previous fiscal period, jointly-financed investment projects...), with other income being from real-estate disposals (28%) and repayments of loans and advances (10.7%).

B.48	Public finances and foreign trade situation/main information for the past two fiscal periods/material changes since the end of the last fiscal period	Situation of the public finances for the last two fiscal periods		
		Key figures: (in millions of euros)	AA 2012	AA 2013
		Real investment income	577	671
		Real investment expenditure	1,662	1,740
		Real operating income	7,895	7,897
		Real operating expenditure	7,138	7,325
		Gross surplus	757	573
		Debt at 31/12	3,219	3,655
		Foreign trade situation		
		Not applicable. The Issuer is not in possession of relevant information on the Issuer's foreign trade.		
		Material change		
		No material change has occurred in the financial situation of the Department since 31 December 2013, closing date of the administrative account for the 2013 fiscal period.		

Section C - Securities		
C.1	Type and category of securities/ISIN:	<p>Type and category of the Securities</p> <p>The Notes are bonds as defined by Article L.213-5 of the French Monetary and Financial Code.</p> <p>Identification number of the Notes</p> <p>A securities identification number (ISIN) shall be indicated in the Final Terms applicable to each issue of Notes.</p> <p>Summary of the issue</p> <p>The notes are [Fixed rate]/[Floating rate] notes.</p> <p>The ISIN code of the Notes is: [●].</p> <p>The common code of the Notes is: [●].</p>
C.2	Currency of the issue:	<p>Subject to compliance with all applicable laws, regulations and guidelines, the Notes may be issued in Euros, American Dollars, Japanese Yen, Swiss Francs, Pounds Sterling or in any other currency that might be agreed upon between the Issuer and the relevant Dealers.</p> <p>Summary of the issue</p> <p>The notes are issued in [●].</p>
C.5	Tradability:	<p>Not applicable. There are no restrictions on the free transferability of the Notes (subject to the application of restrictions on sale in some jurisdictions).</p> <p>Summary of the issue</p> <p><i>[insert the sales restriction(s) applicable to the issue]</i></p>
C.8	Rights attaching to the securities, and their rank and limitation to these rights:	<p>Form of the securities</p> <p>The Notes may be issued either in dematerialised form or in materialised form.</p> <p>Summary of the issue</p> <p>The Notes are issued in [dematerialised/physical] form.</p> <p>Nominal value(s)</p> <p>Notes in the same Series will have the nominal value specified in the relevant Final Terms. A reminder that there can be only one nominal value per Series.</p> <p>Summary of the issue</p> <p>The Nominal Value of Notes is [●].</p> <p>Ranking</p> <p>The Notes and any Coupons pertaining to them constitute direct, unconditional, unsubordinated and (subject to the provisions on maintaining the loan at its rank) unsecured commitments of the Issuer ranking (subject to binding exceptions under French law) <i>pari passu</i> with each other and with all other outstanding unsecured and</p>

		<p>unsubordinated bonds of the Issuer, present and future.</p> <p><i>Maintenance of the loan in its ranking</i></p> <p>The Notes carry a clause which maintains them in their rank.</p> <p><i>Case of Default</i></p> <p>The Notes will be due and payable at their principal amount together with any accrued interest on these:</p> <p>a) in the case of default on payment of the main Note or interest relating to any Note by the Issuer for a period of thirty (30) calendar days (under certain conditions); or</p> <p>b) in the case of failure by the Issuer in any of his other obligations in the framework of the Notes for a period of sixty (60) calendar days (under certain conditions); or c)(i) in the case of non-reimbursement by the Issuer for a principal amount in excess of €200 million (or equivalent in any currency) owed on one or several bank loan or bond type debts (under certain conditions); or (ii) in the case of non-payment by the Issuer of an amount above €200 million (or equivalent in any currency) of one (or several) guarantee(s) granted under one of several bank or bond type loans contracted by third parties when this/these guarantee(s) is (are) due and is (are) called.</p> <p><i>Taxation</i></p> <p>All principal payments and interest made by or on behalf of the Issuer under the Notes will be made without withholding or deduction of any taxes or charges of any kind imposed, levied or collected by or on behalf of France, or any of its authorities with power to tax, unless such withholding or deduction is required by law. If such withholding or deduction has to be made, the Issuer shall be required to increase his payments to the extent permitted by law and subject to certain exceptions.</p> <p><i>(a) Applicable law</i></p> <p>French law</p>
C.9	Interest, Redemption, Yield, Representative of Holders	<p><i>Please also refer to the information provided in Element C.8 above.</i></p> <p><i>Price of issue</i></p> <p>The securities may be issued at par, below par or at a premium.</p> <p><i>Summary of the issue</i></p> <p>The price of issue of Notes is [●].</p> <p><i>Nominal interest rate</i></p> <p>Notes may be “Fixed-Rate Notes” or “Floating-Rate Notes” according to the interest base indicated in the relevant Final Terms.</p>

Summary of the issue

[Fixed rate notes

Interest at fixed rates of [●] shall be payable in arrears on [[●]/[●] each year.]

[Notes at floating rate

Floating Rate Notes will bear interest at the rate determined for each Series as follows:

- (i) on the same basis as the floating rate applicable to an exchange transaction with notional interest rates in the relevant Specified Currency, in accordance with the 2007 FBF Framework Convention on transactions in financial instruments supplemented by the Technical Supplements on Interest and Currency which may be applicable (Exchange of interest conditions or currency - Technical supplement) published by the French Association of Banks or the French Banking Federation, or
- (ii) on the basis of a rate of reference displayed on a screen page agreed by a commercial trading service

by adding or subtracting in each case any applicable margin, where appropriate, and subject to any Minimum Rate of Interest and/or Maximum and/or Rate Multiplier, all as specified in the Final Terms concerned.

Floating-Rate Notes will bear interest at a rate of [●] +/- [●] percent. payable on [●], [●] of each year, according to the agreement on the business day specified in the Final Terms.]

Maturity date and repayment terms of the loan, including redemption procedures

Redemption at maturity

The Final Terms shall indicate the basis for calculating the redemption amounts due.

Optional redemption

The Final Terms prepared on each issue of Notes shall indicate whether the said Notes may be redeemed (in full or in part) at the choice of the Issuer concerned prior to their scheduled maturity date, and if this is the case, the methods applicable to this redemption.

Early redemption for fiscal reasons

Subject to the provisions of "Optional Redemption" above, the Notes may only be redeemed at the choice of the Issuer for fiscal reasons.

Summary of the issue

Maturity

The maturity date of the Notes is [●].

[Redemption at Maturity

Subject to repurchase and cancellation of the Notes or anticipated redemption of the Notes, they may be redeemed on the aforementioned maturity date at [●]% of their nominal amount.]

[Optional redemption

The Notes may be redeemed (in full or in part) prior to the scheduled maturity date at the choice of the Issuer [*Specify the terms and conditions applicable to this redemption*]].

Early redemption for fiscal reasons

		<p>[Subject to the provisions of “Optional Redemption” above,] the Notes may only be redeemed at the choice of the Issuer for fiscal reasons.</p> <p>Yield</p> <p>The yield of the Notes shall be stipulated in the applicable Final Terms.</p> <p>Summary of the issue</p> <p>[Yield</p> <p>The yield of the Notes is [●].]</p> <p>Representatives of the Noteholders</p> <p>The representatives of the Noteholders and the replacement representative will be named in the Final Terms applicable to each issue of Notes.</p> <p>Summary of the issue</p> <p>Representatives of the Noteholders</p> <p>The representative of the Noteholders is [●].</p> <p>The replacement representative is [●].]/</p> <p>[Not applicable]</p>
C.10	Derivative linked to the payment of interest on Notes:	Not applicable; Notes issued under the Programme are not linked to any derivative.
C.11 and C.21	Admission to trading:	<p>An application may be made for admission of the Notes to trading on Euronext Paris and/or on any other Regulated Market of the European Economic Area (notably the Luxembourg Stock Exchange or the London Stock Exchange - Regulated Market). A Series of Notes may not be admitted to trading.</p> <p>Summary of the issue</p> <p>[An application for admission of the Notes to trading on [Euronext Paris] / [●] has been filed. / Not applicable, the Notes have not been admitted to trading on a stock exchange or any market.]</p>
Section D - Risks		
D.2	Main risks specific to the Issuer:	<p>The Issuer is not exposed to industrial hazards or risks related to the environment.</p> <p>Legal risks of enforcement and insolvency proceedings are very limited because these rules are not applicable to legal entities under public law as is the case of the City of Paris.</p> <p>The Issuer is exposed to risks relating to its assets. However, the Issuer has assessed these risks and has established adequate hedging.</p> <p>Regarding financial risks, the legal framework of borrowing by local authorities limits the risks of insolvency. In this respect, although the Issuer does have freedom of appreciation in financing matters, this is subject to regulation: on the one hand, borrowing must be intended exclusively for financing investments and, on the other, the capital must be repaid on its own resources. In addition to this, the obligatory nature of debt repayment provides a key guarantee for lenders.</p> <p>Use of financial instruments (products such as swaps, caps, tunnels...)</p>

		<p>is only authorised to hedge interest or exchange rate risk and may not be speculative in nature, in accordance with Interministerial Circular n° NOR/IOCB1015077C of 25 June 2010 relating to financial products offered to local authorities and their public establishments. In addition to this, law n°2013-672 of 26 July 2013 on the separation and regulation of banking activities inserted an Article L.1611-3-1 into the General Code of Public Authorities, by the terms of which when a local authority takes out a loan in foreign currency, the authority is required to conclude a swap contract for that currency against Euros on taking out the loan, for the full amount and term of said loan. Decree n°2014-984 of 28 August 2014 issued in application of this law governs, among other things, the terms on which local authorities enter into financial contracts.</p> <p>The policy of the Issuer with respect to interest rate risk is cautious: it aims to protect the debt of the Issuer against a rise in interest rates while reducing its cost. The Issuer takes no currency risk as he agrees at the outset of currency exchange contracts into euros when issuing securities in foreign currency.</p> <p>Regarding the risks of variations in revenues, the Issuer has the principle of financial autonomy guaranteed by the Constitution, but remains subject to the risk of changes in the legal environment that could alter the structure and performance of his revenues, including State grants.</p>
D.3	Main risks specific to the securities:	<p>A number of factors are significant for assessing the risks linked to the Notes issued within the scope of the Programme, and in particular:</p> <ul style="list-style-type: none"> - the market in Notes may be volatile and adversely affected by many events; - an active market in the notes may not develop or be continued; - investors cannot calculate their yield rate in advance on Floating-Rate Notes; - risks linked to Fixed-Rate Notes; - exchange risks and exchange control risks; - ratings-related risks; - the Notes may be redeemed before maturity; - early redemption option in favour of the Issuer provided for by the Final Terms of a given notes issue may result in a considerably lower yield than expected for the Holders; - risks relating to Optional Redemption by the Issuer; - changes to the Terms of the Notes; - legislative changes; - taxation; and - the European Directive on the taxation of savings income <p>Prospective investors must make their decision to invest in the Notes only after an in-depth study of the information contained in the Base Prospectus, and they are urged to consult their own counsellors as to legal, fiscal and related aspects.</p>

Section E - Offer

E.2b	Reasons for the offer and use of offer proceeds:	<p>[The net proceeds of the issue of Notes are intended to finance the investments of the Issuer unless otherwise stipulated in the relevant Final Terms.]</p> <p>Summary of the issue The net proceeds from the issuance of the Notes will be used to finance investments of the Issuer.</p>
E.3	Terms and conditions of the offer	<p>The Notes shall be issued at the issue price and shall be entirely or partly paid up, as specified in the relevant Final Terms. The issue price of the Notes to be issued under the Programme shall be determined by the Issuer and the relevant Dealers at the time of issue,</p>

		<p>on the basis of market conditions.</p> <p>There are restrictions on the sale of Notes and on the distribution of the offer documents in the United States of America, the United Kingdom, France, the States of the European Economic Area, Italy, Japan, the Netherlands and Spain. Within the framework of the offer and sale of a given Tranche, additional restrictions may be imposed on sale and shall be indicated in the applicable Final Terms.</p> <p>Summary of the issue [No public offer has been made or contemplated.] / [The Notes will be offered to the public in [●].]</p> <p>The total amount of the [issue]/[offer] is [●]. Offer period: from [●] to [●]. Offer price: [Issue price]/[●] Conditions to which the Offer is subject: [●] Description of the underwriting process: [●] Details regarding the minimum or maximum amount of underwriting: [●]</p> <p>Terms and conditions and date on which the results of the Offer will be announced to the public: [●]</p>
E.4	Interest, including conflicts of interest likely to have a material influence on the issue/offer:	<p>The interest and any conflicts of interest likely to have a material influence on the relevant issue/offer of Notes shall be described in the applicable Final Terms.</p> <p>Summary of the issue [Not applicable to the knowledge of the Issuer, no person involved in the issue has a significant interest in it.]/[The Dealer will receive commissions to the amount of [●]% of the main amount of the Notes. To the knowledge of the Issuer, any other person involved in the issue does not have a significant interest in it.] [●].</p>
E.7	Estimated expenses charged to the investor by the issuer or the offeror:	<p>An estimate of the expenses charged to the investor by the issuer or offeror shall be included in the applicable Final Terms.</p> <p>Summary of the issue [Expenses to be borne by the investor are estimated at [●]. / Not applicable, no expenses are to be borne by the investor.]</p>

RISK FACTORS

The Issuer considers that the following factors are material to make any decisions to invest in the Notes and/or may affect its ability to fulfil its obligations to investors by the terms of the Notes. These factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingencies occurring.

The Issuer considers that the factors described below are the principal risks inherent to the Notes issued under the Programme, but that they are not exhaustive. The risks described below are not the only risks that the investor runs with regard to the Notes. Other risks and uncertainties, unknown to the Issuer on this day or that it considers on the day of this Base Prospectus not to be determining factors, may have a significant impact on the risks relative to an investment in the Notes. Prospective investors must also read the detailed information given in this Base Prospectus and reach their own opinion before taking any investment decision. In particular, investors must make their own assessment of the risks associated with the Notes before investing in these Notes, and they must consult their own financial or legal counsellors as to the risks associated with the investment in a specific Series of Notes and as to the relevance of an investment in notes in the light of their own situation.

The Issuer considers that the Notes must be purchased only by investors that are (or that are acting on the advice of) financial institutions or other professional investors that are in a position to assess the specific risks that an investment in notes involves.

All references below to an Article are to a corresponding numbered Article in the chapter “Terms and Conditions of the Notes.”

1. ISSUER RISKS

Industrial and environmental risks

The Paris authority, the Municipality and Department of Paris, is not exposed to industrial risks or to risks linked to the environment.

Legal risks of enforcement

As a legal entity under public law, the City of Paris is not subject to private law enforcement channels, applying the principle of impossibility of seizing property belonging to legal persons under public law (Court of Cassation, 1st Civil, 21 December 1987, Geological and Mining Research Bureau c/ Lloyd Continental Corporation, Civil Bulletin I, no. 348, p. 249). Consequently, and as a legal person under public law, the City of Paris is not subject to collective proceedings under the Commercial Code (Court of Appeal of Paris, 3rd chamber sect B, 15 February 1991, Centre National des Bureaux Régionaux de Fret, No. 90-21744 and 91-00859).

Property risks

The property risks of the City of Paris relate to all damages, claims, destruction and physical losses which may occur to its real estate and personal property. This may be due to natural disaster, fire, an act of terrorism, etc.

In addition, the activities and operations of the City of Paris are likely to present risks particularly with regard to property damage, involving motor vehicles in its fleet, or the actions of its agents and representatives.

With regard to the various risks concerning its assets, the City of Paris has, through public procurement, taken out insurance policies with adequate hedging.

Financial risks

Regarding financial risks, the legal framework of borrowing by local authorities limits the risks of insolvency.

Article 2 of Law 82-213 of 2 March 1982 on the rights and liberties of municipalities, departments and regions withdrew all supervision by the State over the acts of the local authorities. This change acknowledged the full freedom of appreciation of local authorities in financing matters and liberalised and generalised the rules applicable to their borrowing. Local authorities are now free to engage in borrowing and their relations with lenders are governed by private law and freedom of contract.

However, this liberty is governed by the following principles:

- borrowing is intended exclusively for financing investments;
- the capital must be repaid from their own resources.

Also, debt service is mandatory expenditure, whether repayment of the capital or financial charges. By law (Article L.2321-1 et seq. of the General Local Authorities Code) interest on the debt and repayment of capital are mandatory expenditure for the local authority. Consequently, this expenditure must be posted in the budget of the local authority. If this is not the case, the legislator has provided for a procedure (Article L.1612-15 of the General Local Authorities Code) authorising the Préfet, further to the opinion of the Regional Chamber of Accounts, to enter the expenditure in the budget of the local authority. In addition to this, in the absence of a mandate to pay such mandatory expenditure, the legislator has also provided for a procedure (Article L.1612-16 of the General Local Authorities Code) authorising the Préfet to proceed therewith as a matter of course.

This mandatory nature of debt repayment provides strong legal protection for lenders.

Nevertheless, Noteholders are still exposed to the credit risk of the Issuer. By credit risk we understand the risk that the Issuer is unable to meet his financial obligations with regard to the Notes, resulting in a loss for the investor.

Risks associated with derivative products

The use of financial contracts (derivative products such as swaps, caps, tunnels...) is only allowed in a rationale of hedging of interest rate risk or currency risk, as indicated in the ministerial circular n°. NOR/IOCB1015077C of 25 June 2010 relating to the financial products available to local authorities and their public institutions. Speculative trading type operations are strictly prohibited. The policy of Paris authorities with regard to interest rate risk is cautious: it aims to protect Paris debt against rising interest rates while reducing its cost.

In addition, the City of Paris takes no currency risks since from the outset it has taken out currency exchange contracts into euros when issuing securities in foreign currency.

On this point, Law n° 2013-672 of 26 July 2013 on the separation and regulation of banking activities inserted an Article L.1611-3-1 into the General Code of Public Authorities, by the terms of which when a local authority takes out a loan in foreign currency, the authority is required to conclude a swap contract for that currency against Euros on taking out the loan, for the full amount and term of said loan.

Decree n° 2014-984 of 28 August 2014 issued in application of this law governs, among other things, the terms on which local authorities enter into financial contracts.

Risk of changes in revenue

With regard to its resources, the City of Paris as a local authority is exposed to any changes in the legal and regulatory environment that could change the structure and performance, especially with regard to grants paid by the State. However, income from local taxes accounts for the majority of operating revenues for the City of Paris, with respect to the principle of financial autonomy guaranteed by Article 72-2 of the Constitution of 4 October 1958 under which “tax revenues and other resources of local authorities represent, for each category of authorities, a crucial part of all resources”.

2. SECURITIES RISKS

2.1. 2.1 General market-related risks

(a) The Notes may not be an appropriate investment for all investors

Each prospective investor must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its personal situation. In particular, each prospective investor should:

- (i) have sufficient knowledge and experience to make a satisfactory assessment of the Notes, the interest and risks of investing in the Notes and the information contained in this Base Prospectus or in any supplement to this Base Prospectus and in the relevant Final Terms;
- (ii) have access to and know how to use appropriate analysis tools to make an assessment, in the light of its personal situation and its sensitivity to risk, of an investment in the relevant Notes and of the effects the Notes might have on its investment portfolio as a whole;
- (iii) have sufficient financial resources and liquidities to cope with all the risks of an investment in the Notes, including when the currency of payment of the principal or interest is different from that of the prospective investor;
- (iv) perfectly understand the terms of the Notes in question and be familiar with the behaviour of all relevant indices and financial markets; and
- (v) be capable of assessing (either alone or with the help of a financial advisor) the possible scenarios for the economy, interest rates or any other factor that might affect its investment and its ability to face the risks incurred.

A prospective investor should not invest in the Notes unless its expertise (alone or with its advisors) allows it to assess the way in which the Notes will evolve in changing conditions, the resulting effects on the value of the Notes and the impact of the investment on the whole investment portfolio of the potential investor.

Each prospective investor is invited to consult its own legal, fiscal, accounting and/or financial advisors before investing in the Notes.

(b) The debt notes market can be volatile and adversely affected by many events

The securitisation market is influenced by economic and market conditions and, to various degrees, by interest rates, exchange rates and inflation rates in other European and industrialised countries. It cannot be guaranteed that events in France, Europe or elsewhere might not cause volatility on the market or that such market volatility might not affect the price of the Notes, or that economic and market conditions might not have some other adverse effect.

(c) An active market in the notes may not develop and be continued

It cannot be guaranteed that an active market will develop in the notes or, if it does develop, that it will be continued or sufficiently liquid. If an active market does not develop in the notes or if it is not continued, the market price or the price and liquidity of the Notes may be adversely affected. Investors might therefore not be in a position to dispose of their Notes easily or to dispose of them at a price offering a yield comparable to similar products for which an active market might have developed.

The Issuer may purchase Notes pursuant to the conditions set out in Article 5(e) and the Issuer may issue Notes again pursuant to the conditions set out in Article 12. Such operations may have a positive or an adverse effect on the price of the Notes. Such operations may have a positive or an adverse effect on the price of the Notes. If additional or competing products are put on the market, this may have an adverse effect on the value of the Notes.

(d) Investors cannot calculate their rate of yield in advance on Floating-Rate Notes

A key difference between Floating-Rate Notes and Fixed-Rate Notes is that the revenue from interest on Floating-Rate Notes cannot be anticipated. Due to variation in interest income, investors cannot determine a given yield on Floating-Rate Notes at the time they buy them, meaning that their return on investment cannot be compared with that on investments having longer periods of fixed interest. If the Terms and Conditions of the Notes provide for frequent interest payment dates of, investors are exposed to the risk of re-investment if market interest rates decline. In this case, investors will be able to reinvest their interest income only at the rate in force at the time, which may be lower.

(e) Risks linked to Fixed-Rate Notes

It cannot be ruled out that the value of Fixed-Rate Notes might be adversely affected by future changes on the interest rate markets.

(f) Exchange risks and exchange control risks

The Issuer shall pay the principal and interest on the Notes in the currency specified in the relevant Final Terms (“**Specified Currency**”). This presents a number of risks relative to the conversion of currencies if the financial activities of an investor are carried on principally in a currency or in a monetary unit (the “**Investor Currency**”) different from the Specified Currency. These risks include the risk that exchange rates might vary significantly (including variations due to devaluation of the Specified Currency or due to revaluation of the Investor Currency) and the risk that the authorities having competence over the Investor Currency might impose or modify exchange controls. A rise in the Investor Currency against the Specified Currency would reduce (1) the equivalent yield of the Notes in the Investor Currency, (2) the equivalent value in the Investor Currency of the principal payable on the Notes, and (3) the equivalent market value of the Notes in the Investor Currency.

The Government and monetary authorities might impose exchange control measures (as some have done in the past) that could affect exchange rates adversely. Consequently, the investors might receive a lower-than-expected principal amount or interest, or perhaps even receive no principal or interest at all.

(g) Risks linked to rating

Independent rating agencies may award a rating to the Notes issued within the scope of this Programme. This rating does not reflect the potential impact of the risk factors described in this section or any other risk factors that might affect the value of the Notes issued within the scope of this Programme. A rating is not a recommendation to buy, sell or hold notes, and it may be revised or withdrawn by the rating agency at any time.

2.2. General risks relating to the Notes

(a) The Notes may be redeemed before maturity

If, at the time of redemption of the principal or of an interest payment, the Issuer is required to pay Additional Amounts in application of Article 7(b) of the Terms of the Notes, it may then redeem the Notes in full by paying the Early Redemption Amount plus all interest accrued to the date set for redemption, unless otherwise stated in the relevant Final Terms.

(b) An early redemption option in favour of the Issuer provided for by the Final Terms of a given issue of Notes may result in a yield for Holders that is considerably lower than expected.

The Final Terms of a given Notes issue may provide for an early redemption option in favour of the Issuer. Consequently, the yield at the time of redemption may be lower than expected, and the value of the amount redeemed on the Notes may be less than the purchase price of the Notes paid by the Holder. Consequently, part of the capital invested by the Holders may be lost, meaning that the Holder will not receive the total amount of capital invested. Moreover, in case of early redemption, investors who choose to re-invest the funds they receive may be in a position to re-invest only in financial notes having a lower yield than the redeemed notes.

(c) Risks linked to optional redemption by the Issuer

The market value of the Notes may be limited by the choice of optional redemption of the Notes by the Issuer. During periods when the Issuer can proceed with such redemptions, this market value generally does not increase substantially above the price at which the Notes can be redeemed. This may also be the case prior to any redemption period.

It may be expected that the Issuer will redeem the Notes when its borrowing cost is lower than the interest rate of the Notes. In such a situation, an investor generally cannot re-invest the proceeds of the redemption at as interesting an effective interest rate as that on the redeemed Notes. Prospective investors should therefore take account of the risk linked to re-investment in the light of other investments available at the time of their investment.

(d) Modification of the Terms of the Notes

Holder shall be grouped into a Masse (as defined in Article 10 of the Terms and Conditions of the Notes, “Holder Representation”) to defend their common interests and they may meet in a general meeting. The Terms and Conditions of the Notes make it possible in certain cases for Holders that are not present or represented during a general meeting to be bound by the vote of Holders that are present or represented, even though they disagree with this vote.

The general meeting of Holders may, subject to the provisions of Article 10 of the Terms and Conditions of the Notes on “Holder Representation”, vote on any proposal aimed at amending the Terms and Conditions of the Notes, and in particular on any draft compromise or arrangement with regard to disputed rights or that have been the subject of court decisions.

(e) Legislative change

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

(f) Taxation

Prospective buyers and sellers of Notes must take account of the fact that they might be required to pay taxes or other levies or fees in accordance with the law or the practices in force in the countries where the Notes will be transferred or in other jurisdictions. In some jurisdictions, no official position of the tax authorities nor any court decision is available on financial notes such as the present Notes. Prospective investors are urged not to base themselves on the fiscal information contained in this Base Prospectus, but to seek counsel from their own tax consultants with regard to their personal situation concerning acquisition, remuneration, sale and redemption of the Notes. Only these advisors are in a position to correctly take into consideration the specific situation of a potential investor. These considerations with regard to investment must be read together with the information contained in the section on "Taxation" in this Base Prospectus.

(g) [European Tax on Financial Transactions

On 14 February 2013, the European Commission adopted a proposal for a directive (the "**Commission Proposal**") for a Tax on Financial Transactions common to Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "Participating member States").

The Commission Proposal is very far-ranging and, if it is adopted, could apply in certain cases to operations in the Notes (including on the secondary market).

According to the Commission Proposal, the TFT could also extend, in certain cases, to persons outside the Participating Member States. As a general rule, the tax would apply to certain transactions in the Notes when at least one of the parties is a Financial Institution and at least one of the parties is established in a Participating Member State. A financial institution would be, or would be deemed to be "established" in a participating member state in a very wide range of circumstances, including (a) if it has executed transactions with a person established in a Participating member State or (b) when the financial instrument subject to the transaction is issued in a Participating Member State.

By a joint declaration dated 27 January 2015, ten (10) of the eleven (11) Participating Member States asserted their determination to implement the TFT by no later than 1st January 2016, with the tax having a low rate and the broadest possible scope of application.

The proposal for a directive remains subject to negotiations between the Participating member States. It is therefore likely to be amended prior to its transposition. Other Member States may choose to take part in it.

Prospective buyers of the Notes are invited to consult their own financial advisors on the subject of the TFT.

(h) [European Directive on the Taxation of Savings Income

Council Directive 2003/48/EC of the European Union on the taxation of savings income ("**Savings Directive**") requires that Member States provide the tax authorities of other Member States with detailed information on certain payments of interest or other income made by a person established in a Member State to or for the benefit of a natural person residing in another Member State or certain entities established in another Member State.

On 24 March 2014, the Council of the European Union adopted Directive 2014/48/EU which amended and extended the scope of application of the abovementioned requirements (the "**Amending Directive**"). Member States are required to apply these new requirements as of 1st January 2017. If they come into force, the changes will result in new kinds of payments coming within the scope of the Savings Directive, notably new types of income from securities. The Amending Directive would also extend the circumstances in which payments to the indirect benefit of a natural person residing in a Member State would have to be declared. This approach would apply to payments made or allocated to natural persons, entities or other legal structures (including trusts) when certain conditions are fulfilled, and could also apply in certain cases when the person, entity or structure is established or has its headquarters outside the European Union.

During a transition period, Austria must apply a withholding tax system to payments (unless it chooses otherwise during the said period). The rate of this withholding tax is currently thirty five percent (35%). The abovementioned changes would result in extending the withholding tax system to other types of payments in Austria if it continues to apply a withholding tax system at the time of their entry into force.

The end of the transition period will be subject to the conclusion of certain other agreements on the exchange of information with other States. Certain States or territories outside the EU, such as Switzerland, have adopted similar measures (a withholding tax system in Switzerland, for example).

The Commission proposes to repeal the directive as of 1st January 2017 for Austria and as of 1st January 2016 for the other Member States (subject to execution of the administrative requirements in force for payments made prior to these dates, such as disclosure, exchange of information and transfer of the withholding tax collected). This will avoid any overlap between the Directive and the new automatic financial information exchange system which will be introduced by Directive 2011/16/EU on administrative cooperation in the field of taxation (as amended by Directive 2014/17/EU). The proposal for a directive also provides that if it comes into force, Member States shall not be required to apply the new requirements of the Amending Directive.

If a payment should be made or collected by a Member State which has opted for a withholding tax system and an amount should be withheld as tax or by virtue of a tax, neither the Issuer nor the Paying Agent nor any other person shall be required to pay any additional amounts pertaining to the Notes on account of this withholding tax.

The Issuer shall be required to retain a Paying Agent in any Member State which is not required to apply a withholding tax by the terms of the Savings Directive.

DOCUMENTS INCORPORATED BY REFERENCE

The sections entitled “Terms and Conditions of the Notes” in the following base prospectus relating to the Programme, are incorporated by reference in this Base Prospectus for the sole purpose of enabling the issuance of similar Securities to form a single series together with the Securities which have already been issued pursuant to the “Terms and Conditions of the Notes” in the base prospectus referred to in (i) above.

Base Prospectus

Base Prospectus dated 23 December 2004 (approved by the AMF under number P.04-215 dated 23 December 2004)	pages 13 to 41
Base Prospectus dated 21 March 2006 (approved by the AMF under number 06-080 dated 21 March 2006)	pages 22 to 43
Base Prospectus dated 30 August 2007 (approved by the AMF under number 07-295 dated 30 August 2007)	pages 21 to 42
Base Prospectus dated 24 July 2008 (approved by the AMF under number 08-157 dated 24 July 2008)	pages 22 to 45
Base Prospectus dated 23 October 2009 (approved by the AMF under number 09-309 dated 23 October 2009)	pages 22 to 43
Base Prospectus dated 22 November 2010 (approved by the AMF under number 10-410 dated 22 November 2010)	pages 24 to 45
Base Prospectus dated 15 November 2011 (approved by the AMF under number 11-526 dated 15 November 2011) 2011)	pages 24 to 46
Base Prospectus dated 15 November 2012 (approved by the AMF under number 12-556 dated 15 November 2012) 2012)	pages 24 to 45
Base Prospectus dated 6 November 2013 (approved by the AMF under number 13-590 dated 6 November 2013)	pages 29 to 50
Base Prospectus dated 6 November 2014 (approved by the AMF under number 14-589 dated 6 November 2014)	pages 29 to 50

SUPPLEMENT TO THE BASE PROSPECTUS

Every significant new factor, any mistake or inaccuracy relating to the information contained in the Base Prospectus, which would likely have a significant impact on the valuation of Securities and would occur or be discovered after the date of this Base Prospectus, should be mentioned in a supplement to the Base Prospectus in accordance with Article 212-25 of the General Regulation of the AMF.

Subject to the applicability of Article 212-25-I of the General Regulation of the AMF, investors who have already agreed to purchase or subscribe to Securities before the publication of a supplement to the Base Prospectus have the right, pursuant to Article 212-25II of the General Regulation of the AMF, in the event of a public offering of the Securities, to withdraw their acceptance within a period of two (2) trading days following the publication of the supplement.

Any supplement to the Base Prospectus will be published on the websites of (i) the AMF (www.amf-france.org), (ii) the Issuer [_10\(\[http://www.paris.fr/municipalite/l-hotel-de-ville/taxes-et-impots/2318#programme-d-emissions-de-titres-empt_10\]\(http://www.paris.fr/municipalite/l-hotel-de-ville/taxes-et-impots/2318#programme-d-emissions-de-titres-empt_10\)\)](http://www.paris.fr/municipalite/l-hotel-de-ville/taxes-et-impots/2318#programme-d-emissions-de-titres-empt_10), and (iii) any other relevant regulatory authority and will be available for consultation and to copy, free of charge, during the normal business hours of the office, on any day of the week (except Saturday, Sunday and public holidays) at the registered office of the Fiscal Agent or Paying Agents.

TERMS AND CONDITIONS OF THE NOTES

The following text presents the Terms and Conditions which shall be applicable to the Notes, as completed by the stipulations of the relevant Final Terms. In the case of Dematerialised Notes, the text of the Terms and Conditions of the Notes shall not be included on the back of physical notes materialising ownership, but shall consist of the text below as completed by the relevant Final Terms. In the case of Materialised Notes, either (i) the complete text of these Terms and Conditions as well as the relevant stipulations of the relevant Final Terms (and subject to possible simplification resulting from removal of stipulations that are not applicable) or (ii) the text of the completed Terms shall be indicated on the back of the Materialised Notes. All words in capitals that are not defined in these Terms and Conditions shall have the meaning they are given in the relevant Final Terms. References made in the Terms and Conditions to

“Notes” concern the Notes of a single Series and not all Notes that might be issued within the scope of the Programme. The Notes shall constitute bonds within the meaning assigned by French law.

The Notes are issued by the City of Paris (the “**Issuer**” or the “**City of Paris**”) by Series (each one a “**Series**”) on the same issue date or on different issue dates. The Notes of a given Series shall be subject (with the exception of the first interest payment) to identical Terms and Conditions, it being supposed that the Notes of each Series are fungible with each other. Each Series may be issued by tranches (each one a “**Tranche**”) having the same issue date or different issue dates. The specific terms of each Tranche (which may be completed, if necessary, by additional terms identical to the terms of the other Tranches of the same Series (with the exception of the issue date, issue price, first interest payment and nominal amount of the Tranche)), shall be indicated in the Final Terms (“**Final Terms**”) completing this Base Prospectus. A financial service contract (as amended and completed, the “**Financial Service Contract**”) relating to the Notes was concluded on [●] October 2015 between the Issuer, BNP Paribas Securities Services as Fiscal Agent and Principal Paying Agent and the other agents designated therein. The Fiscal Agent, the Paying Agent and the acting calculating agent(s) (as the case may be) shall be named below, respectively, the “**Fiscal Agent**”, the “**Paying Agents**” (such expression including the Fiscal Agent) and the “**Calculation Agent(s)**”. Holders of interest coupons (“**Coupons**”) relating to Materialised Notes bearing interest and, as the case may be for these Notes, of talons making it possible to obtain additional Coupons (“**Talons**”) shall be named “**Coupon Holders**”.

All references below to “**Articles**” shall mean the numbered Articles below, unless the context requires another interpretation.

1. **FORM, DENOMINATION, TITLE, REDENOMINATION AND CONSOLIDATION**

(a) **Form**

The Notes may be issued either in dematerialised form (“**Dematerialised Notes**”) or in physical form (“**Materialised Notes**”), as indicated in the relevant Final terms.

- (i) Title of Dematerialised Notes shall be established in book entry form in compliance with Articles L. 211-3 and following of the Monetary and Financial Code. No documents shall be issued in respect of the Dematerialised Notes (including representative certificates in application of Article R.211-7 of the Monetary and Financial Code).

Dematerialised Notes (within the meaning assigned by Articles L. 211-3 and following of the Monetary and Financial Code) are issued, at the option of the Issuer, either in bearer form, inscribed in the books of Euroclear France (acting as central depository) which shall credit the accounts of the Account Holders, or in registered form and, in such latter case, at the option of the relevant Noteholder, either in administered registered form, in which case they shall be inscribed in the accounts of the Account Holder designated by the relevant Noteholder, or in fully-registered form, in which case they shall be inscribed in an account held by the Issuer or by a registration agent (designated in the relevant Final Terms) acting on behalf of the Issuer (“**Registration Agent**”).

In these Terms and Conditions, “**Account Holder**” shall mean any intermediary authorised to hold accounts, directly or indirectly, with Euroclear France, and this shall include Euroclear Bank S.A./N.V. as operator of the Euroclear system (“**Euroclear**”) and Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”).

- (ii) Materialised Notes are issued in to bearer form only. Materialised Notes represented by physical securities (the “**Physical Securities**”) are numbered in series and issued with Coupons (and, as the case may be, with “**Talons**”) attached to them.

In application of Articles L. 211-3 and following of the Monetary and Financial Code, securities (such as the Notes that are bonds within the meaning assigned by French law) in materialised form and governed by French law must be issued outside French territory.

Notes may be “**Fixed-Rate Notes**” or “**Floating-Rate Notes**” according to the interest base indicated in the relevant Final Terms.

(b) Denominations

The 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 form and in administered registered is passed on, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of the Account Holders. Title to Dematerialised Notes in fully registered form is passed on, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of the Issuer or Registration Agent.
- (ii) Title of Materialised Notes having, as the case may be, Coupons and/or a Talon attached at the time of issue is passed on by tradition.
- (iii) Subject to a judicial decision handed down by a competent court or to applicable legal provisions, the holder of any Note (as defined below), Coupon or Talon shall be deemed, in all circumstances, to be the sole and unique owner thereof and may be considered as such whether the Note or Coupon has matured or not, regardless of any declaration of title, of any right to the said Note or Coupon, of any information that might have been added thereto, without consideration of it having being stolen or lost and without anyone being able to be held responsible for having considered the Holder as such.
- (iv) In these Terms and Conditions,

“**Noteholder**” or, as applicable, “**holder of Notes**” shall mean, (i) in the case of Dematerialised Notes, the person whose name appears on the account of the relevant Account Holder, of the Issuer or of the Registration Agent (as the case may be) as being the holder of such Notes, and(ii) in the case of Materialised Notes, any holder of any Materialised Note and of the Coupons or Talons pertaining thereto.

“**Outstanding**” shall mean, concerning Notes of any Series, all Notes issued other than (a) those that have been redeemed in accordance with these Terms and Conditions, (b) those for which the redemption date has passed and the amount of redemption (including the accrued interest on the Notes until the redemption date and all interest payable after this date) has been duly paid according to the stipulations of Article 6, (c) those that have become null and void with regard to which all legal action is barred, (d) those that have been bought back and cancelled in accordance with these Terms and Conditions, (e) for Materialised Notes, (i) mutilated or erased Materialised Notes that have been exchanged against replacement Materialised Notes, (ii) (solely for the purposes of determining the number of Materialised Notes in

circulation and without prejudice to their status for any other purpose) Materialised Notes that have allegedly been lost, stolen or destroyed and for which replacement Materialised Notes have been issued and (iii) any Temporary Global Certificate insofar as it has been exchanged against one or more Materialised Notes in application of its stipulations.

(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 advance notice in accordance with Article 14, redenominate in Euros all (and not just a part) of the Notes in each Series, on or after the date on which the European Member State in whose national currency the Notes are denominated became a participating Member State in the single currency of the European Economic and Monetary Union (as provided in the Treaty establishing the European Community (the "EC"), as amended (the "Treaty"), as described in more detail in the relevant Final Terms.

(e) Consolidation

Unless otherwise stated in the relevant Final Terms, the Issuer may, at each Interest Payment Date occurring on or after the date of redenomination, with the prior consent of the Fiscal Agent (which may not be reasonably refused) and without the consent of the holders of Notes or Coupons, by notifying the holders of Notes no less than thirty (30) calendar days in advance, in accordance with Article 13, consolidate the Notes in a Series denominated in Euros with Notes from one or more other Series it has issued, whether or not these Notes were originally issued in one of the European national currencies or in Euros, provided that these other Notes have been redenominated in Euros (if this was not the case originally) and also that they are subject to the same terms as the Notes for all periods following this consolidation.

2. CONVERSIONS ET EXCHANGES OF NOTES

(a) Dematerialised notes

- (ii) Dematerialised Notes issued in registered form may not be converted into Dematerialised Notes in bearer form, whether fully registered or administered registered.
- (ii) Dematerialised Notes issued in registered form may not be converted into Dematerialised Notes in bearer form.
- (iii) Dematerialised Notes issued in fully registered form may, at the option of the Noteholder, be converted into Notes in administered registered form, and vice versa. The exercise of any such option by the said Noteholder shall be in accordance with Article R.211-4 of the French Monetary and Financial Code. Any such conversion shall be effected at the cost of the Noteholder.

(b) Materialised Notes

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

3. STATUS

The Notes and, where applicable, any Coupons pertaining to them, constitute direct, unconditional, unsubordinated and (subject to the provisions of the following paragraph) unsecured obligations of the Issuer and shall rank *pari passu* among themselves and (subject to the imperative exception by French law) with all other present or future unsubordinated and unsecured obligations of the Issuer.

As long as any of the Notes and, if applicable, any Coupons attached to the Notes, remain outstanding (as defined in Article 1(c)(iv) above), the Issuer shall not grant or permit to

permit to subsist any mortgage, charge, pledge or other security interest upon any of its present or future assets or revenues, for the purposes of securing any Debt (as defined below) incurred or guaranteed by the Issuer, unless obligations of the Issuer deriving from the Notes and, as applicable, Coupons, benefit from equivalent security and the same rank. For the purposes of this Article, "Debt" shall mean any present or future borrowing represented by bonds, notes or other securities of a term exceeding one (1) year and which are (or may be) admitted for trading on a regulated market.

4. CALCULATION OF INTEREST AND OTHER CALCULATIONS

(a) Definitions

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

"Reference Banks" shall mean establishments named as such in the relevant Final Terms or, if no establishment is named, four top-tier banks chosen by the Calculation Agent on the interbank market (or, if necessary, on the money market, on the exchange contracts market or the OTC market in index options) closest to the Market Reference (which, if the Market Reference concerned is EURIBOR or EONIA, shall be the Euro Zone, if the Market reference is LIBOR, LIBID or LIMEAN, shall be London, if the Market Reference is the CMS rate, will be the swaps contract market of the Reference Financial Centre and if the Market Reference is another rate, will be the market closest to that Market reference).

"Interest Commencement Date" shall mean the issue date of the Notes or any other date as may be specified in the relevant Final Terms.

"Interest Determination Date" shall mean, with respect to an Interest Rate and Interest Accrual Period, the date defined as such in the relevant Final Terms or, if no date is so specified, (i) the day falling two TARGET Business Days prior to the first day of the Interest Accrual Period if the Specified Currency is the Euro or (ii) the first day of the Interest Accrual Period if the Specified Currency is Sterling or (iii) if the Specified Currency is neither Sterling nor Euro, the day falling two (2) Business Days prior to the first day of the said Interest Accrual Period in the city specified in the relevant Final Terms.

"Interest Payment Date" shall mean the date(s) specified in the relevant Final Terms.

"Reference date" shall mean, for all Notes or Coupons, the date on which the payment to which these Notes or Coupons might give rise becomes due or (if any amount payable might not be paid without justification or if payment is delayed without justification) the date on which the amount not yet paid is paid in full or (in the case of Materialised Notes, if this date is earlier) the day which is seven (7) calendar days after the date on which the Holders of these Materialised Notes are notified that such payment will be made further to a new presentation of said Materialised Notes or Coupons in accordance with the Terms, but on condition that payment is in fact made at the time of this presentation.

"Interest Period Date" shall mean each Interest Payment Date unless specified otherwise in the relevant Final Terms.

"Value Date" shall mean, as far as a Floating Rate to be determined on an Interest Determination Date is concerned, the date stated in the relevant Final Terms or, if no date is indicated, the first day of the Accrued Interest Period to which this Interest Determination Date relates.

"FBF Definitions" shall mean the definitions given in the FBF Framework Agreement 2007 relative to financial futures as completed by the Technical Addenda published by the Federation Bancaire Francaise (together the **"FBF Framework Agreement"**) as amended, where applicable, on the Issue Date.

“**Specified Currency**” shall mean the currency mentioned in the relevant Final Terms or, if no currency is indicated, the currency in which the Notes are denominated.

“**Specified Duration**” shall mean, for any Floating Rate to be determined in accordance with the Determination of the Rate on the Screen Page on an Interest Determination Date, the duration indicated as such in the relevant Final Terms or, if no duration is indicated, a period equal to the Accrued Interest Period, without taking account of the adjustments provided for in Article 4(c)(ii).

“**Reference Time**” shall mean, for all Interest Determination Dates, the local time on the Reference Financial Centre indicated in the relevant Final Terms or, if no time is specified, the local time on the Reference Financial Centre at which the buyer and seller rates applied for deposits in the Specified Currency are usually determined on the interbank market of this Reference Financial Centre. “**Local Time**” shall mean, for Europe and the Euro Zone as Reference Financial Centre, 11 a.m. (Brussels time).

“**Business Day**” shall mean:

- (i) for the Euro, a day when the Trans-European Automated Real-time Gross Settlement Express Transfer System (TARGET 2) (“**TARGET**”), or any system by which it might be succeeded, is in operation (a “**TARGET Business Day**”); and/or
- (ii) for a Specified Currency other than the Euro, a day (other than a Saturday or a Sunday) when commercial banks and exchange markets are proceeding with settlements in the main financial centre of the currency; and/or
- (iii) for a Specified Currency and/or one or more business centres as indicated in the relevant Final Terms (“**Business Centre(s)**”), a day (other than a Saturday or a Sunday) when commercial banks and exchange markets are proceeding with settlements in the currency of the Business Centre(s) or, if no currency is indicated, generally in each of these Business Centres indicated thus.

“**Days Count Method**” shall mean, for the calculation of an interest amount 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, hereafter the “**Calculation Period**”):

- (i) if the terms “**Actual/365**” or “**Actual/365 - FBF**” or “**Actual/Actual - ISDA**” are indicated in the relevant Final Terms, this is the real number of days lapsed during the Calculation Period divided by 365 (or if any part of this Calculation period is during a leap year, the sum (A) of the real number of days in this Calculation Period in a leap year divided by 366 and (B) the real number of days in the Calculation Period not during a leap year divided by 365);
- (ii) if the terms “**Actual/Actual - ICMA**” are indicated in the relevant Final Terms:
 - (A) if the Calculation Period is a duration less than or equal to the Determination Period in which it is situated, the number of days in the Calculation Period divided by the product (x) of the number of days in the said Determination Period and (y) the number of Determination Periods normally ending in the year; and
 - (B) if the Calculation Term is of a duration greater than the Determination Period, the sum of:
 - (x) the number of days of said Calculation Period during the Determination Period during which it begins, divided by the product (1) of the number of days of said Determination Period and (2) the number of Determination Periods that normally end in a year; and
 - (y) the number of days of said Calculation Period during the following Determination Period, divided by the product (1) of the number of days in said Determination Period and (2) the number of Determination Periods that normally end in a year.

In each case, “**Determination Period**” shall mean the period beginning with an Interest Determination Date (inclusive) during any given year and ending with the next Interest Determination Date (exclusive), and “**Interest Determination Date**” shall mean the date indicated as such in the relevant Final Terms or, if no date is indicated, the Interest Payment Date;

- (iii) if the terms “**Actual/Actual - FBF**” are indicated in the relevant Final Terms, this is the fraction whose numerator is the precise number of days lapsed during this period and whose denominator is 365 (or 366 if 29 February is included in the Calculation Period). If the Calculation Period is greater than one year, the base is determined as follows:
 - (A) the number of whole years is counted since the last day of the Calculation Period;
 - (B) this number is increased by the fraction on the period concerned, calculated as indicated in the first paragraph of this definition;
- (iv) if the terms “**Actual/365 (Fixed)**” are indicated in the relevant Final Terms, this is the real number of days lapsed during the Calculation Period divided by 365;
- (v) if the terms “**Actual/360**” are indicated in the relevant Final Terms, this is the real number of days lapsed during the Calculation Term divided by 360;
- (vi) if the terms “**30/360**”, “**360/360**” or “**Bond Basis**” are indicated in the relevant Final Terms, this is the number of days lapsed during the Calculation Period divided by 360 (i.e. the number of days to be calculated for a year of 360 days including twelve (12) months of thirty (30) days each (unless (a) the last day of the Calculation Period is the thirty-first day of a month and the first day of the Calculation Period is a day other than the thirtieth or thirty-first day of the month, in which case the month including the last day of the Calculation Period is the last day of the month of February, in which case the month including the last day must not be shortened to a thirty (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 must not be lengthened to a month of thirty days));
- (vii) if the terms “**30/360 - FBF**” or “**Actual 30A/360 (American Bond Basis)**” are indicated in the relevant Final Terms, this means for each Calculation Period the fraction whose denominator is 360 and whose numerator is the number of days calculated as for the 30E/360 - FBF base, with the following exception:

when the last day of the Calculation Period is a thirty-first and the first is neither a thirtieth nor a thirty-first, the last month of the calculation period is considered to be a 31-day month.

The fraction is:

if $dd^2 = 31$ and $dd^1 (30, 31)$,

then:

$$\frac{1}{360} \times [(yy^2 - yy^1) \times 360 + (mm^2 - mm^1) \times 30 + (dd^2 - dd^1)]$$

or:

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

where:

D1 (dd1, mm1, yy1) is the period commencement date

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

- (viii) if the terms “**30E/360**” or “**Euro Bond Basis**” are indicated in the relevant Final Terms, this means the number of days lapsed in the Calculation Period divided by 360 (the number of days to be calculated for a year of 360 days including twelve (12) months of thirty (30) days, without taking account of the date on which the first or the last day of the Calculation Period falls, unless, in the case of a Calculation Period ending on the Maturity Date, the Maturity Date is the last day of the month of February, in which case the month of February must not be lengthened to a month of thirty days (30) and;
- (ix) if the terms “**30E/360 - FBF**” are indicated in the relevant Final Terms, this means, for each Calculation Period, the fraction whose denominator is 360 and whose numerator is the number of days lapsed during this period, calculated on a year of twelve (12) months of thirty (30) days, with the following exception:

If the last day of the Calculation Period is the last day of the month of February, the number of days lapsed during the month is the exact number of days.

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

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

“**Interest Amount**” shall mean the amount of interest due, and in the case of Fixed-Rate Notes, the Fixed Interest Amount or Broken Coupon Amount, according to the case.

“**Given Amount**” shall mean, for any Floating Rate to be determined in accordance with a Rate Determination on the Screen Page on an Interest Determination Date, the amount indicated as such on this date in the relevant Final Terms concerned or, if no amount is indicated, an amount corresponding, on this date, to the trading on the relevant market.

“**Screen Page**” shall mean any page, section, heading, column or any other part of a document provided by a particular information service (including in particular Reuters (“**Reuters**”)) that may be designated in order to provide a Reference Rate or any other page, section, heading, column or any other part of a document of this information service or any other information service by which it might be replaced, in each case as designated by the entity or by the organisation providing or ensuring distribution of information appearing on said service in order to indicate rates or prices comparable to the Reference Rate, unless otherwise provided for in the Final Terms.

“**Interest Period**” shall mean the Period beginning on the Interest Period Commencement Date (inclusive) and ending on the first Interest Payment Date (exclusive) as well as each following period commencing on an Interest Payment Date (inclusive) and ending on the following interest Payment Date (exclusive).

“**Accrued Interest Period**” shall mean the Period beginning on the Interest Period Commencement Date (inclusive) and ending on the first Accrued Interest Period Date of the Coupon (exclusive) and each following period starting on an Accrued Interest Period Date of the Coupon

(inclusive) and ending on the Following Accrued Interest Period Date of the Coupon (exclusive).

“**Reference Financial Centre**” shall mean, for a Floating Rate to be determined on the basis of a Rate Determination on a Screen Page at an Interest Determination Date, the financial centre that might be indicated as such in the relevant Final Terms or, if no financial centre is mentioned, the financial centre to which the Market Reference is nearest (in the case of EURIBOR or EONIA, it is the Euro Zone, in the case of LIBOR, LIBID or LIMEAN, it is London, in the case of the CMS rate, it will be the reference financial centre relating to the Specified Currency and in the case of any other Market Reference, it will be the reference financial centre indicated in the Final terms) or otherwise it is Paris.

“**Market Reference**” shall mean the Reference Rate (EURIBOR, EONIA, the CMS Rate, LIBOR, LIBID, LIMEAN or any other reference rate commonly used by financial markets) as indicated in the relevant Final Terms.

“**Interest Rate**” shall mean the interest rate payable for the Notes, calculated according to the stipulations in the relevant Final Terms.

“**Reference Rate**” shall mean the Market Reference rate for a Given Amount in the Specified Currency for a period equal to the Specified Duration starting from the Value Date (if this duration is applicable to or compatible with the Market Reference).

“**Euro Zone**” shall mean the region comprising the Member States of the EU that have adopted the single currency in accordance with the Treaty.

(b) Interest on Fixed-Rate Notes

The interest for each Fixed-Rate Note is calculated on its unredeemed nominal value starting from the Interest Period Commencement Date at an annual rate (expressed as a percentage) equal to the Interest Rate, this interest being payable in arrears on each Interest Payment Date.

If a Fixed Coupon Amount (“**Fixed Coupon Amount**”) or a Broken Coupon Amount (“**Broken Coupon Amount**”) is indicated in the relevant Final Terms, the interest payable on each Interest Payment Date is equal to the Fixed Coupon Amount or if applicable, to the Broken Coupon Amount as indicated, and in the case of a Broken Coupon Amount, it shall be payable on the Interest Payment Date(s) mentioned in the relevant Final Terms.

(c) Interest on Floating-Rate Notes

(i) *Coupon Payment Dates:* Each Floating-Rate Note bears interest calculated on its unredeemed nominal value starting from the Interest Period Commencement Date at an annual rate (expressed as a percentage) equal to the Interest Rate, this interest being payable in arrears on each Interest Payment Date. This/These Interest Payment Date(s) is/are indicated in the relevant Final Terms or, if no Interest Payment Date is indicated in the relevant Final Terms, the Interest Payment Date shall mean each date situated at the end of the number of months or at the end of another period indicated in the relevant Final Terms as being the Interest Period, falling after the previous Interest and, in the case of the First Interest Payment Date, falling after the Interest Period Commencement Date.

(ii) *Business Day Convention:* When a date indicated in the present Terms and Conditions and assumed to be adjusted according to the Business Day Convention, is not set on a Business Day and the applicable Business Day Convention is (A) the Floating Rate Business Day Convention, this date is to be deferred to the following Business Day unless this day falls in the next calendar month in which case (x) the date shall be brought forward to the Business Day immediately preceding it and (y) all subsequent maturity dates will be set on the last Business Day of the month where this maturity date would have fallen in the absence of such adjustments, (B) the Following Business Day Convention, this date will be set on the following Business Day, (C) the Modified Following Business Day Convention, this date will be set on the next Business Day unless this date falls in the next calendar month in which case the date shall be brought forward to the Business Day immediately preceding it, or (D) the Preceding Business Day Convention, this date will then be brought forward to the Business Day immediately preceding it.

(iii) *Interest Rate on Floating-Rate Notes:* The Interest Rate applicable to Floating-Rate Notes for each Accrued Interest Period shall be specified in the relevant Final Terms, and shall be determined in accordance with stipulations below for both the FBF Determination and the

Screen Rate Determination shall be applied, according to the option indicated in the relevant Final Terms.

(A) FBF Determination for Floating-Rate Notes

When the FBF Determination is indicated in the relevant Final Terms as being the method applied to determine the Interest Rate, the Interest Rate applicable to each Accrued Interest Period must be determined by the Agent as being a rate equal to the relevant FBF Rate, plus or minus the Margin, as applicable (as indicated in the relevant Final Terms). For the purposes of this sub-paragraph (A) the “FBF Rate” for an Accrued Interest Period shall mean a rate equal to the Floating that would be determined by the Agent for an exchange operation executed in the framework of an FBF Framework Agreement completed by the Technical Addendum on the Exchange of Interest or Currency Terms, by which:

- (x) the Floating Rate is as indicated in the relevant Final Terms and
- (y) the Date of Floating Rate Determination is as indicated in the relevant Final Terms.

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

(B) Determination of the Screen Page Rate for Floating-Rate Notes

When a Screen Rate Determination is indicated in the relevant Final Terms as being the method of Interest Rate determination, the Interest Rate for each Accrued Interest Period must be determined by the Calculation Agent at the Reference Time (or close to this time) on the Interest Determination Date relating to the said Accrued Interest Period as indicated below:

- (a) if the main source for the Floating Rate is a Screen Page, subject to what is indicated below, the Interest Rate shall be:
 - (i) the Reference Rate (when the Reference Rate on the said Screen Page is a compound quotation or is habitually supplied by a single entity) or
 - (ii) the arithmetic average of the Reference Rate of the institutions whose Reference Rates appear on this Screen Page,

in each case as published on the said Screen Page at the Reference Time on the Interest Determination Date unless otherwise stated in the relevant Final Terms.

- (b) if the main source of the Floating Rate is composed by Reference Banks or if sub-paragraph (a)(i) applies and no Reference Rate has been published on the Screen Page at the Reference Time on the

Interest Determination Date or if sub-paragraph (a)(ii) applies and less than two reference rates have been published on the Screen Page at the Reference Time on the Interest Determination Date, the Interest Rate, subject to everything indicated below, is equal to the arithmetic average of the Reference Rates that each Reference Bank suggests to top-tier prime banks on the Reference Financial Centre at the Reference Time on the Interest Determination Date, as determined by the Calculation Agent and

- (c) if paragraph (b) above applies and the Calculation Agent notes that less than two Reference Banks thus suggest Reference Rates, then the Interest Rate, subject to everything indicated below, shall be equal to the arithmetic average of the annual rates (expressed as a percentage) that the Calculation Agent determines as being the rates (that are the closest possible to the Market Reference) applicable to a Given Amount in the Specified Currency that at least two out of five top-tier banks selected by the Calculation Agent in the main financial centre of the country of the Specified Currency or, if the Specified Currency is the Euro, in the Euro Zone, as selected by the Calculation Agent (the “**Main Financial Centre**”) proposed at the Reference Time or close to that time on the date on which the said banks habitually propose these rates for a period starting from the Value Date and equivalent to the Specified Duration (I) to top-tier banks conducting their activities in Europe or (when the Calculation Agent determines that fewer than two banks propose these rates to the top-tier prime banks in Europe) (II) to the top-tier banks conducting their activities in the Main Financial Centre, given that when fewer than two of these banks propose these rates to the top-tier banks in the Main Financial Centre, the Interest Rate shall be the Interest Rate determined on the preceding Interest Determination Date (after readjustment taking account of all differences in Margins, Multiplier Coefficients and Maximum or Minimum Interest Rates applicable to the previous Accrued Interest Period and to the applicable Accrued Interest Period).

(d) Production of interest

Interest shall cease to accrue for each Note on the date of redemption unless (i) on this redemption date in the case of Dematerialised Notes, or (ii) on the date of their presentation for Materialised Notes, the redemption of the principal is wrongly withheld or refused, in which case interest shall continue to accrue (both before and after any judgement) at the Interest Rate, in accordance with the terms in Article 4 up until the Reference Date.

(e) Margin, Multiplier Coefficient, Interest Rate, Minimum and Maximum Redemption Amount, and Rounding Off

- (i) If a margin (“**Margin**”) or a Multiplier Coefficient is indicated in the relevant Final Terms (either (x) in general or (y) in one or more Accrued Interest Periods), an adjustment shall be made to all the Interest Rates, in the case of (x) or for the Interest Rates applicable to the relevant Accrued Interest Periods, in the case of (y), calculated according to sub-paragraph (c) above by adding (if it is a positive number) or by subtracting (if it is a negative number) the absolute value of this Margin or by multiplying the Interest Rate by the Multiplier Coefficient subject, in each case, to the stipulations in the following sub-paragraph.
- (ii) If an Interest Rate or a Minimum or Maximum Redemption Amount is indicated in the relevant Final Terms, the Interest Rates or Redemption Amounts may not exceed this maximum nor be less than this minimum, as the case may be.

(iii) For all calculations that must be made in accordance with the present Terms and Conditions (unless indicated otherwise), (w) if the FBF Determination is indicated in the relevant Final Terms, all the percentages resulting from these calculations are to be rounded off, if necessary, to the nearest ten thousandth (halves being rounded up to the higher amount) (x) all the percentages resulting from the calculations are to be rounded off, if necessary, to the nearest fifth decimal place (the halves being rounded up to the higher sum)(y) all of the amounts are to be rounded off to the seventh decimal place (the halves being rounded up to the higher sum), and (z) all the amounts in currency that are redeemable are to be rounded off to the nearest unit of the said currency (the halves being rounded up to the higher sum) with the exception of the Yen that will be rounded down to the lower unit. For the purposes of the present Article, “unit” shall mean the smallest subdivision of the currency in circulation in the country using the said currency.

(f) Calculations

Whatever the period, the amount of interest payable on each Note shall be calculated by applying the Interest Rate to the unredeemed principal of each Note and multiplying the result obtained by the Day Count Method, except if an Interest Amount (or a formula for its calculation) is indicated for the said period, in which case the amount of interest payable on the Note for this same period shall be equal to the said Interest Amount (or shall be calculated according to the formula for its calculation). If any Interest Period should comprise two or several Accrued Interest Periods, the amount of interest payable for this Interest Period shall be equal to the sum of the amounts of interest payable for each of the said Accrued Interest Periods.

(g) Determination and publication of Interest Rates, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, and Optional Redemption Amounts.

As soon as possible after the reference time on the date when the Calculation Agent might have to calculate any rate or amount, obtain a quotation, determine an amount or make calculations, he or she shall determine this rate and calculate the Interest Amounts for each Specified Denomination of the Notes during the course of the corresponding Accrued Interest Period. He or she shall also calculate the Final Redemption Amount, the Early Redemption Amount and the Optional Redemption Amount, obtain the corresponding quotation or determine or calculate anything else required. He or she shall then serve notice of the Interest Rate and Interest Amounts for each Interest Period as well as the relevant Interest Payment Date and, if necessary, the Final Redemption Amount, the Early Redemption Amount and the Optional Redemption Amount to the Fiscal Agent, the Issuer, each Paying Agent and any other Calculation Agents designated for the Notes in order to carry out any further calculations as soon as this information is received. If the Notes are admitted to trading on a regulated market and the rules of the said market so require, he or she shall also disclose this information to the market and/or to the Holders as soon as possible after its determination and no later than (i) the start of the relevant Interest Period, if the information is determined before this date, in the case of notification of the Interest Rate and Interest Amount to the market or (ii) in all other cases, no later than the fourth Business Day after its determination. When the Interest Payment Date or the Accrued Interest Period are subject to adjustment in accordance with Article 4(c) (ii), the Interest Amounts and Interest Payment Dates published in this way may be subject to modifications (or to other appropriate adjustment measures) without prior notice in the case of a lengthening or shortening of the Interest Period. Each rate or amount determined, each quotation obtained and each of the determinations or calculations carried out by the Calculation Agent or Agents shall be final and binding upon the parties (in the absence of manifest error).

(h) Calculation Agent and Reference Banks

The Issuer ensures that there are, at all times, four Reference Banks (or any other number that maybe necessary) possessing at least one office in the Reference Financial Centre, and one or more Calculation Agents if this is indicated in the relevant Final Terms,

for as long as the Notes are outstanding (as defined in Article 1(c)(iv) above). If any Reference Bank (acting through the intermediary of its designated office) is no longer able or does not wish to act as Reference Bank, the Issuer shall designate another Reference Bank possessing an office in this Reference Financial Centre to act in this capacity in its place. If several Calculation Agents should be designated for the Notes, any reference to the Calculation Agent in the present Terms and Conditions shall be interpreted as referring to each of the Calculation Agents acting in accordance with the present Terms and Conditions. If the Calculation Agent is no longer able or no longer wishes to act in this capacity, or if the Calculation Agent is not able to establish an Interest Rate for any Interest Period or Accrued Interest Period, or is not able to calculate the Interest Amount, Final Redemption Amount, Optional Redemption Amount or Early Redemption Amount, as the case may be, or cannot fulfil any other obligation, the Issuer shall designate a top-tier bank or investment bank acting on the interbank market (or, if appropriate, on the money market, the swaps market or the OTC index options market) most closely linked to the calculation and determination being effected by the Calculation Agent (acting via its main office in Paris or any other office operating on this market) in order to act in this capacity in its place. The Calculation Agent may not give up its functions without a new Calculation Agent being appointed under the conditions described above.

5. REDEMPTION, PURCHASE, AND OPTIONS

(a) Final redemption

Unless it has already been redeemed, bought or cancelled as stated below, each Note shall be redeemed on the Redemption Date indicated in the relevant Final Terms for its Final Redemption Amount (which, unless stipulated to the contrary, is equal to its nominal amount).

(b) Redemption at the option of the Issuer and Partial Redemption

If a Redemption Option is mentioned in the relevant Final Terms, the Issuer may, subject to compliance with all applicable laws, regulations and directives, and on the condition that it irrevocably notifies the holders of the Notes at least fifteen (15) calendar days and at most thirty (30) calendar days in advance, in accordance with Article 13 (or any other advance notice indicated in the relevant Final Terms), proceed with redemption of all or part of the Notes, as the case may be, on the Optional Redemption Date. Each of these Note redemptions shall be effected at the Optional Redemption Amount plus the interest accrued up to the date set for redemption, as applicable. Each of these redemptions or exercises must concern Notes of a denomination at least equal to the minimum redeemable denomination as indicated in the relevant Final Terms and may not exceed the maximum redeemable nominal amount as indicated in the relevant Final Terms.

The Early Redemption Amount payable for any Note for redemption in accordance with Article 5(b), shall be determined as follows:

“Early Redemption Amount” = $Y \times \text{Denomination}$

Or:

“Y” signifies the ratio expressed as a percentage as specified in the relevant Final Terms.

All Notes subject to such notice shall be redeemed on the date indicated in this notice, in accordance with the present Article.

In the case of partial redemption regarding Materialised Notes, the notice addressed to the holders of these Materialised Notes must also contain the number of the Materialised Notes being redeemed or for which the redemption option has been exercised. The Notes must have been selected objectively and fairly in the circumstances, taking account of market practices and in accordance with the stock market laws and regulations in force.

In the case of partial redemption regarding Dematerialised Notes in the same Series, the redemption may be effected at the choice of the Issuer either (i) by reduction of the denomination of these Dematerialised Notes proportionally to the nominal amount redeemed or (ii) by full redemption of some of the Dematerialised Notes, in which case the choice of the Dematerialised Notes to be fully redeemed or not shall be made in accordance with

Article R.213-16 of the French Monetary and Financial Code, with the stipulations of the relevant Final Terms and with the stock market laws and regulations in force.

(c) Early redemption

The Early Redemption Amount payable for all Notes on redemption of the said Notes in accordance with Article 5(d) or if a Note matures and is due in accordance with Article 8, shall be equal to the Final Redemption Amount plus any interest accrued up to the effective redemption date unless indicated otherwise in the relevant Final Terms.

(d) Redemption for fiscal reasons

- (i) If, on the occasion of redemption of the principal or payment of interest, the Issuer finds itself forced to make additional payments in accordance with Article 7(b) below, owing to changes in French legislation or regulations or for reasons resulting from changes in the official interpretation and application of these texts coming into effect after the issue date, it may, on any Interest Coupon Payment Date or, if it is indicated in the relevant Final Terms, at any time, on the condition of having informed the Holders by serving notice in accordance with the stipulations of Article 13, no more than forty-five (45) calendar days and no less than thirty (30) days) before the said payment (this notice being irrevocable), redeem all, and not part, of the Notes at the Early Redemption Amount, plus any interest accrued up to the redemption date, on the condition that the early redemption date indicated in the notice does not fall before the latest date on which the Issuer is entitled to pay the principal amount and interest without having to deduct French withholding tax).
- (ii) If, on the occasion of the next redemption of the principal or the next payment of interest, the payment by the Issuer of the total sum due to the Holders or Coupon Holders should be prohibited by French legislation, despite the commitment to pay any additional sum provided for in Article 7(b) below, the Issuer should inform the Fiscal Agent immediately. The Issuer, subject to advance notice of seven (7) calendar days addressed to the Holders in accordance with Article 13, must then redeem the total amount, and not a part only, of the Notes outstanding at the time at their Early Redemption Amount plus any interest accrued up to the redemption date as of (A) the latest Interest Payment Date on which the full payment relating to these Notes can be effectively made by the Issuer, subject to the condition that if the notice indicated above expires after this Interest Payment Date, the redemption date of the Holders will be the later of either (i) the latest date at which the Issuer is entitled, in practice, to effect the payment of the total amount due in respect of the Notes, and (ii) fourteen (14) calendar days after advising the Fiscal Agent, or (B) if indicated in the relevant Final Terms, at any time, on the condition that the redemption date scheduled in the notice is the latest date on which the Issuer is entitled, in practice, to effect the payment of the total amount due in respect of the Notes or, as the case may be, of the Coupons, or as soon as possible if this date has already passed.

(e) Buybacks

The Issuer may, at any time, execute buy backs of the Notes either on or off the stock market (including by public offer) at any price (on the condition, however, that in the case of Materialised Notes, all the unmatured Coupons and non-exchanged Talons pertaining to them are attached or returned with these Materialised Notes), in accordance with the laws and in regulations force.

Unless this option is expressly excluded in the relevant Final Terms, the Notes purchased by or on behalf of the Issuer may, at the option of the Issuer, be kept in accordance with Articles L.213-1 and D.213-A A1 of the Monetary and Financial Code, for the purpose of promoting the liquidity of such Securities, or cancelled in accordance with Article 5(f).

(f) Cancellation

All Notes bought back for cancellation in accordance with Article 5(e) below shall be cancelled, in the case of Dematerialised Notes by transfer to an account in accordance with the rules and procedures of Euroclear France and, in the case of Materialised Notes, by providing the Fiscal Agent with the relevant Temporary Global Certificate or the Physical Securities in question to which shall be added all the unmatured Coupons and non-exchanged Talons attached to these Notes, as applicable, and in each case, on the condition that they are transferred and returned, all these Notes and all the Notes redeemed by the Issuer shall be cancelled immediately (in addition, for Dematerialised Notes, to all rights relating to the payment of interest and other amounts pertaining to these Dematerialised Notes and, for Materialised Notes, all the unmatured Coupons and non-exchanged Talons attached to them or returned at the same time). The Notes cancelled in this way or, as may be the case, transferred or returned for cancellation may not be reissued or resold and the Issuer shall be freed of all obligations relating to these Notes.

6. PAYMENTS AND TALONS

(a) Dematerialised Notes

All Payment of principal and interest relating to Dematerialised Notes shall be made (i) for Dematerialised Notes in bearer form or in administered registered form, by transfer to an account in the name of the Account Holders and in the Specified Currency, to the benefit of the holders of the Notes, and (ii) for Dematerialised Notes in fully registered form, by transfer to an account opened with a Bank (as defined below) designated by the holder of the Notes in question. All valid payments made to the said Account Holders or the said Bank shall release the Issuer from its payment obligations.

b) Physical Securities

(i) Payment method

Subject to all that follows, any payment in a Specified Currency must be made by credit or transfer to an account in the Specified Currency or to which the Specified Currency can be transferred or credited (which, should the payment be in Yen to a non-resident of Japan, shall be a non-resident account) held by the beneficiary, or at the choice of the beneficiary, by cheque made out in the Specified Currency drawn on a bank located in the main financial centre of the country of the Specified Currency (which, if the Specified Currency is the Euro, will be one of the countries in the Euro Zone, and if the Specified Currency is the Australian dollar or the New Zealand dollar, will be in Sydney or Auckland respectively).

(ii) Presentation and return of Physical Securities and Coupons

All payments of the principal pertaining to Physical Securities must be made (subject to all that is indicated below) in the way stated in paragraph (i) above only upon presentation and return (or, in the case of a partial payment of a sum due, on annotation) of the corresponding Notes, and all payment of interest on the Physical Securities must be made (subject to

all that is indicated below) under the conditions indicated above on presentation or return (or, in the case of a partial payment of a sum due, on annotation) of the corresponding Coupons, in each case at the office designated by any Paying Agent located outside the United States of America (this expression defining the United States of America for the purposes of the present (including the States and the District of Columbia, their territories, possessions, and other places under its jurisdiction)).

The Fixed-Rate Notes represented by Physical Securities must be presented for payment with the related unmatured Coupons (for the purposes of the present, this expression shall include Coupons to be issued in exchange for matured Talons), failing which the amount of any missing unmatured Coupon (or in the case of partial payment, the part of the amount of the missing unmatured Coupon corresponding to the amount paid in relation to the amount due) shall be deducted from the sums due. Each principal amount deducted in this way shall be paid as indicated above on return of the relevant missing Coupon before January 1st of the fourth year following the due date of this amount, but in no case thereafter.

When a Fixed Rate Note represented by a Physical Security becomes due before its Redemption Date, the related unmatured Talons are null and void and shall not give rise to issue of any further Coupons.

When a Floating-Rate Note represented by a Physical Security becomes due before its Redemption Date, (any) related unmatured Coupons and Talons (whether attached to them or not) are null and void and shall not give rise to any payment or, if applicable, to issue of any further Coupons.

If the redemption date of a Physical Security is not an Interest Payment Date, any accrued interest (where applicable) relating to this Note since the previous Interest Payment Date (inclusive) or, as the case may be, the Interest Period Commencement Date (inclusive) shall only be paid on presentation and return (where applicable) of the relevant Materialised Note.

c) Payments to the United States of America

Notwithstanding the above, when any of the Materialised Notes is in US dollars, the related payments may be made to the office of any designated Paying Agent in New York under the conditions indicated above if (i) the Issuer has designated Paying Agents with offices outside the United States of America and which he or she reasonably thinks is able to make the relevant payments to the Holders as described below when these are due, (ii) the payment in full of these amounts to this office is prohibited or excluded, in practice, by exchange control regulations or by any other similar restriction relating to payment or reception of such sums, and (iii) such payment is authorised, however, by American legislation without this implying, in the opinion of the Issuer, any adverse fiscal consequences for the latter.

d) Payments subject to fiscal legislation

All payments are subject to any applicable legislation, regulation, or directives, fiscal or others, without prejudice to the stipulations of Article 7. No commission or fees shall be charged to the holders of Notes or Coupons on the occasion of these payments

e) Designation of Agents

The Fiscal Agent, Paying Agents, Calculation Agent and Registration Agent initially designated by the Issuer and their respective designated offices are listed at the end of the Base Prospectus of the Notes Programme of the Issuer. The Fiscal Agent, Paying Agents and Registration Agent only act as representatives of the Issuer and the Calculation Agents as independent experts and none of the above have any obligation whatsoever as representatives of holders of the Notes or of Coupons. The Issuer reserves the right to change or terminate the appointment of the Fiscal Agent, Paying Agent, Calculation Agent or Registration Agent at any time and to appoint other Fiscal Agent(s), Paying Agent(s), Calculation Agent(s), or Registration Agent(s)

or additional Paying Agent(s), Calculation Agent(s) or Registration Agent(s) provided that, at any one time, it has (i) one Fiscal Agent, (ii) one or more Calculation Agents, when the Terms and Conditions so require, (iii) one Paying Agent with designated offices in at least two major European cities (and provided financial service for the Notes in France for as long as the Notes are admitted to trading on Euronext Paris and for as long as the regulations applicable to this market so require), (iv) for Materialised Notes, a Paying Agent with its office in a Member State of the EU that does not require it to withhold or deduct any sums in accordance with European Council Directive 2003/48/EC or any other EU directive implementing the conclusions of the ECOFIN Council during its discussions of 26 and 27 November 2000 on the taxation of savings income or in accordance with any laws implementing this directive, complying with it or adopted for the purpose of complying with it (the Paying Agent may be one of those mentioned in (iii) above), (v) for Dematerialised Notes in fully registered form, a Registration Agent and (vi) any other agents who may be required by the rules of any regulated market on which the Notes may be admitted to trading.

The Issuer shall also appoint a Paying Agent in the city of New York for the purposes of the Materialised Notes in American dollars for the circumstances stated in sub-paragraph (c) above.

Any such modification or any modification of a designated office must be subject to notice served promptly to the holders of the Notes, in accordance with the stipulations of Article 13.

f) Talons

On the Interest Payment Date of the last Coupon on the Coupon sheet provided with all Materialised Notes or after this date, the Talon forming part of this Coupon sheet may be sent to the office that the Fiscal Agent has designated in exchange for a new sheet of Coupons (and if necessary another Talon related to this new sheet of Coupons) (with the exception of Coupons that have been cancelled by virtue of Article 9).

g) Business Days for payment

Should any payment date relating to any Note or Coupon not fall on a business day, the Holder of the Notes or Holder of Coupons may not claim any payment whatsoever until the following business day, unless indicated otherwise in the relevant Final Terms, nor claim any other sum in compensation for this postponement. In the present paragraph, "Business Day" shall mean a day (other than Saturday and Sunday)(A)(i) for Dematerialised Notes, on which Euroclear France is operating, or (ii) for Materialised Notes, on which the banks and foreign exchange markets of the financial centre of the place where the Note is presented for payment are open, (B) when the banks and foreign exchange markets are open in the countries indicated as "Financial Centres" in the relevant Final Terms and (C) (i) for payment in a currency other than the Euro when the payment must be effected by transfer to an account opened with a bank in the Specified Currency, a day on which exchange operations can be carried out in that currency in the main financial centre of the country in which this currency is used or(ii) for payment in Euros, a day which is a TARGET Business Day.

h) Bank

For the purposes of the present Article 6, "Bank" shall mean a bank established in the main financial centre in which the specified currency is used or, in the case of payments effected in Euros, in a city where banks have access to the TARGET System.

7. Taxation

a) Tax exemption

All payments of principal amounts, interest or other proceeds pertaining to the Notes, made by or on behalf of the Issuer, shall be made without any withholding or deduction of any taxes or duties of any kind imposed, levied or collected by or on behalf of the French government or any authority having power to levy taxes, unless this withholding or deduction is required by the law.

b) Additional amounts

If, by virtue of French legislation, the payments of any principal amount or interest pertaining to any Note or Coupon should be subject to the deduction or withholding of any present or future tax or duty, the Issuer undertakes, in every way allowed by law, to increase its payments in such a way that the holders of the Notes and Coupons receive the full sums that would have been paid to them in the absence of such withholding, it being understood that the Issuer shall not be required to increase the payments pertaining to any Note or Coupon in the following cases:

(i) Other reasons

the holder of the Notes or Coupons or a third party acting on its behalf is liable in France for the said taxes or duties on grounds other than its sole ownership of the said Notes or Coupons;

(ii) More than thirty (30) calendar days have lapsed since the Reference Date

for Physical Securities, more than thirty (30) calendar days have lapsed since the Reference Date, except if the holder of the Notes or Coupons would have been entitled to a larger amount on presentation of the said Notes or Coupons for payment on the last day of the said thirty (30)-day period;

(iii) Payment to natural persons or entities in accordance with European Directive 2003/48/EC

this deduction or withholding concerns the amount of a payment effected to a natural person or an entity in accordance with European Council Directive 2003/48/EC or is effected in accordance with this or any other EU directive implementing the conclusions of the ECOFIN Council during its discussions of 26 and 27 November 2000 or any other later discussions of the ECOFIN Council on the taxation of savings income or in accordance with any laws implementing this directive, complying with it or adopted for the purpose of complying with it; or

(iv) Payment by another Paying Agent

for Materialised Notes presented for payment, this deduction or withholding is effected by or on behalf of a holder who could have avoided it by presenting the relevant Note or Coupon to another Paying Agent located in a Member State of the EU.

The references in the present Terms and Conditions to (i) “principal” shall be deemed to include any premium that is payable pertaining to the Notes, all Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and all other principal sums, payable in accordance with Article 5 of the relevant Final Terms (ii) “interest” shall be deemed to include all Interest Amounts and other amounts payable in accordance with Article 4 of the relevant Final Terms, and (iii) “principal” and/or “interest” shall be deemed to include all additional sums that might be payable by virtue of the present Article.

8. DEFAULT

The Representative (as defined in Article 10) acting on behalf of the Masse (as defined in Article 10), acting on its own initiative or at the request of any holder of Notes or, when the holders of Notes in a Series are not grouped together in a Masse, any holder of Notes may, by written notice served by registered letter with acknowledgement of receipt to the Issuer (with a copy to the Fiscal Agent), before the breach in question is remedied, make the redemption of all Notes due immediately or, if holders of Notes

are not grouped in a masse, of all the Notes held by the holder serving notice, at the Early Redemption Amount plus all interest accrued up to the effective date of redemption, if any of the following events should occur (each a “Default Event”):

- a) failing payment by the Issuer of the principal or interest pertaining to any Note (including any additional amount in accordance with Article 7) for more than thirty (30) calendar days as of the date on which this payment is due; or
- b) in the case of a breach by the Issuer of any other obligations pertaining to the Notes, if this breach has not been remedied within sixty (60) calendar days as of receipt by the Issuer of notice of the said breach served by the Representative or a holder of Notes; or
- (c)
 - (i) failing repayment by the Issuer of a principal amount exceeding €200 million (or its equivalent in any other currency) on one or more of its bank or bond borrowing debts on the scheduled or expected repayment date and after expiry of any extension that might be applicable; or
 - (ii) failing payment by the Issuer of an amount exceeding €200 million (or its equivalent in any other currency) on one (or several) guarantee(s) granted pertaining to one or more bank or bond borrowing operations entered into by any third parties when such guarantee(s) is/are due and called,

unless, in all cases, the Issuer challenges the fact that the said debts are due and payable or the validity of the implementation of the said guarantee(s) and has referred this challenge to the competent courts, in which case the said failure to pay shall not be deemed to be a case of Default for as long as the relevant court has not issued a final ruling;

It being understood that any event provided by (a), (b), or (c) above shall not constitute a Default Event and that the deadlines mentioned (if any) shall be suspended, in the Issuer should serve notice to the Fiscal Agent before expiry of the relevant deadline (if a deadline is indicated) of the need, in order to remedy this or these breach(es), to adopt a resolution to allow the payment of unexpected or additional budgetary expenses due to the debt burden, up to (and including) the date on which this resolution comes into effect, from which date the suspension of the time limits stated below, if there is one, shall end. The Issuer must serve notice to the Fiscal Agent of the date on which this resolution comes into effect. The Fiscal Agent must inform the Holders of any notice it has received from the Issuer in application of the present Condition, in accordance with the stipulations of Article 13.

9. PRESCRIPTION

Claims against the Issuer pertaining to Notes and Coupons (excluding Talons) shall be prescribed unless made within four years as of 1st January of the year following that in which they became payable.

10. REPRESENTATION OF THE HOLDERS

The Holders shall, for all the Tranches in a given Series, be automatically grouped for the defence of their common interests in one body (in each case, the “Masse”).

The Masse shall be governed by the provisions of the French Commercial Code with the exception of Articles L.228-48, L.228-59, L.228-65 II, R. 228-63, R. 228-67, and R. 228-69 and subject to the following stipulations:

(a) Legal personality

The Masse shall be a separate legal entity and shall act in part through a representative (the "Representative") and in part through a General Meeting of the Holders (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 upon a person of any nationality. However, the following may not be chosen as Representatives:

- (i) the Issuer, the members of its Municipal Council, its employees or their respective ascendants, descendants and spouse; or
- (ii) companies guaranteeing all or part of the obligations of the Issuer, their respective managers, general managers, members of their Board of Directors, Executive Board or Supervisory Board, their statutory auditors, employees or their respective 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 replacement shall be indicated 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 that Series.

The Representative shall be entitled to the remuneration corresponding to its functions or duties, if such remuneration is provided for, on the date or dates indicated in the relevant Final Terms.

In the event of death, winding up, resignation or revocation of appointment of the Representative, such Representative shall be replaced by the replacement Representative. In the event of the death, winding up, retirement or revocation of appointment of the replacement Representative, another Representative shall be appointed by the General Meeting.

All interested parties shall have the right at all times to obtain the names and addresses of the initial Representative and the replacement Representative from the address of the Issuer and the specified offices of each of the Paying Agents.

(c) Powers of the Representative

The Representative shall have the power (in the absence of any decision to the contrary by the General Meeting) to carry out all acts of management necessary to defend the common interests of the Holders.

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

The Representative may not be involved in managing the affairs of the Issuer.

(d) General Meeting

A General Meeting may be held at any time, called either by the Issuer or by the Representative. One or more Holders, holding together at least one-thirtieth of the nominal amount of the Notes outstanding, may send the Issuer and the Representative a demand to call the General Meeting. If the General Meeting has not been called within two months of such a demand, the Holders may commission one of their number to petition a competent court in Paris to appoint an agent who shall call the General Meeting.

Notice of the date, time, venue and agenda of any General Meeting shall be published in accordance with Article 13.

Each Holder is entitled to participate in a General Meeting in person, by proxy or by correspondence. 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 the Note.

(e) Powers of the General Meeting

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

The General Meeting may also deliberate on any proposal relating to the modification of the Terms and Conditions, including any proposal for arbitration or settlement, relating to rights in dispute or which have been the subject of judicial decisions; it is specified, however, that the General Meeting may not increase the liabilities of the Holders, nor establish any unequal treatment between Holders.

General Meetings may deliberate validly when called for the first time first only if the Holders present or represented hold at least one quarter of the principal amount of the Notes then outstanding. When called for the second time, no quorum shall be required. Decisions at meetings shall be taken by a simple majority of votes cast by the Holders attending such General Meetings either in person or represented by a proxy.

The resolutions passed by the General Meeting must be published in accordance with the stipulations of Article 13.

(f) Holder information

During the fifteen (15)-day period preceding the holding of each General Meeting, each Holder or proxy thereof will have the right, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented to the General Meeting, all of which shall be at the disposal of the relevant Holders at the address of the Issuer, from the specified offices of any of the Paying Agents and at any other place specified in the notice of the General Meeting.

(g) Costs

The Issuer will pay all costs 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 the interest payable under the Notes.

(h) Single Masse

The holders of Notes in the same Series, and the holders of Notes of any other Series consolidated with the aforementioned Series, in accordance with Article 1(e) or Article 12, shall be grouped in a single Masse for the defence of their respective common interests,. The Representative appointed in respect of the first Tranche of any Series of Notes shall be the Representative of the single Masse of all that Series.

For the purposes of the present Article 10, the term “**outstanding**” shall not include those Notes subscribed or bought back by the Issuer pursuant to Articles L.515-32-1 and L.213-1 A respectively of the Financial and Monetary Code, which are kept by the Issuer and not cancelled.

For each Tranche of Notes, if so indicated in the relevant Final Conditions, the present Article 10 may be amended, completed, deleted or entirely removed and replaced by the entirety of the provisions in the Commercial Code relating to the Masse.

11. REPLACEMENT OF PHYSICAL SECURITIES, COUPONS, AND TALONS

If any Materialised Note, Physical Security, Coupon or Talon is lost, stolen, defaced or destroyed, it may be replaced, subject to applicable laws and stock market regulations, at the specified office of the Fiscal Agent or any other Paying Agent as may be designated from time to time by the Issuer for the purpose and notice of whose designation shall be served to Holders. This replacement shall be effected in return for payment by the claimant of the fees and costs incurred on that occasion and subject to the conditions of proof, security and indemnity (if the allegedly lost, stolen or destroyed Physical Security, Coupon or Talon should subsequently be presented for payment or, as the case may be, for exchange for further Coupons, payment shall be made to the Issuer on demand of the amount payable by the Issuer in respect of these additional Physical securities, Coupons or Talons). Partially destroyed or defaced Physical securities, Coupons or Talons must be returned before replacement.

12. CONSOLIDATION OF ISSUES

The Issuer shall be entitled, without permission from the Note or Coupon holders, to create and issue additional notes that may be consolidated with the Notes to form a unique Series on condition that these Notes and the additional notes confer identical rights on their holders in all regards (or identical in all respects except for the first payment of interest) and that the terms of these Notes provide for such a consolidation, and the references to “Notes” in the present Terms and Conditions must be interpreted accordingly.

13. NOTICE

- (a) Notices served by the Issuer to the holders of Dematerialised Notes in registered form shall be valid if either, (i) mailed to them at their respective postal addresses, in which case they will be deemed to have been served on the fourth Business Day (other than a Saturday or a Sunday) after the dispatch or, (ii) at the choice of the Issuer, published in a leading daily business newspaper that is widely read in Europe (the Financial Times in principle). It is specified that for as long as the Notes are admitted to trading on a regulated market and the rules of the said regulated market so demand, notice shall only be deemed valid if published in a leading daily business newspaper that is widely read in the city(ies) where the Notes are admitted to trading which, in the case of Euronext Paris, shall be expected to be Les Echos and in any case as required by the rules applicable to the said market.
- (b) Notices sent to Holders of Materialised Notes and of Dematerialised Notes in bearer form are valid if they are published in an economic and financial daily newspaper that is widely read in Europe (mainly the Financial Times) and, for as long as the Notes are admitted to trading on a market and the rules of the said market so demand, notices must also be published in a leading daily business newspaper that is widely read in the city(ies) where the Notes are listed which, in the case of Euronext Paris, shall be expected to be Les Echos and in any case as required by the rules applicable to the said market.
- (c) If any such publication is not practicable, notice shall be validly given if published in another leading daily business newspaper widely read in Europe, it being specified that for as long as the Notes are admitted to trading on a regulated market, notices must also be published in any other way required by the rules applicable to the said regulated market. Holders shall be deemed to have been informed of the content of such notices on their date of publication or, in the case of notices published several times or on different dates, on the date of first publication as described above. Holders of Coupons shall be deemed for all purposes to have been informed of the contents of any notice served to the holders of Materialised Notes in accordance with the terms of the present Article.

- (d) Notices required to be served to the holders of Dematerialised Notes (whether in registered or in bearer form) pursuant to these Conditions may be delivered to Euroclear France, Euroclear, Clearstream, Luxembourg and any other clearing system through which the Notes are for the time being cleared in substitution for the mailing and publication of a notice required by Articles 13(a), (b) and (c) above; except that (i) for as long as the Notes are listed and admitted to trading on a regulated market and the rules of such regulated market so require, notices shall also be published in a leading daily business newspaper widely read in the city(ies) where the Notes are admitted to trading which, in the case of Euronext Paris, shall be mainly Les Echos, and by any other way required by the rules applied on this market and (ii) notices concerning the calling and decisions of General Meetings, as provided for in Article 10, must also be published in a business daily newspaper that is widely read in Europe.

14. APPLICABLE LAW, LANGUAGE, AND COMPETENT COURTS (a)

(a) Applicable law

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

(b) Language

This Base Prospectus is drawn up in French. There is a translation in English for information purposes but only the French version approved by the AMF is legally binding.

(c) Competent courts

Any claims against the Issuer pertaining to the Notes, Coupons, or Talons must be brought before the competent courts in Paris. The Issuer accepts the competence of French courts. However, no civil proceedings may be initiated or any attachment proceedings against the assets or property of the Issuer.

TEMPORARY GLOBAL CERTIFICATES FOR MATERIALISED NOTES [UNDER REVIEW]

1. TEMPORARY GLOBAL CERTIFICATES

A Temporary Global Certificate in connection with the Materialised Notes, without interest Coupons, shall initially be issued (a “**Temporary Global Certificate**”) for each Tranche of Materialised Notes and shall be deposited no later than the date of issue of the said Tranche with a common depository (the “**Common Depository**”) at Euroclear Bank S.A./N.V. as operator of the Euroclear system (“**Euroclear**”) and to Clearstream banking, société anonyme (“**Clearstream, Luxembourg**”). After deposit of this Temporary Global Certificate with a Common Depository, Euroclear or Clearstream, Luxembourg shall credit each subscriber with a nominal amount of Notes equal to the nominal amount for which it has subscribed and paid.

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

2. EXCHANGE

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

- (i) if the relevant Final Terms indicate that the Temporary Global Certificate is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (see “Programme Summary - Restrictions on Sale”), in whole but not in part, for Physical Securities and
- (ii) in all other cases, in full and not in part, as required by section § 1.163-5(c) (2) (i) (D) (3) (ii) of the US Treasury regulations and by any other regulation issues by virtue of the Hiring Incentives to Restore Employment Act of 2010 or any regulation replacing it issued by virtue of Section 4701(b) of the Internal Revenue Code of 1986, as amended, that might contain rules that are materially identical to those currently applicable by virtue of Section 163(f)(2)(B) (the “**HIRE Act**”), after certification that the Notes are not held by US nationals, for Physical Securities.

As long as a Materialised Note is represented by a Temporary Global Certificate, any payment relating to this Materialised Note which is due prior to the exchange Date (as defined below), will be made only if the certificate described in (ii) above has been received by Euroclear and/or Clearstream, Luxembourg and if Euroclear and/or Clearstream, as applicable, has given this type of certificate (based on the certificate received) to the appropriate Paying Agent. The holder of a Temporary Global Certificate shall not collect any payment that would result from it on the day of or after the Exchange Date unless, if a certificate as described above is provided, the exchange of the Temporary Global Certificate against the interest relating to the Physical Notes is improperly withheld or retained.

3. REMITTANCE OF PHYSICAL SECURITIES

On or after its Exchange Date, the holder of the Temporary Global Certificate may remit such Temporary Global Certificate to or to the order of the Fiscal Agent. In exchange for the Temporary Global Certificate so surrendered, the Issuer shall deliver or have delivered a corresponding total nominal amount of duly signed and countersigned Physical Securities. For the purposes of the present Base Prospectus, “**Physical Securities**” shall mean, in relation to any Temporary Global Certificate, the Physical Securities for which such Temporary Global Certificate may be exchanged (with, if necessary,

all coupons attached corresponding to amounts of interest that might not yet have been paid on the Temporary Global Certificate, and a Talon). The Physical Securities shall be security printed, in accordance with any laws and stock market regulations in force.

With regard to a Temporary Global Certificate, “**Exchange Date**” shall mean the day at least 40 days after the issue date, providing that in the case of a new issue of Materialised Notes to be consolidated with the aforementioned Materialised Notes and issued before this day, in accordance with Article 12, the Exchange Date may, at the choice of the Issuer, be postponed to the day forty (40) days after the issue date of these additional Materialised Notes.

In the case of Materialised Notes in bearer form that have a minimal maturity of more than 365 days (to which Rules C do not apply), the Temporary Global Certificate must contain the following paragraph:

"ANY US PERSON (AS DEFINED IN THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, WHO HOLDS THIS NOTE WILL BE BOUND BY THE RESTRICTIONS OF US FEDERAL LEGISLATION ON INCOME, NOTABLY THOSE IN SECTIONS 165(J) AND 1287(A) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED."

USE OF FUNDS

The net proceeds of the issue of Notes are to be used to finance the Issuer's investments. If in the case of an issue of Securities, the use of funds is specific, it will be indicated in the relevant Final Terms.

MAIRIE DE PARIS 

Direction des Finances et des Achats

CITY OF PARIS

Prospectus EMTN 2015

Description of the Issuer



City of Paris
EMTN 2015 Prospectus

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**PRESENTATION OF THE PARIS LOCAL AUTHORITY
DESCRIPTION OF THE ISSUER**

As well as being the political and administrative capital, Paris is also the most densely-populated city in France and its economic, financial and cultural centre. This importance explains the fact that it has an administrative structure that is unique in France.

French territory is divided up administratively into three categories of local authorities - the region, the department and the municipality - each of which has its own geographic territory, legal personality, specific powers, regulatory power and autonomous budget. Paris however, is alone in combining two of these levels of government - municipality and department - in the same territory and within a single entity.

The link between the municipality of Paris and department of Paris is defined by Law 2512-1 of the General Local Authority Code. In fact, the interdependence between the two entities is total. In particular, the affairs of both local authorities are governed by the decisions of the same assembly, the "Council of Paris", comprising 163 members elected for six(6) years chaired by the Mayor of Paris.

Also, although the municipalities and departments are financially independent of each other, Paris is the exception with many transfers between the two budgets (the municipality contributes to the budget of the department and vice-versa). Political and financial decisions are therefore taken on the basis of the existence of two legal entities making up "the City of Paris".

Therefore, although the Issuer of this bond programme is the municipality of Paris and despite the existence of separate budgets for the City of Paris and Department of Paris, this Base Prospectus describes the Paris authority as a whole.

ISSUER LEGAL AND ADMINISTRATIVE STATUS

A. INFORMATION ON THE ISSUER

1. NAME, OFFICE AND POSTAL ADDRESS

CITY OF PARIS

Direction des Finances et des Achats - Service de la gestion financière
(SGF) 17, boulevard Morland - 75184 Paris cedex 04

2. GEOGRAPHICAL LOCATION

Capital of France and main local authority of the Île-de-France Region.

3. DATE OF INCORPORATION

The issuer was incorporated in its current form by the law of December 31, 1975 creating two distinct authorities on the territory of Paris: the Municipality of Paris and the Department of Paris.

4. REGISTRATION NUMBER

SIRET business registration n°: 21750001606743
Business activity code (APE): 8411Z

5. LEGAL STATUS, LAW APPLICABLE TO THE ISSUER AND COMPETENT COURTS

Municipality governed by the French General Local Authorities Code, to

which French law applies and for which any disputes are brought before the courts of Paris.

6. ORGANISATION AND FUNCTIONING OF THE CITY

Like any local authority, the City of Paris governs itself freely via an elected council and, in particular, has regulatory powers to exercise its duties.

The institutions of Paris, however, are different from those elsewhere in France. Though each French municipality and department has institutions that are separate from each other, Paris is governed by a single deliberative assembly and by a single executive authority, despite being both a department and a municipality. Accordingly, the dual nature of the Paris authority is balanced out by the unity of its decision-making bodies.

The Council of Paris has 163 members elected for 6 years by proportional representation with a majority bonus, on the basis of the arrondissements. It meets 9 times a year, as a general rule about once a month, and deliberates, depending on the issues on the agenda, either as a municipal or as a departmental council.

Since the 2014 municipal elections, 6 political groups have been represented on the Council of Paris, which is governed by a left-leaning coalition.

The Mayor of Paris acts on behalf of the City of Paris or on behalf of the department of Paris and exercises, as applicable, the powers, duties and functions of Mayor of the municipality or President of the departmental council. He/she has both his/her own powers and powers delegated by the Council of Paris. The mayor is also de jure chair of a number of bodies linked to the City, such as the CASVP (City of Paris Social Welfare Centre) and the Crédit Municipal.

The current Mayor of Paris is currently Mrs Anne Hidalgo (Socialist Party).

She is assisted by 21 Deputy Mayors, to whom powers have been delegated, each in a specific area of municipal and departmental work, and 5 delegated councillors.

The first Deputy Mayor is Me Bruno Julliard, responsible for culture, heritage, arts and crafts, cultural enterprises, the "night" and relations with the arrondissements.

The municipality of Paris consists of 20 administrative subdivisions called arrondissements, which do not have legal personality but which each have the usual municipal structure with an assembly, the arrondissement council, and an executive body headed by a Mayor. The powers of these councils were strengthened by the Law of 27 February 2002 on grassroots democracy. In particular, they are consulted on schemes set to be fully or partially implemented within the boundaries of their respective arrondissements.

The municipality and department of Paris are managed by a single, highly-structured administration employing more than 45,000 officials under the authority of a General Secretariat.

In addition to its main budgets, the Paris authority has five subsidiary budgets for the specific management of certain duties: four municipal (municipal automotive transport, funeral services, sanitation and water) and one departmental (departmental child welfare services).

Some of the authority's activities are managed by municipal public institutions with their own legal personality and each with a separate budget.

The Centre d'Action Sociale de la Ville de Paris (CASVP - Paris Welfare Centre) is an independent public institution, chaired by the Mayor of Paris, and its operating expenses are covered by the City of Paris. The Centre implements the welfare aid granted by the City in addition to that required as part of its duties. Though mainly focusing on the elderly, this social welfare policy now also targets disabled people and families, as well as unemployed and homeless people.

Paris Habitat-OPH and Paris Crédit Municipal are both public institutions that are run by the City of Paris but have their own budgets.

Paris and its adjacent municipalities also contribute to the financing of three public institutions: the Syndicat Intercommunal d'Assainissement de l'Agglomération de Paris (SIAAP) for wastewater treatment; Syndicat de Collecte et Traitement des Ordures Ménagères (SYCTOM) for household waste collection and treatment and the Inter-Departmentale des Barrages Réservoirs du Bassin de la Seine (IIBRBS), which manages the dams and reservoirs on the Seine river. Finally, Assistance Publique-Hôpitaux de Paris (AP-HP, Paris Hospitals), which has a separate budget, is a public institution that is State-supervised and chaired by the Mayor of Paris.

For some of its duties, the Paris authority has chosen to entrust specific duties to local corporations - semi-public corporations (SEM), local public corporations (SPL) and local public development corporations (SPLA).

These local corporations implement the strategies defined by the Paris municipal authority. They are active in different sectors: urban development; improving living conditions, developing social housing, combatting poor housing and providing a large number of public services.

The Paris authority has stakes in 15 SEMs and 4 SPLAs and is the main shareholder in 16 of these corporations. The only SEMs in which the authority does not hold a majority stake are SOGARIS (49.5%), the CPCU (Compagnie Parisienne de Chauffage Urbain), on account of the history of this SEM, and the SEML Energie Posit'If, a regional operator in which the City bought a stake in January 2013.

However, though SEMs benefit from the flexibility of private company status, the Paris authority keeps a careful eye on its interests, particularly through its elected members who sit on the SEM boards.

Since 2010, the Paris authority has increasingly opted for SPL(A) status in which the capital is wholly in the hands of public-sector shareholders. These are Paris Batignolles Aménagement and the SEMAPA (Société d'Etude, de Maîtrise d'Ouvrage et d'Aménagement Parisienne) which conduct large-scale development operations on behalf of the City. There is also the SOREQA (Société de Requalification des Quartiers Anciens), serving to fight against unfit housing conditions.

In 2012, the Authority set up a new tool to boost local dynamism, the SPL Carreau du Temple. This corporation has the remit of managing and promoting this new multi-purpose local amenity with areas for sports, culture and events.

The twenty or so local corporations cover three sectors of activity:

- urban development (via urban development zones), building and renovating homes (3 SEMs: SPS (SEM Paris-Seine), SEMAEST, SEMAVIP and

- 3 SPLAs: SOREQA, Paris Batignolles Aménagement and SEMAPA).
- building, managing and maintaining buildings (3 SEM: SIEMP, ELOGIE, RIVP);
- services comprising, in particular, drinking water distribution, funeral services, urban heating, operating the Rungis food market, the Palais Omnisports de Bercy and the Eiffel Tower or the thermal renovation of homes (10 service SEMs: Eau de Paris, SAEMES, SAEMPF, Parisienne de Photographie, SAEPOPB, SETE, SOGARIS, CPCU, SEMMARIS, SEM Energies Posit'If and SPL Carreau du Temple).

B. CHANGES IN THE POWERS OF THE ISSUER

Greater Paris Metropolitan Area was created by Law no. 2014-58 of 27 January 2014 on modernisation of local government activities and metropolitan areas (SMAPTAM), and will be established from 1st January 2016, as provided for in Article L. 5219-1 of the General Local Authorities Code, amended by Law no. 2015-991 of 7 August 2015 on new local government organisation (referred to as the "NOTRe" Law).

Created in the form of a public inter-municipal cooperation establishment (EPCI), with its own tax-raising powers and special status, Greater Paris will include the City of Paris and the 124 municipalities of the three departments of the inner suburbs. It will replace the 19 EPCI with their own tax-raising powers which existed previously within the boundary of the inner suburbs.

The aim is to define and implement actions in the metropolitan area to improve the living environment of its inhabitants, to reduce inequalities between the districts within this area, to develop a sustainable urban, social and economic model, the means for greater attractiveness and competitiveness for the benefit of the entire country, by means of a metropolitan area project. To achieve this, a transfer of powers currently held by the member municipalities is planned from 1st January 2017, particularly in terms of spatial planning, local housing policy, development and economic, social and cultural planning and also protection and enhancement of the environment and living environment policy.

The metropolitan area will be governed by a metropolitan council made up of around 330 councillors, i.e. one councillor for each municipality and an additional councillor per 25,000 inhabitants in the municipality. The President of Greater Paris will be elected by the metropolitan councillors by an absolute majority.

Greater Paris will be organised into territories in a single stretch without any enclaves, each with at least 300,000 inhabitants, without a separate legal identity from the metropolitan area. The City of Paris is one of these territories. In each territory, a council will be created, composed of delegates from the municipalities within the confines of the territory. The Council of Paris is considered one such territorial council.

The territorial council has powers of an advisory nature. It is referred to for opinions on reports on presentations and the draft deliberations of the metropolitan council on subjects of economic development, spatial planning, local policy on housing, the environment, urban policy and living environment.

To date, the implementation of these principles has not yet been decided so this Base Prospectus will have a supplement added to it in due course.

In any event, the legislator has specified that for any transfer of powers

provided for by the General Local Authorities Code, the local authority or public establishment automatically replaces the State, local authority or public establishment in all of its rights and obligations, in all its deliberations and acts. The contracts are then performed under the previous conditions until their expiry, except if agreed otherwise by the parties. Within the framework of delegation or transfer of powers, the substitution of the legal entity does not imply an entitlement to any right of termination or compensation for the co-contracting party.

C. INFORMATION ON THE ACTIVITY OF THE ISSUER

By virtue of the principle of subsidiarity, reaffirmed in 2003 in Article 72 of the Constitution, the intention is that Paris institutions take decisions in all matters which can better be implemented at their level. These powers are those of municipalities and departments under ordinary law, with a few specificities.

As a municipality, Paris has jurisdiction for all local policies. These local affairs include, among others, early childhood (schools and crèches), municipal roads, water treatment and waste collection, and also urban planning, housing and cultural activities.

The Mayor is responsible for implementing the decisions of the city council made under these local policies, save for powers attributed to mayors of arrondissements and those entrusted to the Police Commissioner.

In fact Paris remains the only city in France where the duties of the municipal police (traffic, public health and safety) are not fully exercised by an elected mayor, but by a civil servant, the Police Commissioner, appointed in the French Ministerial Council by the President of the Republic. To fulfil his responsibilities, the Police Commissioner has an autonomous budget described as "special", voted by the Council of Paris. The organisation of transport is another specificity in Paris since this jurisdiction is covered by a regional structure, the STIF (Syndicat des Transports d'Ile-de-France) to which the City contributes financially.

Moreover, the policy specific to the capital has an impact far beyond its municipal boundaries, like for example in the field of urban planning or in the organisation of major sporting events. Moreover, to develop the international influence of the capital, the Paris municipality may enter into agreements with foreign entities, governed by public or private law (except States), give its guarantee for loans or grant subsidies.

As a department, Paris has powers for all social solidarity and Paris-based policies. Thus, Paris manages the local infrastructure within its area. The department builds and maintains inter alia secondary schools and roads. It also administers social welfare spending on children, the elderly, the disabled or those in difficulty.

The President is responsible for implementing the decisions of the Departmental Council, as part of its departmental powers.

Finally, if the City of Paris has a wide discretion to implement the powers attributed to it by law, it must sometimes bend to the constraints imposed on it by the State in the exercise of these powers.

Thus from 2002, the Paris department had to apply a national scheme providing assistance for the elderly, the Personal Autonomy Allowance (APA), in addition to pre-existing schemes, including those of the Centre d'Action Sociale de la Ville de Paris (CASVP). As a result of the law of 18 December 2003, the Paris department had to take charge of the national

scheme for helping people in financial difficulty, the minimum income allowance (RMI), and later in addition the minimum activity income (RMA), then replaced in 2009 by the earned income supplement (RSA). This allocated expenditure on RSA is offset by the proportional transfer of a fraction of the domestic tax resources on petroleum products (TIPP). Finally, like the other departments, Paris has put in place, since the 1st January 2006, the compensatory disability allowance (PCH) for disabled adults.

D. A BALANCE IMPOSED BY THE LAW

While decentralisation has increased the powers devolved to the City and Paris Department, the French State, as guarantor of the general interest, always ensures that these are exercised in accordance with the Constitution, laws and regulations defining these. Consequently, the State continues to be responsible for respect of the overall balance.

1. ADMINISTRATION OF RESOURCES BY THE STATE

The State administers the local taxes OF Paris: it determines their base (including calculating the rental value of taxable premises), then from this base and the rates voted by the local authority, it notifies the local authority of the amount it will receive, and above all, it guarantees that Paris as a city and as a department, will receive the full amount of these reported taxes, regardless of the amount actually collected. Furthermore, it pays out an advance each month of one twelfth of the amount of taxes voted. In return for these benefits, the State requires Paris, like all other local authorities, to deposit its funds in an unremunerated Treasury current account.

2. A CHECK ON BALANCES

Although the decentralisation laws eliminated the State's financial supervision of the City of Paris, they nevertheless reiterated the principle of State control over its administrative acts and financial decisions.

Firstly, the 1982 laws made the acts of the City of Paris bodies "immediately" enforceable. However, the Prefect of Paris, representing the State, carries out ex-post administrative checks of the "legality" of these acts. Thus, if he considers that an act does not comply with the laws and regulations in force, he may, within two months from the date the act was submitted to him, forward it to the Administrative Court of Paris. Secondly, although decentralisation may have increased Paris' resources, it has also been accompanied by an increase in checks carried out on the use of public funds. These financial checks are made not only by the Paris Prefect, but also two other State representatives: the public accountant from the Recette Générale des Finances and the Regional Chamber of Auditors.

Paris financial transactions are not carried out by the Parisian executive who orders them, but by a public accountant, a specialised agent from the French Ministry of Finance, who advises him and only executes his orders after first checking the legal and accounting regularity.

The public accountant then engages his personal and financial liability, which is an additional insurance for the financial security of the local authority.

The Regional Chamber of Auditors may later present observations on the management of the whole of the Paris local authority, city and department: checks are carried out as to the "proper use" of public funds by the

executive who ordered the expenditure. Above all, the Regional Chamber of Auditors ensures that the public accountant has fulfilled his obligations and that the local authority adopts within the legal deadline, a balanced budget displaying all compulsory expenditure.

It may be noted that the expenditure required for the payment of the debts of the local authority, is compulsory expenditure, which is a first-rate guarantee for investors.

GENERAL PRESENTATION OF THE PARIS AND ILE DE FRANCE ECONOMY IN 2014

Paris enjoys a central geographical and administrative location, in the centre of the Île de France region. As France's main demographic, economic and administrative hub, it has a high concentration of top level professionals, major decision making centres, world class educational and research centres and exceptional infrastructures and is also a prime tourist destination, making it one of the most powerful regions in Europe.

I. POPULATION

(Sources: INSEE/National Institute for Statistics and Economic Studies and Paris Urbanism Agency)

The capital's population grew by an average of 9,518 inhabitants every year between 2007 and 2012, making an average growth of 0.4% per year, constant since 1999. This return of demographic growth in Paris, the result of a lower mortality than in the rest of the country and a relatively high fertility, follows a long period of decline between 1968 and 1999. In 2012, the population of Paris reached the same level as it was at the end of the 1970s.

On 1 January 2012, Paris' legal municipal population stood at 2,240,621 inhabitants. This figure reflects an increase of 47,591 inhabitants compared with a legal municipal population of 2,192,030 in 2007. Between 1999 and 2012, the capital gained 115,375 inhabitants.

Year	2007	2008	2009	2010	2011	2012
Number of inhabitants	2 193 030	2 211 297	2 234 105	2 243 833	2 249 975	2 240 621
Annual growth		+ 18 267	+ 22 808	+ 9 728	+ 6 142	- 9 354
% change		+ 0.83%	+1.03%	+0.44%	+0.27%	-0.42%

The upward trend appeared for several years in the figures published by INSEE. Thus, on 1 January 2007, the population of Paris stood at 2,193,030, in 2008 at 2,211 297, in 2009 at 2,234,105, in 2010 at 2,243,833, and in 2011 2,249,975 inhabitants. Although a fall in the population can be observed in 2012 as compared with 2011, it should be remembered that the only relevant comparisons are those between two census cycles (spread over 5 years), namely the period between 2007 and 2012. The trend emerging from the annual figures is a sign of a probable slowdown in demographic growth in Paris, reflecting the fall in the birth rate observed between 2010 and 2013.

II. WEALTH

(Source: INSEE and Customs)

Gross Domestic Product:

In 2012, the Gross Domestic Product (GDP) for Ile-de-France reached €623.6 billion. This represents 30% of the GDP of Metropolitan France. GDP per capita is 1.9 times higher in the region than in the provinces. GDP per job in Ile-de-France is also much higher, although the gap is narrower.

Regional Gross Domestic Product (GDP) in 2012

	Ile-de-France		Metropolitan France	
	2012	% Change 2012/2011	2012	% Change 2012/2011
GDP in millions of euros	623 673	1.3	2 052 553	1.5
GDP per inhabitant in euros	52 298	0.9	32 317	1.1
GDP per job in euros	103 256	0.7	77 903	1.4

The tertiary sector contributes 86% of the added value in Ile-de-France, as against 74% in the provinces. This difference in structure is explained by the very considerable presence in the region of services for businesses, financial and real estate activities and services for individuals. In the region, industry represents only 9% of production, 7 points less than in the provinces.

Income and wages

In 2012, the annual gross disposable income of households in Ile-de-France was €24,336 per capita, 25.7% higher than in the provinces. This is composed of 74.4% of gross wages and remunerations, as against 57.7% in the provinces. The proportion of benefits (including pensions) in the income of people in Ile-de-France is ten points lower than that of people living in the provinces, and the proportion of their taxes almost six points higher. This is explained mainly by the fact that the population of Ile-de-France is younger, includes more active people and has much higher wages than the average. The proportion of households paying income tax 2011 was higher in Ile-de-France than in the provinces.

The level of taxable income that is declared here is also higher.

Ile-de-France foreign trade

(Source: Customs):

In 2014, Paris accounted for 16.1% of exports and 21.9% of imports in Ile-de-France. The region represented 18.1% of French exports and 25.9% of its imports.

III. LABOUR MARKET

(Source: INSEE and Paris Urbanism Agency)

Continuing the trends in place for several decades, socio-professional changes during the 2006-2011 period in Paris and in the centre of the Paris conurbation area were characterised by a growth in "management and the higher intellectual professions" and a decline in "manual" and "non-manual" workers.

In Paris, 43.1% of the active population belongs to the management category (+2 points as compared with 2006), which is higher than the values observed in the other large French conurbations (29.1% in Lyon, 17.3% in Marseille). In the Hauts-de-Seine department, 36.3% of the active population work in management (+2.4 points). Val-de-Marne occupies an intermediate position within the Inner Suburbs, with 23.2% of the active population occupying management posts (+1.6 points). The increase in the proportion of management posts can also be seen in Seine-Saint-Denis (13.2% of the active population in 2011, up by +1.6 points), with a faster growth than in the whole of Metropolitan France: 15.6% (+1.1 points).

The increase in management posts reflects the general raising of qualifications which the economy requires. Their higher concentration in Paris is linked to roles related to its status as an economic and administrative capital and to the strategic jobs associated with the presence of large companies and central government organisations. The capital alone has 14% of the management jobs in France as a whole. In 2011, 34% of Paris jobs were at management level as against 29% in Toulouse, 28 % in Lyon and 20% in Marseille.

The proportion of "non-manual workers" is falling. In Paris, their proportion fell from 21.8% in 2006 to 20.6% in 2011. This fall was less marked in Île-de-France (from 28.4% to 27.4%) and at national level (from 29.4% to 29%). The proportion of "workers" continues to fall in Paris as it does throughout French territory, due to the decreasing number of manufacturing jobs in the regional and national economy. In Paris, their proportion fell from 8.3% in 2006 to 7.8% in 2011.

The proportion of "craftsmen, shopkeepers and business leaders" is stabilising (between 4.9% and 5.0% of the active population), after a long period in decline (6.2% of the active population in 1999). However this category still represents more than 8% of the active population residing in the 7th, 8th and 16th arrondissements.

The proportion of "intermediate occupations" is falling slightly, from 23.9% to 23.4%, while it is stabilising in Ile-de-France (26.1%) and increasing in France (23.4% to 24.2%).

Generally speaking, the socio-professional changes observed in the conurbation area reflect both the change in employment structure and the effect of property prices on housing choices.

A. EMPLOYMENT TRENDS IN PARIS

(Sources: INSEE and the Directorate for Research, Studies and Statistics (DARES)/Regional Directorates for Business, Competition, Consumption, Labour and Employment (DIREECTE) and the Paris Urbanism Agency)

Paris also attracts a high number of jobs, with 1.61 jobs per resident worker (as compared with: Lyon 1.4 - Toulouse 1.5). In 2011, Paris had an active population of almost 1.109 million for 1.788 million jobs (based on census) which makes Ile-de-France the department with the best job/worker ratio followed by the Hauts-de-Seine with 1.3 jobs per resident worker.

Paris has the highest proportion of people living and working in the same municipality of the whole of Ile-de-France (68.5% of Parisians work in the capital) and the lowest proportion of people travelling elsewhere to work (only 31.5% of Parisians work outside Paris).

The capital also has the largest proportion of workers commuting from other parts of the region: 31.1% of the active population of Ile-de-France work in Paris. The proportion of incoming workers is 57.5% which means that the majority of jobs in Paris are performed by people from outside of Paris: flows which mainly concern manual and non-manual workers as Paris has around 640,300 manual and non-manual jobs and only 293,800 Paris residents who do these jobs.

On 1 January 2011 (based on INSEE census) the centre of the Paris conurbation area had almost 3.8 million jobs, salaried and non-salaried, in the private and public sectors, including 1.788 million jobs in Paris.

The breakdown of jobs per sector places the majority of the tertiary sector, which accounts for 89% of all jobs, in the centre of the Paris conurbation area.

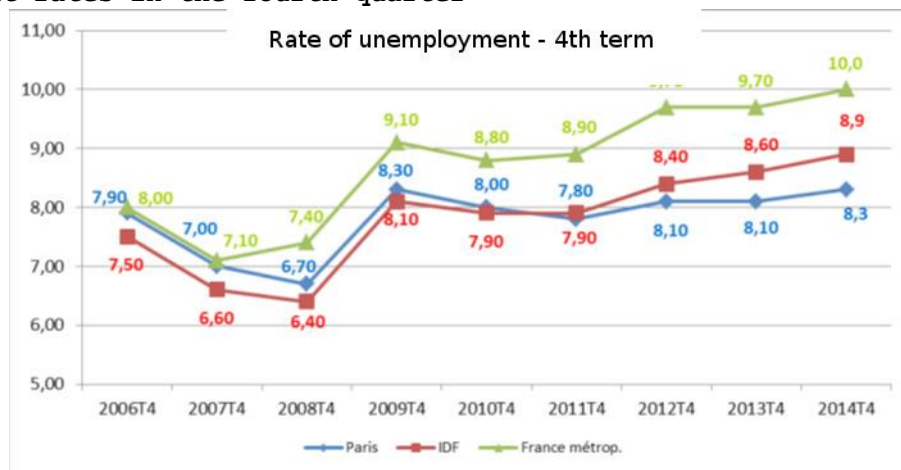
- services to business are highly represented in the centre of the conurbation area (642,242 jobs), particularly the activities of operational services and of administrative and support services.
- trade accounts for 416,998 jobs, almost 11% of which are occupied by non-salaried workers.
- public administration is still a major provider of jobs, with 364,682 jobs. With the addition of the healthcare, social action, education and administrative services, all of these activities account for one job out of every four.
- 7% of jobs were provided by the industrial sector in 2011. These are mainly concentrated in the production and distribution of gas and electricity (35,677 jobs), food, drink and tobacco manufacture (29,639 employees) and the manufacture of transport equipment (25,353 jobs).

B. UNEMPLOYMENT

(Sources: INSEE and the Pôle Emploi/National Employment Centre)

The unemployment rate (INSEE) stood at 8.3% in December 2014 in Paris as against 8.9% in Ile-de-France and 10% in Metropolitan France. Over one year, growth in the number of jobseekers (National Employment Centre) stood at 4.8% for category A (jobseekers without employment required to actively seek employment) in Paris (133,590 jobseekers), +5.9% for Ile-de-France and +5.7% for Metropolitan France.

Employment rates in the fourth quarter



IV. BUSINESS AND FOREIGN INVESTMENT

(Sources: Business Registry of Paris Commercial Court, INSEE, PRE and French Agency for International Investments/AFII)

BUSINESSES

1. TOTAL NUMBER OF COMPANIES

(Source: Business Registry of Paris Commercial Court)

The Business Registry of Paris Commercial Court indicates that there were

372,445 businesses in activity in Paris on 31 December 2014 (excluding the professions and individual trade activities), making a 2.4% increase compared to the same period in 2013.

2. COMPANY START-UPS AND FAILURES

- Company start-ups
(Source: INSEE - raw data)

Annual changes:

Business start-ups excluding auto-entrepreneurs	2013	2014	Change 2013/2014
Paris	24 518	26 471	8.0%
Ile-de-France	65 916	69 787	5.9%

Monthly data:

Auto-entrepreneur start-ups	2014											
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
Paris	2382	2412	2432	2409	1884	2106	2269	1518	1854	2479	2043	2683
Ile-de-France	6436	6309	6491	6189	5127	5419	6016	3998	5210	6482	5518	6592

(Source: INSEE, register of enterprises and establishments (Sirene) - Market activities field, excluding agriculture)

In 2014, 26,471 businesses were created in Paris, i.e. 37.9% of regional start-ups.

Annual changes:

Auto-entrepreneur start-ups	2013	2014	Change 2013/2014
Paris	20 711	22 060	6.5%
Ile-de-France	67 649	72 462	7.1%

Monthly data:

Auto-entrepreneur start-ups	2014											
	Jan	Feb	March	Apr	May	June	Jul	Aug	Sep	Oct	Nov	Dec
Paris	2019	1871	1873	1718	1665	1680	1699	1139	2265	2365	1974	1772
Ile-de-France	6743	6035	6255	5815	5352	5414	5513	3993	7261	7687	6682	5712

(Source: INSEE, directory of enterprises and establishments (Sirene) - Market activities field, excluding agriculture)

In 2014, there were also 22,060 start-ups in Paris based on the auto-entrepreneur scheme,¹ accounting for 30.4% of start-ups in Ile-de-France.

- Businesses in difficulty

¹ Since January 1st 2009, 'auto-entrepreneur' status has applied to natural persons who set up or already possess a sole proprietorship, for the purpose of exercising a commercial or craft based activity or one of the professions (with the exception of certain activities), as a main or complementary activity, whose sole proprietorship fulfils the conditions of the micro-enterprise fiscal category, and who opt for VAT exemption.

(Source: Business Registry of Paris Commercial Court)

The number of safeguard and receivership proceedings for businesses in Paris fell in 2014 compared with 2013 (-22.5% and -15.4% respectively). Judicial winding up proceedings also fell slightly (-4.4%).

	Number of procedures initiated for:		
	Safeguards	Receivership proceedings	Judicial windings-up (rulings for openings)
2013	71	441	3612
2014	55	373	3452
Change 2013/2014	-22.5%	-15.4%	-4.4%

- Company failures

(Source: INSEE - raw data)

Quarterly changes:

Failures	2013		2014			Change
	4th quarter	1st quarter	2 nd quarter	3rd quarter	4th quarter	4Q 2014/4Q 2013
Paris	1 186	1 103	900	855	981	-17.28%
Ile-de-France	3 182	3 257	2 860	2 490	3 017	-5.19%

(Source: INSEE, Fiben Banque de France)

Annual changes:

Failures	2013	2014	Change 2013/2014
Paris	4 116	3 839	-6.73%
île-de-France	11 467	11 624	+1.37%

In 2014, 3,839 businesses in Paris failed, down 6.73% compared with 2013, while in Ile-de-France the change was in the opposite direction, with an increase of +1.37%.

Company failures in Paris over the year accounted for one third of failures in Ile-de-France.

3. TWO NEW ECONOMIC SECTORS ARE GAINING GROUND IN PARIS

(Sources: INSEE and the Paris Urbanism Agency).

The social solidarity economy sector brings together organisations and businesses advocating "a different type of economy". This sector is regarded as a driver for employment but also for regional economic and social development, in favour of greater social cohesion. At the end of 2011, Paris was the department with the largest number of enterprises (12,900) and jobs (151,700) in Ile-de-France.

The environmental sector still offers a low volume of jobs but is growing. In December 2010, Ile-de-France had 2,800 active enterprises whose main activity was devoted to environmental activities. They employ around 40,700 people, 85% of whom work either in waste management (43%), or water management (42%). Almost 3,600 employees are involved in collection activities, amounting to 9% of the workforce. One quarter of these Ile-de-France employees work in Paris, mainly in the area of the collection and treatment of wastewater.

B. FOREIGN INVESTMENT IN 2014

(Source: Paris Région Entreprises and AFII)

1. FOREIGN INVESTMENT IN FRANCE

1,014 decisions to invest and 26,535 jobs

In 2014, 1,014 decisions to invest created or maintained 26,535 jobs; amongst these were 68 site takeovers by foreign investors which saved 6,411 jobs. At constant perimeter, 740 decisions to invest were recorded, making an increase of 8% compared with 2013. Furthermore, 84 merger-acquisition and equity investments were announced for a total figure of more than €13.5 bn.

High investment in high added value activities

France continues to attract investment in high added value activities, in particular those related to production and research.

- Foreign businesses invest first and foremost in production activities: these account for 30% of the investments made in France, namely 303 projects. 11,601 jobs are involved in these projects, amounting to 44% of all jobs connected with foreign investment in France;
- Foreign investment in R&D and engineering and design activities represent 9% of all investments (91 projects as against 77 the previous year). Subsidiaries of foreign businesses in France contributed 27% to R&D expenditure in France.

2. FOREIGN INVESTMENT IN PARIS AND ILE DE FRANCE

The report by Paris Région Entreprises records 368 international direct investment projects implemented in Ile-de-France in 2014, as against 279 in 2013, an increase of + 32%.

Within Ile-de-France, Paris is the most attractive area for foreign investment with 210 Foreign Direct Investment (FDI) projects in 2014, representing 1932 jobs created or maintained.

These investments are linked to the many assets which Paris enjoys:

- the quality of its infrastructures, the high-quality workforce, the central geographic location within a market and the presence of other important economic stakeholders are all powerful attractiveness factors.
- Paris is the most accessible city in Europe with an exceptionally dense urban network, at the meeting point of numerous infrastructures: 6 main railway stations, 5 RER lines, 16 metro lines, 1 tram line, 74 bus routes and 1 connection to 6 motorways.
- Ile-de-France boasts top-quality infrastructures: it is Europe's second largest airport hub, is linked in with the high-speed rail network and has a great range of infrastructures: 210 km of underground lines, 1,400 km of RER and standard rail lines, 3,000 km of bus lanes and 2,100 km of highways and motorways. With 70 ports spread over 500 km of waterways, the region is also the second biggest river transport hub in Europe. Air transport traffic is considerable: 92.7 million passengers and 693,200 commercial flights in 2014.
- The prospect of the Métropole and the Greater Paris Express projects,

major urban and scientific projects of the future based in the Paris area with an extremely ambitious dynamic, are also particularly attractive factors for investors.

V. TOURISM IN PARIS

(Source: Office du Tourisme et des Congrès de Paris, OTCP)

Jobs in tourism: (Source: OTCP and AcoSS)

Ile-de-France is one of the world's leading tourist destinations, both for business and leisure travellers.

This tourism activity has been growing constantly for several decades and brings jobs that cannot be offshored. It is a major asset for the economic development, international reputation and attractiveness of the region.

In 2013, 264,928 direct salaried jobs were reported in typical tourism activities in Paris, up +0.2% compared with 2012. They represent 51% of jobs in the Ile-de-France tourist sector.

Number of jobs	Accommodation	Catering	Transport	Leisure	Total
Paris 31/12/2013	38 569	98 474	82 790	45 095	264 928
Change in jobs 2012/2013	+0,2%	-0.9%	+0.5%	+2.3%	+0.2%

Tourist activity in Paris

In 2014, tourism activity recorded a slight downturn in occupancy rates: the number of arrivals was slightly lower (-1.4% compared with 2013), as were bed-nights (-2.2% compared with 2013). The average occupancy rate of star-rated hotels was 76.3%, slightly up (+0.3 points) over one year.

All types of accommodation included, the number of tourists in central Paris is likely to be in the region of 29 million in 2014 (provisional estimate by OTCP).

Paris hotels and occupancy rates in 2014

(Source: Atout France - OTCP)

In 2014, there were 1,588 hotels in Paris, of which 1, 1344 were star-rated, offering a total of 82,227 rooms.

The vast majority of Parisian hotels are 3*and 4*, representing 63.3% of all hotels and 68.5% of all rooms.

		Number of hotels	% of total	Number of rooms	% of total
Approved hotels	1°	35	2.2%	1 848	2.2%
	2°	244	15.4%	9 694	11.8%
	3°	699	44.0%	31 596	38.4%
	4°	307	19.3%	24 716	30.1%
	5°	59	3.7%	5 963	7.3%
Other hotels		244	15.4%	8 410	10.2%
Total		1588	100.0%	82 227	100.0%

(1) Hotels which are not approved by the Paris Prefecture or are awaiting classification.

Leisure tourism

Visitors to cultural sites reached a total of 73.1 million in 2013 (2014 figures pending) making an increase of 2.2% compared to 2012 (OTCP annual survey). 14 million visitors visited Notre Dame Cathedral in 2013, a record number. A remarkable increase which was also recorded for the Eiffel Tower.

The main 20 Paris museums and monuments - 2012 - 2013 results

Museums and monuments	2012	2013	Change 2012/2013
Notre-Dame de Paris Cathedral (1)	13 650 000	14 000 000	2.56%
Sacré Coeur Basilica (1)	10 500 000	10 500 000	
Louvre Museum	9 660 609	9 201 157	-4.8%
Eiffel Tower	6 270 000	6 740 000	7.5%
Pompidou Centre (2)	3 791 000	3 745 000	-1.2%
Musée d'Orsay	3 579 130	3 467 320	-3.1%
Cité des Sciences et de l'Industrie (3)	2 641 356	2 642 255	0.0%
Natural History Museum (4)	2 040 313	1 937 308	-5.0%
Notre-Dame-de-la-Chapelle-Miraculeuse Chapel (1)	2 000 000	2 000 000	-
Grand Palais	1 518 927	1 423 626	-6.3%
Arc de Triomphe	1 732 280	1 775 054	2.5%
Musée du Quai Branly	1 310 148	1 307 326	-0.2%
Army Museum	1 404 739	1 375 014	-2.1%
Sainte Chapelle	951 858	1 007 079	5.8%
Montparnasse (6)	1 150 085	1 168 640	1.6%
Panthéon	724 392	728 116	0.5%
Palais de Tokyo	407 111	723 259	77.7%
Musée de l'Orangerie	800 000	900 000	12.5%
Palais Garnier - Opéra national de Paris	398 400	695 375	74.4%
Musée Grévin	753 517	756 124	0.3%

(1) Estimations

(2) Visits to the museum and temporary exhibitions only

(3) Visits to the Cité excluding Géode

(4) Total visits to the Museum (the Great Gallery of Evolution, the Gallery of Mineralogy, the Gallery of Paleontology, the large greenhouses, the Cabinet d'histoire du Jardin des plantes and the Ménagerie du Jardin des Plantes).

(5) Grand Palais visit data including data on the National Galleries and the Nave/South-East Gallery

(6) Visit numbers excluding the exhibition "Photoquai 4" (527,522 visitors) - exhibition proposed outside the walls from 17/09/2013 to 17/11/2013.

Business tourism

Business tourism accounted for 38.5% of bed nights in Paris hotels (-1.4 points), and 39.9% in Greater Paris (-2.8 points) in 2014.

- 978 conferences were recorded in Paris in 2014. On average, conferences lasted 2 days and were attended by 704 conference-goers.
- The medical field is still the most commonly represented at Parisian conferences (61% of participants).
- Finally, 44% of Parisian conferences had an international aspect, that's to say that they were attended by more than 20% foreign participants.

It should be remembered that in 2013, the Council of Paris approved the terms and conditions of three contracts for the modernisation and use of the Porte de Versailles Exhibition Park. The programme of works and the planned use will enable the Exhibition Park to preserve the strength of its competitive position and to develop, by meeting the highest international standards for infrastructures of this type. The Porte de Versailles Exhibition Park is an important factor in the economic momentum of the Paris conurbation area and contributes to Paris's image as a tourist destination and an economic capital.

VI. THE REAL ESTATE MARKET IN PARIS AND ILE-DE-FRANCE IN 2014

(Sources: Paris-Ile-de-France Chamber of Notaries, BNP Real Estate, JLL, Immostat)

RESIDENTIAL REAL ESTATE IN PARIS AND ILE-DE-FRANCE

(Source: Paris-Ile de France Chamber of Notaries)

In Ile-de-France, 2014 ended with a 9% drop in sale volumes in Q4 compared with Q4 in 2013. A total of 131,620 existing homes were sold in 2014, 1500 less than in 2013 (-1%).

For two years, the market has remained sluggish and sale volumes modest, without however being as poor as in 2009 or 2012. Signs of recovery are being carefully examined.

With regard to new builds, both notaries and property developers are recording an upturn in activity with good levels of reservation agreements for programmes which are still too few in number.

With regard to prices, these continued to erode in 2014.

In Q4 2014, the price per square metre for apartments in Ile-de-France was €5,300. This reflects an annual fall of 1.9%, with slightly more marked rates of decline in the Outer Suburbs (around 3%), than in the Inner Suburbs (around 1%).

In the capital, prices fell by 2.1% over one year, exceeding the €8,000 threshold of Q4 2014.

Between Q3 and Q4 2014, the fall in apartment prices was often more noticeable (1.6% for example in Paris and 2.6% in Val-d'Oise in 3 months) than in H1. This statistic is only partly linked to the phenomenon of seasonal variation traditionally observed during this period of the year.

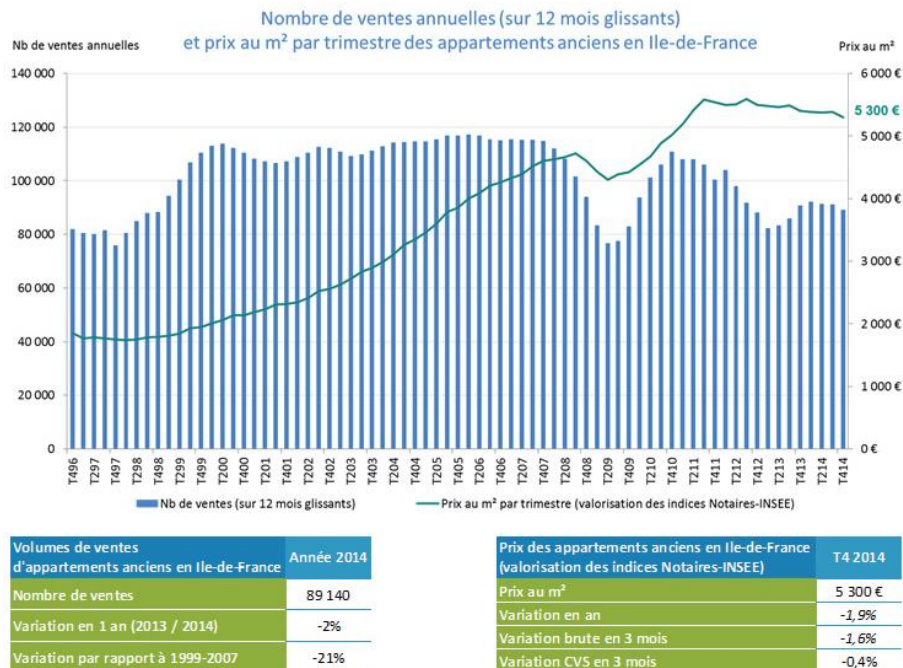
The average budget for the purchase of a house in Ile-de-France was estimated at €292,200 in Q4 2014, as against €298,500 one year previously, making a fall of 2.1% (- €6300).

Since their highpoint reached in mid-2012, price adjustments have moved at a pace which may appear particularly moderate compared with the persistent sluggishness of volumes.

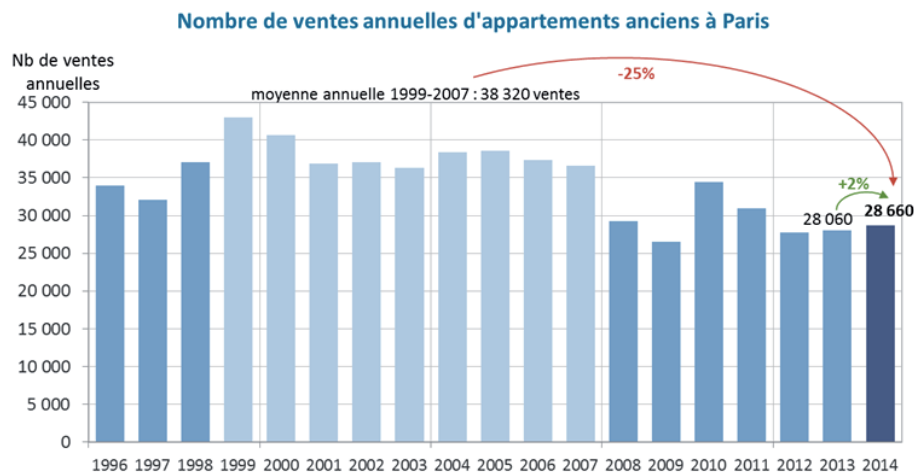
Between Q3 2012 and Q4 2014, prices of apartments fell by 5.6% in Paris, a fall of €480 per m² (from €8,440 to €7,960) and by 5.2% in Ile-de-France. House prices in Ile-de-France have fallen by 7.3% since Q3 2011.

1. SALES VOLUMES

Existing apartments (existing apartments sold freehold):



In terms of sales, 2014 was flat in Ile-de-France. With almost 90,000 transactions of existing apartments over the region as a whole, the level of activity was 2% lower than in 2013 and 21% lower compared with the period of high activity between 1999 and 2007. A new low activity plateau has set in for the last 3 years, with around 90,000 annual sales.



1999-2007 correspond à une période de haute activité (nombre élevé de ventes et prix en hausse)

1999-2007 was a period of high activity (high number of sales and rising prices)

However a very slight improvement can be seen in Paris in 2014. Transactions of existing apartments in Paris actually rose slightly (+2%) between 2013 and 2014, with 28,660 sales recorded in 2014. The volume of sales was thus 25% lower than the 38,320 sales observed on average during the 1999-2007 period.

2. PRICES OF EXISTING APARTMENTS IN PARIS

In Q4 2014, prices fluctuated between €5,690 per m² in the Pont de Flandres district (19th arrondissement) and €13,970 in the Odéon district (6th arrondissement).

The most affordable districts

Arr.	District	Price/m ²	Change over 1 year	Change over 5 years
19	Pont de Flandre	€5690	-9.1%	16.6%
18	La Goutte-d'Or	€5920	+0.7%	31.0%
19	La Villette	€6140	-1.8%	33.2%
18	La Chapelle	€6210	+0.8%	31.6%
19	Amérique	€6290	-3.1%	28.1%

The most expensive districts

Arr.	District	Price/m ²	Change over 1 year	Change over 5 years
6	Odéon	€13 970	-1.8%	36.0%
7	Les Invalides	€13 670	+12.1%	42.0%
7	St-Thomas d'Aquin	€12 670	-6.8%	17.8%
6	Monnaie	€11 920	+7.0%	27.1%
3	Archives	€11 520	+3.0%	31.7%

B OFFICE REAL ESTATE IN ILE-DE-FRANCE AND PARIS IN 2014

(Sources: BNP Real Estate and Immostat)

1. OVERALL SITUATION IN 2014

With 2,118,000 m² marketed over 2014 as a whole, the Ile-de-France office real estate market rose by 13% compared with 2013. After a decline in Q3, Q4 was more dynamic (568,000 m² recorded), which did not reach the decennial average in Ile-de-France of 2.3 million m².

La Défense was the Ile-de-France area which recorded the highest rise in office real estate transactions in 2014 (+123% compared with 2013). The area thus far exceeded its decennial average, thanks to a record number of large surface area transactions (13), including leaseholds taken up by AXA IM in the Majunga Tower, with a surface area of 30,000 m², and the HSBC 23,000 m² extension in Coeur Défense. Generally speaking, it was the traditional business districts which saw the best sales this year. The volumes marketed increased significantly within central Paris and in Neuilly/Levallois. On the other hand, the other areas of Croissant Ouest and the Inner Suburbs did not reach their decennial average this year.

Supply over one year rose to 4.96 million m² by 31 December 2014, a level which had been virtually stable from the end of 2013 (-1%).

However, supply is likely to begin falling in 2015, due to the low number of deliveries launched in recent months. Nevertheless, 20% of the supply is either new or restructured, a proportion which has been relatively stable for several years. The vacancy rate stood at 7.6%, as against 7.4% only at the end of 2013. The highest vacancy rates are still in the areas of Croissant Ouest (16 % in Péri-Défense) and the lowest in central Paris (5%).

Although projects under construction are particularly low with 624,000 m²

recorded, the volume of projects having obtained building permission amounts to more than 2.3 million m². Property developers are favouring pre-let programmes, with only 11% of surface areas planned for an on spec launch. This is the lowest level recorded in 10 years.

2. TRANSACTIONS, RENTS AND VACANCY RATES

a) Annual transactions inside and outside of Paris' Central Business District in 2014

Transactions for 2104 inside and outside the "Central Business District" (QCA) of Paris stood at 8,000 m², as against 703,000 m² in 2013, a rise of + 13.8%. Paris accounted for 37.8% of offices marketed in Ile-de-France in 2014.

Paris' Central Business District :

Transactions for all types of property together rose from 322,000 m² in 2013 to 378,000 m² in 2014. Transactions for Paris' Central Business District in 2014 rose in comparison with those for 2013 by +17% (+ 56,000 m²).

Outside of Paris' Central Business District:

Transactions for all types of property together outside of the Central Business District rose from 381,000 m² in 2013 to 422,000 m² in 2014 making a rise of +11% (+ 41,000 m²).

b. Rents

"Prime" headline rents have experienced mixed fortunes from one sector to the next but remain within a low range of values.

There were no notable changes in the large tertiary markets. "Prime" rent in the Central Business District held steady at €740 per square metre, the most expensive transactions only very occasionally exceeding €750 in the past year. The financial health of businesses is still precarious, and a large number of them have neither the capacity, nor the desire to pay high rents, even for "prime" buildings in central locations. In La Défense, on the other hand, after having reached its low point mid-year, the rent curve changed direction and rose hesitantly to €520 per square metre.

Rental conditions are still particularly attractive and actual rents are at their lowest. Incentive measures currently total 19% on average in Ile-de-France, ranging from 15% in Paris Centre West (or even lower in some Paris arrondissements) to 20%, or even more in the Inner Suburbs, depending on the size of areas leased and the firm-period committed to.

c. Vacancy rate inside and outside Paris' Central Business District

The vacancy rate in Q4 2014 in Paris' Central Business District fell slightly (5.7%) compared with the previous year (5.6% in Q4 2013). For the area outside of Paris' Central Business District, the vacancy rate is increasing and reached 4.8% in Q4 2014 as against 4.3% in Q4 2013.

MUNICIPAL POLICY FOR THE ECONOMY AND EMPLOYMENT IN PARIS

The issue of economic development and employment is interlinked with issues connected to real estate, entrepreneurship, innovation, tourism, trade, professional training, higher education and international attractiveness. It's a complex dynamic which can be understood from an overall perspective; Anne Hidalgo's new term of office takes this approach and displays a great desire to make Paris a *"benevolent, harmonious, sustainable and intelligent city, at the forefront of the urban transformations and innovations rendered necessary by the issues of climate, housing, changes in social lifestyles and modes of working"* (Anne Hidalgo).

In the road maps sent to the elected representatives more directly in charge of economic issues, the accent is therefore placed on:

- a very ambitious urban development policy with the continuation of major urban projects already begun, the development of numerous other projects (Bercy-Charenton, Foch-Dauphine-Auteuil and the call for projects "Réinventer Paris"), the stimulation of the housing sector and modification of the PLU (city urbanism plan),
- the encouragement of entrepreneurship (support, funding, places in business nurseries...) and
- support for small businesses in the area,
- the advent of Paris as a Smart City ("Arc of innovation", spreading innovation throughout the city)
- taking the metropolitan dimension into account in Paris economic strategy,
- support for cultural businesses, artistic crafts, fashion, design and local shops
- the desire to make Paris the main Campus-City in the world,
- a better match between job supply and demand,
- the development of a Paris "Tourist Development Scheme" with a multi-year strategy for attracting tourists, and a Destination Paris Committee, a tool for coordinating and pooling actions and ideas to promote tourism.

I. THE ECONOMIC POLICY OF THE CITY OF PARIS

A. CORPORATE REAL ESTATE

The Directorate for Economic Development, Employment and Higher Education is working on the economic programme for development schemes in the Paris area, following the demand in terms of corporate real estate, and training, teaching and research locations, in collaboration with the Directorate for Urban Planning and the economic development agency Paris & Co (searches for sites where large companies can be based); it also organises real estate projects for the accommodation of start-ups in incubators, nurseries, business hotels, multi-purpose locations, co-working areas and research platforms.

Paris has initiated many corporate real estate schemes, designed to promote economic activity and research in the capital.

Several modes of management are possible:

- Direct management when the city owns and manages the property, (as is the case with the Taillandiers and les Frigos craft workshops, and Ateliers de Paris).
- The business hotel management agreements (agreement 80) which involves 16 buildings, the setting up of which is currently being

modified.

- Building leases, long-term leases, administrative long-term leases, public services delegation (PSD) for business incubators, nurseries and business... and other business premises, as well as for indoor markets, commercial premises, craft courtyards and premises.

Economic development is therefore one of the City's main priorities: it has been developed and supported since 2001 by the construction of new real estate stock which is more diverse and more flexible allowing new emerging sectors to be accommodated.

Municipal policy on economic development has led to the creation of a total of 320,000 m² of commercial real estate (360,000 m² by 2016) including:

- 220,000 m² of premises for the use of craft and manufacturing businesses for the first buildings created between the 1980s and 2001,
- 41,000 m² of business hotels and nurseries for new businesses and innovation economy businesses created between 2001 and 2008,
- 100,000 m² launched between 2008 and 2014 (finished by 2016) accommodating the new economy sector since the beginning of the 21st century (human health, biotechnology, e-health, smart cities, environmental activities, construction and energy, publishing, digital, finance, design, aeronautics, personal services, services for business, social and solidarity economy, e-learning, circular economy, sport, leisure and culture...)

To this can be added more than 200 premises dedicated to the creative and design industry, epitomising the expertise of France and the capital: Ateliers de Paris rue du faubourg St Antoine (12th arrondissement), Ateliers Paris Design rue Faidherbe (11th arrondissement) in collaboration with the Boule, Duperré, Estienne and Olivier de Serres schools, Viaduc des Arts and its incubator, Frigos and MID on the Left Bank of Paris, Mila for musical support and production (20 premises), and Fontaines O livres... Premises in the Cour de l'Industrie (11th arrondissement) are also under construction and the Villa du Lavoir (10th arrondissement) project is still to come.

A new dynamic has also just been set in motion, that of the Arc de l'Innovation: this involves "creating an additional 100,000 m² of incubators and an "Innovation Arc" between the porte de Versailles and the porte de Clichy, a mixed area which includes universities, start-ups and nurseries, in order to enable the development of a new area focused on knowledge and innovation" (Anne Hidalgo): establishments devoted to innovation, places of research, teaching, accommodation and new forms of commerce... The project will also incorporate spaces connected to what are referred to as the new forms of economy: the sharing economy, the circular economy, and the collaborative economy... so it's about rethinking our ways of manufacturing, travelling, living and getting around etc. and drawing conclusions with regard to real estate and construction.

The implementation of this new type of urban planning near the ring road and in the surrounding areas, partly connected by the tram line, would thus allow us to broach a new policy for those areas which have always been the subject of development policies in Paris; this dynamic should allow us to rebuild and repair links between Paris and its periphery, to erase urban, social and economic divisions, to gradually span the ring road and create the metropolis.

The "Innovation Arc" is intended to produce this effect, and embodies the new urban development project backed by the City, aiming to establish urban and economic continuities in expanding sectors. This Innovation Arc will

connect all developing neighbourhoods, which still have right-of-ways which can be altered and developed: wasteland, land below the ring road, SNCF land, sites which can be regenerated or transformed, "invisible" land, Paris above and below ground, capable of changing use, capable of producing new useful space, capable of inventing new forms and capable of accommodating the "smart city".

It will also stimulate the future locations of sites dedicated to innovative businesses, both in Paris and in the area of the "Petite Ceinture" railway. The Innovation Arc, following the lines of the ring road, the tram line and the Petite Ceinture railway, represents in a kind of way the inner boundary of the metropolis.

So the geography of the Innovation Arc should initially be that of the working class districts of the City: Porte Pouchet, Porte Saint Ouen, Porte de Montmartre, Porte de Clignancourt, Porte de la Chapelle, Porte d'Aubervilliers, Porte de la Villette, including the wider Paris North-East area, Porte des Lilas, Porte de Bagnolet - Python Duvernois, Porte de Montreuil, Porte de Vincennes, Saint Blaise, Bercy-Charenton, Paris Left Bank, Bédier -Porte d'Ivry, Porte de Vanves and de Versailles, Porte d'Auteuil, Porte Maillot and Porte des Ternes...

B. SUPPORT FOR YOUNG BUSINESSES AND INNOVATIVE SECTORS

The City of Paris is working to facilitate the development of businesses in order to increase local employment and the attractiveness of Paris at international level. These objectives are implemented through several support schemes and through the intermediary of large structural projects. In 2014, in addition to the completion of the incubator-nursery plan, the City of Paris launched new projects aiming to continue the establishment of innovation and economic activities in the city. This move towards a smarter and connected city presupposes total cooperation between Paris and economic stakeholders. Businesses and industrialists in particular will have a special role and place in the creation and implementation of the Innovation Arc project.

1. ACCOMMODATION FOR BUSINESSES

Paris & Co, a result of the merger of the Paris Region Innovation Laboratory and Paris Développement has fulfilled the role of City of Paris Committee for Economic Expansion since 1 January 2015. This committee is in charge of developing Paris's international attractiveness, of implementing support for innovation in Paris incubators, of the experimentation with innovative solutions by businesses in the region as well as the organisation of events promoting the local economy. With the support of the City of Paris, Paris & Co accommodates and assists around 200 start-ups per year with their development, on 9 different sites.

Accommodation and support for innovative start-ups is also offered within the network of incubators with "Paris Innovation" accreditation. These incubators, both public and private, offer legal and strategic advice as well as low-cost accommodation for the businesses they house.

This policy for the accommodation of young innovative businesses in the Paris area has been developed as a result of the implementation of the Paris Incubator/Nursery Plan. Through this plan, an ambitious aim of the 2008-2014 term of office, 100,000 m² of business incubators and nurseries have been built in Paris.

Several new innovation platforms will complete the supply of accommodation for innovative businesses in the area:

- Welcome City Lab: launched on 21 March 2013, on the occasion of the World Tourism Fair, the Welcome City Lab, the largest international incubator for tourism, opened its doors in September 2014. A result of a collaboration between the City of Paris and numerous partners such as Aéroports de Paris, Air France and Sodexo, the incubator offers businesses a dedicated space of 1000 m² where they can create the tourism of tomorrow. This innovation platform, located in the rue de Rennes (6th arrondissement), includes an incubation area with a capacity of 40 workstations, a place for exchange and encounters for start-ups, a living lab, a co-working area and an area dedicated to student entrepreneurship (the *connecteur étudiants*).
- the Boucicaut incubator: after its opening at the beginning of 2014, the new Boucicaut incubator has welcomed its first start-up promotion. Created on the site of the former Boucicaut hospital (15th arrondissement), the second largest Parisian incubator with a surface area of 6000 m² accommodates around fifty start-ups in this space. The incubator assists innovative businesses less than five years old in the sectors of design, e-health, smart cities, aeronautics, construction and energy.
- Le Tremplin, an incubator dedicated to sport: the Tremplin, the first incubator in the world dedicated to innovation in sport was opened on 8 April 2015. This incubator accommodates 17 start-ups involved with innovation in sport (new technologies, data, seat sales, etc.). Managed by Paris & Co, this incubator is supported by many partners such as l'INSEP, l'UCPA, la Française des Jeux and Bercy Arena. In 2016, businesses will enter the premises of the new incubator in the Jean Bouin stadium in the 16th arrondissement.
- The MacDonald innovation platform: a new place of innovation, the largest incubator in France, with 15,000 m² dedicated to businesses, will open its doors in the boulevard MacDonald (19th arrondissement) in 2015. This building will offer young innovative businesses premises and support services at a reasonable cost. It is made up of 125 lots between 30m² and 120 m² in size, with 3,000 m² devoted to the incubator, 7,000 m² to the business hotel and 2,800 m² for miscellaneous and communal use. It is intended to be a place of reference for the metropolis, combining on the same site a multiple offer of uses and practices bringing together entrepreneurs, researchers, artists, students and stakeholders in the social and solidarity economy.
- the urban logistics innovation platform: an innovation platform focused on urban logistics will be set up in partnership with Sogaris.

2. FUNDING

Several economic sectors are funded by the City of Paris. Support is offered both to start-ups, SMEs and research laboratories by several different schemes.

Paris Innovation Seed Fund (PIA), created in 2009 is a scheme which is the result of a partnership between the Département de Paris and Bpifrance Île-de-France. Its role is to financially support young innovative businesses in the creation, project launch and development stages. PIA is a fund which completes the range of services (welcome, accommodation and support) offered by the two financial backers to people proposing projects and young businesses developing innovative projects in the capital, in incubators with "Paris Innovation" accreditation.

Since 2009, PIA has been funded equally by the Department which tops up the funds, and by Bpifrance Ile-de-France, which invests in projects in the same proportions and manages the funds. In 2014, the Department invested

€3.5 million, leading to an equivalent innovation-based contribution by Bpifrance Île-de-France, bringing the total amount of funds to 28 million euros since its creation.

This fund finances three business support schemes. It is made up of a start-up fund (PIA 1) for businesses incubated in the "Paris Innovation" network, offering them grants of €30,000. It also supports innovative businesses admitted in the take-off phase to "stage 2 incubators" (or nurseries) with "Paris Innovation" accreditation via repayable advances between €50,000 and €100,000. Finally, this fund is used to fund experimentation projects for innovative solutions in the Paris area.

Innovation is also funded through the support given to competitiveness clusters. In 2014, the Department of Paris gave financial support to five competitiveness clusters of international status in Ile-de-France with State accreditation, via operating grants:

- Cap Digital Paris Region (120,000 euros);
- Medicen Santé Paris Region (50,000 euros);
- Systematic Paris Region (90,000 euros);
- Advancity (20,000 euros)
- Astech (20,000 euros).

These competitiveness clusters back collaborative R&D projects between businesses and research laboratories supported by the FUI (Single Interministerial Fund). The Department co-finances projects via investment subsidies granted to SMEs and research laboratories. In 2014, two annual calls for projects managed by the FUI resulted in the following departmental assistance:

with regard to the 17th call for projects, the Department's efforts were concentrated on 2 projects, Seemake from the Cap Digital cluster (132,469 euros) and UCF from the Systematic cluster (147, 647 euros)

with regard to the 18th call for projects, the Department targeted its assistance on 2 projects, Visionum from Cap Digital (249,049 euros) and Expevivo 2 from Medicen (217, 503 euros).

The City of Paris's action in favour of businesses is not limited to innovation. The city thus allocates grants to the activities of clusters or local production systems such as NUMA, Capital Games, and Durapole.

At the same time, the City supports private entrepreneurship funding networks. Paris Initiative Entreprise funds the takeover and development of businesses and the development of employment-generating associations via unsecured loans or bank guarantees. The Réseau Entreprendre Paris helps businesses with high development potential via unsecured loans while Scientipôle Initiative specialises in supporting projects with a high technological content (unsecured loans and start-up funds).

A fund for the guarantee of bank loans managed by BPI Ile-de-France is also made available to businesses. This fund is open to very small enterprises and SMEs in Paris and guarantees 70% (up to 730,000 euros) of the finance agreed by a bank for investment projects, working capital or cash flow consolidation.

Finally Paris is a partner of Pacte PME, a scheme which promotes SME access to procurement contracts via meetings between public sector buyers and innovative businesses. Pacte PME has also set up a one stop shop for innovation, allowing SMEs to propose new solutions to major clients.

3. PROMOTION AND SUPPORT FOR THE ACTIVITIES OF PARIS BUSINESSES

The City of Paris' experimentation policy, which has been in place since 2009, has the aim of allowing businesses in the area to test their products under real conditions within the municipal public domain. These experiments with goods and services within the public domain of Paris continued in 2014 with operational support from the Paris Region Innovation Laboratory (PRIL) which has been part of Paris & Co since January 2015. In 2014, 115 projects followed and 43 new projects were deployed. Following the call for projects launched in 2013 on innovative greening, 14 projects out of the 30 winners found an experimentation site in 2014. 7 projects related to support for the elderly to stay in their homes were selected through the third Exapad call for projects. A call for applications with a new theme, urban metabolism, was launched in 2014, for which 13 projects were selected.

The City of Paris, with the support of Paris & Co, also seeks to promote the richness of the Paris innovation ecosystem internationally. The attractiveness of Paris is based on two areas of action: welcoming foreign businesses to the area and the internationalisation of local businesses. In addition to supporting any business moving to Paris, the aim of the municipality is to achieve a ratio of 30% of innovative start-ups in Paris incubators during the 2014-2020 term of office. On the other hand, the City of Paris is setting up partnerships with foreign cities in order to facilitate exports for Paris start-ups and SMEs. In this connection, Paris is twinned with London and New York.

Finally, the support for businesses provided by the City of Paris also involves the management of an innovation and entrepreneurship network in Paris. Numerous events are organised by the City in partnership with Paris & Co and major clients. The aim of these events is to promote the start-up projects of the "Paris Innovation" network, to facilitate meetings between investors and start-ups and to promote innovation and the entrepreneurial spirit in Paris. For example, the Grands Prix de l'Innovation de la Ville de Paris are awarded every year to young innovative businesses in the digital, healthcare, eco-innovation, innovative services, social action and design fields (6 categories and 2 special prizes). In 2014, more than 450 businesses applied for the 8 prizes with total prize money of 82,000 euros. Each prize-winner is also allocated a place in one of the City of Paris' incubators or nurseries.

In 2015, as part of the COP21 which will be held in Paris at the end of the year, the City will be organising two exhibitions open to the general public which will allow businesses to promote their prototypes of innovative solutions for global warming.

4. LES ATELIERS DE PARIS

This organisation, composed of two incubators and one nursery and dependent on the DDEEES (Directorate of Economic Development, Employment and Higher Education), is dedicated to the development of creative businesses in the sectors of art and crafts, fashion and design. With exhibitions, economic support training and an incubator, the Ateliers de Paris make up a real network, a complete support structure for the creative professions, either accommodated or operating elsewhere, with an event-based dynamic in the Faubourg Saint-Antoine and elsewhere (Carré des Ateliers de Paris, place de la Bastille, Boutique éphémère au 104).

The Pôle Conseil advice centre welcomes, informs and supports businesses and future entrepreneurs through various specialists, while group training sessions tackle the problems of business management.

The Ateliers de Paris' economic support component involved the following in 2014:

- 40 projects accommodated in the 3 incubators;
- 680 individual consultations given by consultants specialising in management, communications, law and accountancy and by the Ateliers de Paris team;
- 51 training courses offered and 580 beneficiaries.

In connection with the promotion component, six exhibitions were presented in the Ateliers de Paris' gallery, which presented the work of 88 creative professionals and received 14,000 visitors.

Every year, the City of Paris awards six "Grands Prix de la Création" for three disciplines: fashion, design and arts and crafts. For each field, an entry level business starter (in business for less than 3 years) and an experienced business starter (in business in France for at least 3 years) receive awards. The winners each receive an award of €8000. In 2014 a financial partnership with the French Women's Ready-to-Wear Federation resulted in a contribution from them of 10,000 euros divided between the two fashion winners, entry-level and experienced.

Every year, 13 development awards of 10,000 euros each are allocated by the City of Paris to young people finishing their training, or to people retraining for the artistic professions. These prizes are awarded to young adults, with or without qualifications, who have a real professional integration project in one of the 217 artistic professions concerned: leather goods, picture restoration, cabinet-making.. The winners are supported individually by a craftsman and can complete their training by working in their workshop for one year. This scheme has allowed many young people to find a place in the job market and/or to take over arts and crafts businesses. Since this scheme was set up, more than one half of the beneficiaries have been hired by the supporting businesses.

C. TOURISM

1. RECEPTION / INFORMATION / PROMOTION

The City supports tourism promotion and information schemes organised all year by the Paris tourist and conference office, also through its website www.parisinfo.com.

More specifically the City also works:

- to improve tourist facilities at the Gare du Nord as part of the station renovation project;
- to develop innovative visitor solutions for the Euro 2016 football tournament;
- to improve the welcome for tourists through the deployment of young civic service volunteers on tourist sites.

These actions are bolstered by a seasonal scheme with welcome stands, entrusted to a private service provider accredited by the City and the Paris tourist and conference office, in addition to support provided to the Montmartre Tourist Board.

Tourism promotion is mainly carried out by the Paris tourist and conference office which organises initiatives targeted at traditional markets (Europe, North America, Japan) and rapidly emerging markets (Asia, South America, Russia, the Middle East, etc.).

2. TOURIST ACCOMMODATION

The City continues to implement the "Hotel Plan" (objective: increase hotel capacity) by development of available municipal land or land in development areas for tourist accommodation projects (hotels, hotel resorts, youth hostels) / pinpointing of projects on private land / investor support / information - communication.

It encourages and especially supports the opening of tourist accommodation for young people.

Paris continues to develop bed & breakfasts based on the "Hôtes Qualité Paris" quality charter, in partnership with booking centres and the tourist office.

3. BUSINESS TOURISM

The City works, in conjunction with the tourist office conference department, to support Paris as a candidate for major international conferences and trade shows and to promote them being held there. Its agent of the Porte de Versailles Exhibition Park is carrying out a very large renovation project for this facility which will include the opening of a new convention centre.

4. PARTICIPATIVE AND CREATIVE TOURISM

Paris wants to make tourism an industry that respects the quality of life of Parisians but still proposes another way of discovering the capital, creating opportunities for encounters between tourists and Parisians (city walks and treasure hunts in Paris's arrondissements, website on holidays and creative courses, Paris Face Cachée event, etc.).

5. TOURISM INNOVATION

In April 2014 Paris opened the first incubator in the world dedicated to innovative start-up businesses in tourism, the "Welcome City Lab".

The purpose of the Welcome City Lab, located at 76 bis Rue de Rennes in Paris (6th arrondissement), is to identify future international tourism business ventures, to support their growth and create a true innovation culture in the Paris tourism industry. It is also to encourage start-up businesses to become involved in the leisure tourism sector.

6. SUSTAINABLE TOURISM, TOURISM FOR EVERYONE

The tourist office also works, in coordination with City services, on an initiative to support hotels for better eco-management of their establishment.

Paris also supports holiday assistance schemes for Parisians with modest revenues, holidays and recreation for the disabled, associative tourism.

7. THE PARIS DESTINATION COMMITTEE

A Paris Destination Committee is being created to coordinate, pool and converge initiatives for tourism development in Paris and to draw up a "Tourism Development Programme" which will formalise the multiannual strategy of the City of Paris and all tourism actors.

This strategy must reach beyond strict tourism policies (reception, information, accommodation, promotion), and bring together all Paris public

policies relating to tourist interests and experience: safety, hygiene, transport, culture, green spaces.

A four-phase action plan is being implemented:

- to put the City in a situation to coordinate all Paris public policies with an impact on tourism;
- to draw up an objective review of the situation and identify the areas of work for the Paris Destination Committee;
- to consult and build solutions within the Paris Destination Committee;
- to develop and implement a tourism development programme.

This programme will be written by the City of Paris, based on the work of the Paris Destination Committee. It will set the direction of public tourism initiatives and will become the roadmap for cross-mobilisation of the City Directorates and the different actors.

This Programme is intended to formalise investments and the development of all municipal public policies which contribute to the quality of the tourist experience, the dynamism of the tourist economy and the promotion of Paris as a destination. The aim of the programme is also to identify and structure new tourist areas in Paris and collaborations in the metropolitan area.

D. TRADES AND CRAFTS

1. "VITAL QUARTIER"

The Vital' Quartier operation, initiated in 2004 in six first sectors (Vital'Quartier 1 2004-2015) and extended to five additional sectors (Vital'Quartier 2 2008-2021), aims to support or restore business diversity by addressing an excess of single activity or commercial vacancy.

The Vital Quartier 1 operation which ends in late 2015, has taken control of 292 premises, a total surface area of 35,000m², and creation of 341 jobs.

The Vital Quartier 2 operation has taken control of 97 premises, nearly 5,248m² and creation of 90 jobs. Since the start of the operation, 74 premises have been acquired including 10 in 2014. In 2015, a diagnostic study of commercial revival will be conducted across Paris to prefigure the lines of a new commercial revitalisation operation.

2. BOOKSELLERS ON THE BANKS OF THE SEINE

Today nearly 240 booksellers and their 1,000 "green boxes" have set up on the banks of the Seine, right and left banks. Since the setting up of a selection committee composed of elected representatives, booksellers and qualified public figures in 2010, the City has re-allocated more than 90 stands, helping to rejuvenate and feminise the profession.

These have been added on the basis of an ongoing dialogue with the existing booksellers, the Paris booksellers cultural association and applicants to get into this unusual business trading only in "old and second-hand books, old etchings and old papers", continuing the history of this site, the banks of the Seine, which has been classed as a UNESCO heritage site since 1992.

II. THE EMPLOYMENT POLICY OF THE CITY OF PARIS

Through its proactive policy, the City of Paris supports return to employment. It sets up and manages return to work schemes in liaison with the Ile-de-France Regional Council, whether through vocational training, government employment schemes, support or solidarity initiatives. More than 80,000 people are directly approached by the City of Paris Economic Development, Employment and Higher Education Directorate (DDEEES) each year.

A. EMPLOYMENT AND VOCATIONAL TRAINING

1. Forums

In 2014, the City of Paris renewed its financial support for the association Carrefours pour l'Emploi which organises large recruitment fairs annually. These aim to bring together Parisian jobseekers and companies with vacancies.

7 forums have been proposed: 4 central ("Paris: Métropole for youth employment", "Paris: recruitment of young graduates", "Paris and employment" and "Paris: experience and senior employment") and 3 premises ("Paris: trade professions and retail", "Paris: hotel and catering professions" and "Paris 13 (university): employment"). In total, these events attracted 89,300 visitors, including 56,000 for "Paris and employment" alone.

2. TRAINING

As part of the Programme Départemental d'Aide à l'Emploi (PDAE Departmental Employment Support Program), long-term back-to-work vocational and language courses (which combine a French refresher course and vocational training) are offered free of charge to Paris jobseekers, in the sectors creating the most jobs, such as basic support & care services, IT, export sales & trade, etc.

In 2014, nearly 1,200 trainees were placed on 74 training courses (26 training courses started in 2013 and 48 new training sessions opened in 2014). 38% of trainees are RSA beneficiaries, 25% have been unemployed for over a year and 60% are women. In 2013, rates of return to employment stood at 49% for those with language training and 28% for those with a qualification.

Furthermore, the Ecole de la Deuxième Chance offers young people aged from 18 to 26 who are in difficulty and living in deprived districts, who have volunteered and are motivated, the possibility of resuming training and qualifying for a chosen profession. On 1st March 2011, one of the two teaching sites moved to the building belonging to the City of Paris at 47 Rue d'Aubervilliers (18th arrondissement). In 2012, 423 young people (including 15 RSA beneficiaries and 121 young people from deprived districts) attended over the year. On December 31, 156 were still on courses out of the 173 that completed the scheme, 50 found a job, 44 had signed an apprenticeship or vocational training contract and 21 were on courses to earn qualifications or diplomas. The 2012 successful outcome rate (employment and training) was approx. 67%.

3. SUPPORT

The City of Paris has widened the boundaries of the Local plan for insertion and employment, *PLIE Paris Nord-Est*, from the 18th and 19th arrondissements to the 20th in 2010, then to the 11th and 12th in 2011, these districts have a particularly high number of residents placed under this

scheme. Since its creation in 2005, the PLIE has demonstrated its expertise in the support of jobseekers facing the most difficulty, and in the design of innovative projects.

During 2014, 2,642 people have received support (including 1,252 RSA beneficiaries and 913 residents of city policy districts). Of the 814 Participants to have participated in this scheme, 330 finished with a positive outcome (ongoing contract and fixed-term contract + 6 months), i.e. a 41% rate of return to lasting employment.

The *Mission Locale de Paris* (created on 23 February 2011) combines the five *Missions Locales* in Paris ("PARIS CENTRE", "SOLEIL", "BELLIARD", "PARI d'AVENIR" and "PARIS EST"). The main financial backers (State, Department of Paris and Ile-de-France Region) wanted to combine the five Missions Locales in Paris into a single operator in order to improve the services on offer to young Parisians and to define a concerted and unique local occupational and social integration policy for young people.

In 2014, 9,916 new young people were received initially; 20,918 young people received support from job counsellors and benefitted from one activity as a minimum during the period, including 57% of young people with level V training (certificate of professional competence (CAP), technical school certificate (BEP) and infra V level. 3,214 young people received training, 746 young people gained access to a work-study contrat and 5,757 young people found a job (ongoing contract, fixed-term contract, single insertion contract (CUI) or other contracts): among these people, 958 signed an *Emploi d'Avenir* contract.

In partnership with the Association pour le Droit à l'Initiative Economique (ADIE), the implementation of the CréaJeunes campaign, launched in 2010, was extended. This is a new business set-up support service aimed at young Parisians aged from 18 to 32. In 2014, 120 young people, including 18% from sensitive urban areas (ZUS - Zone Urbaine Sensible) and urban social cohesion contracts (Contrats Urbains de Cohésion Sociale - CUCS), joined the scheme and received help.

4. MAISONS DES ENTREPRISES ET DE L'EMPLOI

The Maisons des entreprises et de l'emploi (MdEE) based in the 10th, 13th, 14th, 18th, 19th and 20th arrondissements, cover the whole of Paris. Their role is to welcome, inform and advise Parisian jobseekers as well as to offer them a range of services: career and training information sessions, pre-recruitment sessions, access to jobseeker support at drop-in sessions organised by associations or market service providers, internet job spaces.

Their role is also to meet and advise both people setting up new businesses or taking over businesses and managers of very small enterprises in Paris. Summary data:

128 group meetings with 1,143 participants	820 project leaders received 1,992 individual meetings held	148 company start-ups 22 returns to salaried employment
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Services for entrepreneurs were combined within the MdEE of the 10th arrondissement at the end of 2013.

In 2014, approximately 3,000 people, including 1,380 RSA beneficiaries, found a new job or set up their own business with help from the Maisons des Entreprises et de l'Emploi.

B. OCCUPATIONAL INTEGRATION OF RSA BENEFICIARIES AND DEVELOPMENT OF THE SOCIAL AND SOLIDARITY ECONOMY

As part of the Departmental Integration and Employment Programme, the City develops schemes to help with the occupational integration of people in difficulty: career review (assessment-advice), individual employment assistance, vocational key skill training measures, employment access or even new business set-up support services and funding assistance.

The City also supports the development of work integration enterprises (EI - Entreprises d'Insertion), temporary work integration enterprises (ETTI - Entreprises de Travail Temporaire d'Insertion), intermediary associations (AI - Associations Intermédiaires), neighbourhood development centres (RQ - Régies de Quartier) and insertion workshops (ACI - Ateliers Chantiers d'Insertion), helping the work integration sector to continue to grow regularly.

In 2014, the City of Paris spent € 1,184,000 on access to employment for 1,212 RSA beneficiaries.

1. SUPPORT FOR THOSE STARTING A BUSINESS

a. Partnership with the association Boutiques de Gestion de Paris (BGE Paris)

In 2014, the association Boutiques de gestion de Paris helped 657 Parisian RSA beneficiaries, including 232 first met in 2013. 425 new support actions were therefore implemented. 120 entrepreneurs received support for their business start-up, after registering. 17 project leaders incorporated an incubator to test the viability of the intended activity. On 31 December 2014, 74 businesses were in the final start-up phase.

In total, the action of BGE PaRIF in 2014 enabled start-up of 71 businesses generating 86 jobs, to which were added 15 returns to employment in the market sector.

Ultimately, 101 jobs have been created for Parisians through this action.

b. Partnership with 7 Parisian Coopératives d'Activités et d'Emplois and the 2 Astrolabe Conseil and EPICEAS incubators.

In 2014, 7 *Coopératives d'Activités et d'Emplois* (CAE) were active in Paris, plus two incubators, one led by an association and the other by a cooperative company.

Some CAE are generalist while others are dedicated to arts, services to the person, new information and communication technologies, or building (eco-construction), thus contributing to an integration offering with a greater range of activities.

The SCOP (Société Coopérative et Participative) Astrolabe Conseil, created in 2004 as a CAE, opted in 2009 to support start-ups by operating as an "incubator", not wishing to employ entrepreneurs within the SCOP but instead to encourage them to go out and start their own business. The EPICEAS incubator was created in 2009 and hosts projects in the social and solidarity economy sector.

Overall these 9 structures hosted 2,027 people in 2014, including 896 Parisians and supported 440, including 210 Parisians and allowed the return to employment of 301 people, including 143 Parisians, at least 13 of whom

were RSA beneficiaries.

2. HELP FOR BUSINESS START-UP PROJECTS THROUGH SUPPORTIVE FUNDING

a. The association Paris Initiatives Entreprises (PIE)

Formed as an association in 1999. It aims to support the start-up and takeover of small businesses or social and solidarity economy structures (ESS), particularly by granting unsecured loans and guarantees on bank loans.

The association Paris Initiatives Entreprises gave supportive associations, very small enterprises (TPE) and businesses, support and access to funds.

In 2014 the association:

- assessed 597 applications for funding, of which 69 concerned the social and solidarity economy (ESS).
- supported 336 projects (or 443 project leaders), including 44 entrepreneurs leading a project relevant to the ESS.
- granted funding to 242 businesses (or 337 entrepreneurs including 41 leaders of solidarity- sector companies) via its funding tools: unsecured loans and bank guarantees (FAG SA funds).

337 entrepreneurs were thus able to create or secure 1,555 jobs, 994 of which in the ESS sector (735 jobs created and 820 jobs secured).

b. Partnership with the association CIGALES de Paris (Investor Clubs for Alternative Local Management of Savings and Solidarity)

CIGALES are at the crossroads of local savings, savings ethics and solidarity savings. They help to develop active citizenship among their members.

These clubs invest locally in small businesses, collecting savings from their members. To be eligible for supportive investment from CIGALES, structures must have a social, cultural, ecological or innovative vocation. 13 active CIGALES are currently located in Paris, funding the creation and/or development of companies in the Paris area. In 2014, 3 new CIGALES clubs were created in the Paris area. Five companies benefitted in 2014 from the financial support of CIGALES, with the creation of 14 jobs and saving 2 others.

c. Partnership with ADIE (Association for the Right to Economic Initiative)

This partnership with the association focuses on support for entrepreneurs and core RSA beneficiaries in Paris who have been granted a professional microloan from the association.

ADIE also develops its action towards women (46% beneficiaries of ADIE support in 2014) and young people from areas within the City's urban policy area. In 2014, ADIE granted 286 professional micro-loans, 109 to Parisian RSA beneficiaries. It also granted 205 unsecured loans to Parisian start-ups in Paris, of whom 75 were RSA beneficiaries.

3. SUPPORT FOR INSERTION STRUCTURES THROUGH ECONOMIC ACTIVITY (SIAE)

a. Support from the Department for Integration Enterprises (EI)

In 2014, 26 Paris EI were funded by the department, including funding of 3

EI outside Paris which had recruited Parisian core RSA beneficiaries.

These gave work to 644 people including 170 Parisian core RSA beneficiaries.

b. Support from the Department for Temporary Integration Work Companies (ETTI)

Support for 9 ETTI, including 1 located outside Paris but giving work to Parisians. These 9 structures employed 1,026 people in 2014, 210 of whom were Parisian core RSA beneficiaries at the time of their recruitment.

c. Support from the Department for Intermediary Associations (AI)

17 Intermediary Associations (including one outside Paris) were in operation in 2014. These gave work to 3,267 people including 707 Parisian core RSA beneficiaries.

d. Support from the Department for Régies de Quartier (RQ)

10 Régies de Quartier or district authorities are spread out over the Paris area. In 2014, there were 305 employees in integration programmes, 121 of whom were Parisian core RSA beneficiaries.

e. Support from the Department for Associations Chantiers d'Insertion (ACI)

In 2014, 30 associations led 62 integration projects (40 of these were finished in 2014 and 22 begun in 2014). The same association may lead several projects.

The implementation of these 62 integration projects led to the recruitment of 1,064 employees, including 691 Parisian core RSA beneficiaries. 162 of these people found a job at the end of the project.

The City of Paris was also involved in funding for associations carrying out actions to promote the solidarity economy: Regional Resource Centre of the Social and Solidarity Economy/the workshop for the organisation of Quinzaine du Commerce Equitable (Fairtrade Fortnight) and an ESS stand at the Paris pour l'Emploi employment forum.

The launch of a call for proposals in 2009 for the development of the social and solidarity economy, resulted in mobilisation of 276 project leaders, 49 of whom were selected (including 8 in 2014) and received financial support, publicising of their initiative and/or support for their search for premises...

Finally, the Paris authorities decided in 2013 to maintain the Dispositif premières heures (Early hours scheme) and to propose its general rollout while upgrading the financial support provided by the department. After meeting on 13, 14 and 15 December 2010, the Department of Paris initiated an experimental scheme over 2 years entitled "Premières Heures" (First Hours) which aimed to allow 100 Parisians in situations of severe social exclusion, including the homeless, who could not access prima facie Insertion Structures through Economic Activity (Structures d'Insertion par l'Activité Economique SIEA) and 26 hours a week contracts, to fit very gradually into the professional world. This scheme allowed these people to return to work at a very gradual pace sequenced as follows: from 1 to 4 hours per week or 5 to 16 hours per week.

All employees were living in the street or Emergency Accommodation Centres. They received social care in terms of accommodation, medical care and

access to rights through social workers from the hosting and/or original structure. The tasks performed by the employees were varied: clearing, moving, catering, green space activities, textile activities, sales, etc.

Seven associations joined the scheme in 2014. The 73 people recruited in 2014 carried out 6,111 hours. The support provided included 25 gaining access to rights (minimum social benefits), 65 receiving access to healthcare and 80 to administrative support, according to figures recorded. The 75 attempts at professional integration resulted in 22 of them finding a job; 35 employees were given accommodation.

III. "SUBSIDISED" CONTRACTS, APPRENTICESHIPS, PLACEMENTS AND VOLUNTARY CIVILIAN NATIONAL SERVICE

1. SUBSIDISED CONTRACTS (SINGLE INTEGRATION CONTRACTS/EMPLOYMENT SUPPORT CONTRACT AND JOBS FOR THE FUTURE)

The Apprenticeship, Placements and Subsidised Contracts Department of the Directorate of Human Resources and more precisely, the Subsidised Contracts Bureau manages two professional integration schemes: Jobs for the Future (*les Emplois d'Avenir* - EA) and Single Integration Contracts (*Contrats Uniques d'Insertion* CUI-CAE).

a. Classification of subsidised contracts:

Out of the 1,043 people with Single Integration Contracts (CUI) in a position on 31 December 2014:

- 54% were former beneficiaries of the RSA,
- 21% were people recognised as handicapped workers,
- 20% were people from "city policy" districts (CUCS/ZUS).
- Out of the 335 people with Jobs for the Future (EA) in a position on 31 December 2014:
 - 35% were from "city policy" districts (CUCS/ZUS).
 - 58% were former jobseekers.

b. Figures from 2014 data:

- number of administrative files managed by the Bureau des Contrats Aidés: 1,916 (1,582 CUI and 334 EA);
- number of recruitments on "subsidised" contracts: 480 (387 CUI and 93 EA);
- number of subsidised contracts benefitting from a training action: 675 (402 CUI and 273 EA).

In budget terms, "subsidised" contracts amounted to a cost of €26.8 million on the payroll, representing a net cost for the department of €12.3 million.

In 2015, two targets have been set by the Executive: to attain 1,050 employees on a Single Integration Contract on 31 December and 100 young people in Jobs for the Future. Priority is given to core RSA beneficiaries, handicapped workers, jobseekers from "City Policy" districts and senior citizens.

The objective is to enable beneficiaries to acquire professional experience during a period in which one or several training actions will be undertaken, which correspond to the professional project drawn up at the start of the contract. As such, the department is required to monitor the employee in the workplace by appointing a guardian to support him throughout the course of his integration.

With the aim of return to employment: targeted training initiatives in correlation with the timetable for direct recruitment or training without an admission test, are proposed to those with subsidised contracts. Similarly, jobsearch workshops have been redefined to enable inclusion of independent modules and best possible response to the demand for subsidised contracts. Registration is on a voluntary basis.

2. APPRENTICESHIPS AND PLACEMENTS

a. Apprenticeships:

Paris, the leading French local authority as an employer of apprentices: since 1994, 5,774 apprentices have received training and effective preparation for their professional examinations with a success rate significantly higher than the national average (88%).

Since 2007, the steady increase in staff numbers has fluctuated between 650 and 600; in Autumn 2014, 392 young people were recruited.

Apprenticeships in Paris are present in many forums, including the Alternance forum held annually in Spring at the Cité des Sciences et de l'Industrie, during which Paris City Hall offers 400 apprenticeship contracts.

In 2014, Paris dedicated €9.4 million to the apprenticeship scheme, or €7 million on the payroll and €2.4 million corresponding to the cost of training courses at Apprenticeship Training Centres (Centres de Formation d'Apprentis - CFA). In this action, the City received the support of the Ile de France Region, for an amount of €570,583.27.

The diverse skills of agents of the City of Paris were used to train young people for all qualification levels, from CAP to an engineering degree.

The Bureau de l'Apprentissage des Stages et du Service Civique (Apprenticeship, Placement and Civic Service Bureau) will in September 2015 set an objective of 500 apprentice recruitments (in place of 400 in 2014) and a significant increase in volunteers hosted (objective: 300 volunteers).

With 45% of apprentices in the area of early childhood, the Human Resources Directorate contributes to compliance with the Education Authority/Ile de France Regional Council (CRIF) agreement and the objective of direct or indirect recruitment of staff in the new communal facilities (daycare centres).

Emphasis is placed on the training of unqualified young people, to provide them with rapid professional insertion after obtaining a Professional Competence Certificate (Certificat d'Aptitude Professionnelle CAP) or a Vocational Baccalaureate.

Finally, the Paris authority is developing new training courses, beyond the "traditional" training courses in City professions and activities. The reception of university-level apprentices enables a reciprocal exchange of new knowledge or expertise with the different City departments. Support for innovative training courses is thus provided.

b. Placements:

Since January 2011, Paris City Hall placement opportunities can be viewed on www.paris.fr in the section "find a job /placement". In 2014, nearly 700 opportunities were published on this platform which can also receive spontaneous applications or for a particular position.

In addition, the Placements Division has a network of 23 placement contacts and supports the Directorates which have hosted a total of 5,700 interns for periods of less than two months.

The Placements Division has taken part since 2012 in the Alternance Forum.

Through this medium, it was able to find placements for young people encountering jobsearch difficulties. This partnership will be stepped up during the coming years.

In 2014, the Placements Division processed 723 placement files, for a payroll (transport costs included) of €927,000.

Directorates will continue to be encouraged in 2015 to routinely publish placement opportunities, including short placements of less than two months, for greater transparency and equality of opportunities for applicants.

Placement opportunities for the very young (secondary school children for example) must increase in visibility; this procedure (already initiated in 2011 and 2012) must continue, putting the hosting Directorates at the centre of the scheme.

c. Voluntary civilian national service

The Civilian National Service Agency is the partner of the Department of Paris for the accreditation and organisation of assignments. It studies each mission proposed by the City, issues an opinion and decides whether to validate the mission in the light of the public interest criteria defined by the Law of 10 March 2010 on National Civilian Service. It also validates the length of the missions that are proposed (6 months, 8 months, 9 months or 12 months according to the missions in Paris). Accreditation is valid for 2 years. Accreditation is valid for 2 years.

The City received accreditation for 29 missions and 200 volunteers working (for example) as mediators, home delivery personnel for the aged, sports monitors, waste sorting and prevention coordinators, home visitors for the aged, help for the elderly in daycare centres.

All volunteers are managed by the Human Resources Directorate (Apprenticeship, Placement and Assisted Contracts Department, Apprenticeship, Placement and Civic Service Bureau). In connection with the Directorates of assignments, this department is responsible for the recruitment, management and training of young people. However, dual management is carried out in the sense that the service and payment agency directly pays the young people monthly compensation of €467.

The City decided in 2014 to directly pay the young people €106.31, equating to the additional service of the Voluntary civilian national service under the 2010 law. This lump sum covers transport and lunch costs and additional expenses related to his mission. In 2014, the budget for volunteer training was €37K.

RESEARCH SUPPORT POLICY

I. RESEARCH SUPPORT SYSTEMS

A. THE "EMERGENCE(S)" PROGRAMME

Set up in 2009, the Emergence(s) programme aims to support new research themes that may lead to the creation or development of young research teams.

Since 2010, all disciplines have been eligible, including medical research which was previously the focus of a specific City of Paris programme and has now joined the Emergence(s) system.

In 2014, the budget allocated to the programme was €1,957,000, of which €747,000 dedicated to year-1 financing of the winning projects, €615,000 for year 2 (for the winning projects in 2013) and €595,000 for year 3 (for the winning projects in 2012).

The number of projects accepted is 63 (making a success rate of around 16% in 2014).

B. THE "RESEARCH IN PARIS" PROGRAMME

Since 2003, the City of Paris has sought to support higher education and research establishments hosting foreign researchers, by contributing to a research allocation project.

This programme targets post-doctoral researchers (less than 5 years after the PhD) for a duration of 9 to 12 months.

Between 2003 and 2013, Paris City Hall enabled hosting of 640 researchers.

In 2014, the budget dedicated to this programme has been almost €1.4 million, to host 58 researchers.

II. THE CITY OF PARIS CIFRE SYSTEM

The Industrial Training through Research Contract system (CIFRE), managed by the National Association for Research and Technology (ANRT) on behalf of the Ministry for Higher Education and Research, is a recruitment support system allowing PhD students to prepare their thesis while working for a company or local authority.

This system allows genuine collaboration between the student and the City department they are working for: the PhD student works in a professional environment that provides them with key access to data and information for their thesis; in return, the City has access to cutting-edge scientific research in its areas of activity.

The City of Paris has been hosting PhD students through CIFRE contracts since 2009.

Since then, 20 PhD students have been recruited and 11 of them are currently working in various departments of the City. Their research themes concern, for example, the integration of families through housing, the division of school work or the mechanisms by which termites spread between buildings in Paris.

III. RESEARCH INVESTMENT POLICY

The City of Paris finances scientific projects to consolidate and increase the attractiveness of Paris in the area of sciences and new technologies.

These projects are run by the universities and large research centres of Paris. The Research Support Fund is a programme authorisation (AP) that is generally endowed with €1 million annually to support applications from scientific and university applications of a strategic but one-off character.

A distinction can be made between two categories of project which receive City financing:

- real-estate projects to maintain or increase activity in the area of research in Paris
- equipment programmes required to maintain top-level research in Paris research establishments.

A. REAL-ESTATE PROGRAMMES

Institut Pasteur

The City of Paris contributed €3 million to finance the Centre François Jacob, a new research centre in integrative biology of emerging diseases on the campus of the Institut Pasteur in the 15th arrondissement, which was inaugurated in 2012.

The Cordeliers Research Centre (CRC) was created on 1st January 2007 in the academic heart of Paris on a university medical site. It is at 15 Rue de l'Ecole de Médecine in the buildings of the Sorbonne and is under the aegis of Pierre et Marie Curie University, Paris Descartes University and the INSERM: it works with the university hospitals (Hôtel-Dieu, HEGP, Pitié-Salpêtrière) and with Diderot 7 Paris University and the Ecole Pratique des Hautes Etudes.

In 2009 and 2012, the Paris Authority granted the centre a subsidy of €200,000 and €300,000 to carry out the work necessary for its research team facilities.

The Institut de Physique du Globe de Paris (IPGP) devised a project to rehabilitate the Pavillon Curie in the Ilot Cuvier, the oldest trace of the activity of Pierre and Marie Curie in Paris.

The City of Paris was contacted with a view to creating this memory and meeting place for researchers and guests of the IPGP and Institut Langevin.

The aim was to re-equip the most authentic part of the Pavillon Curie with chemistry instruments and equipment. It has a floor area of 19 m² and will be restored to the appearance of a laboratory in 1911.

The City of Paris financed the work to complete the Pavillon in 2012, for an amount of €125,000.

The Pavillon Curie is now open to the public on the occasion of major events, such as the Science Festival or Heritage Days, and all year round for small groups from associations organising guided visits of the Paris of radioactivity.

Pierre et Marie Curie University (UPMC) devised the Paris PARC project with the objective of creating the conditions for a partnership between public

and private research. The ambition of the Paris PARC programme is to create a campus in the heart of Paris, combining teaching and scientific excellence and an ability to convert knowledge into economic results. The project will take the form of a building hosting two incubators for innovative companies and young scientific talents. Located on the Jussieu campus facing Place Mohamed V and the Institut du Monde Arabe, Paris PARC will provide some 40 companies and 2,000 researchers with 11,000 m² of office, laboratory and relaxation spaces.

In 2011, the Paris Authority granted a subsidy of €6 million for the project.

The City of Paris Centre for Training and Translation Research in Haemato-Oncology Within the framework of its work, Paris Diderot University developed a project to create the Centre for Training and Translational Research in Haemato-Oncology (CFRTH).

The CFRTH will be the first facility in France specifically dedicated to medical innovation and the development of new therapies in haemato-oncology. The centre will be set up on the University Hospital Campus of the Hôpital Saint-Louis (10th) and will be headed by the University Institute of Haematology (IUH) under the aegis of Paris Diderot University. The IUH, associated with the INSERM, CNRS and CEA, is one of the European leaders in Onco-Haematology. The Hôpital Saint-Louis, meanwhile, has a long-standing reputation for its dermatology services and has specialised in recent years in haematology, an area in which it has now gained a worldwide reputation, especially in immunology and more specifically in cell culture.

The building to host the centre will be built on the Dalle Méary on the Saint-Louis Campus. The programme makes provision for the full renovation of the mezzanine level (400 m²) and the construction of two additional levels of 1,000 m² each. The developer of the project will be Paris Diderot University. The new building will house a 120-seat auditorium, a biological resource centre adapted to large patient cohorts for therapeutic trials, public/private interface laboratories for co-development and a series of industrial-grade large-capacity platforms for innovative young companies.

For the construction of this project, the City of Paris awarded a subsidy of €3 million in 2011 at Paris Diderot University.

The Institut Henri Poincaré (IHP), one of the oldest mathematics institutes in the world, is, along with the Institut des Hautes Etudes Scientifiques, the most important French institute in mathematics and theoretical physics.

Despite tough competition, the IHP has succeeded in promoting its assets and keeping its place on the international stage despite its modest resources. However, the availability of office space remains the main handicap of the IHP in trying to maintain its position as a world leader in its area. The scheduled transfer of the Chemistry and Physics Institute right next to the IHP offers a historic opportunity to:

- extend the IHP and enable it to conduct a much bolder research policy;
- renovate its historic premises which are part of the scientific heritage of Paris and France;
- develop new high-impact scientific culture action. The first stage in the project consists in preparing a renovation plan. The Department of Paris therefore awarded a subsidy of €250,000 to Pierre et Marie Curie University (Paris VI) which is to manage the operation for the IHP.

The National Institute for Health and Medical Research (INSERM) turned to the City for the creation of a collaborative platform between companies and research on the theme of psychiatry and neurosciences.

The project is part of the restructuring of a hospital building at Sainte-Anne Hospital Centre (CHSA).

By accommodating cutting-edge collaborative technological platforms in a clinical research centre of worldwide excellence working on neuroscience themes (schizophrenia, depression, addictions, eating disorders, cerebral vascular accidents and cognitive disorders linked with ageing), the project is part of the Medicen Paris Region worldwide competitiveness cluster. This unit, of which INSERM and Paris Descartes University are members, aims to endow Ile de France with a European leader, in industrial terms, in the area of diagnostic and therapeutic innovation and cutting-edge technologies for the health sector, and to make it one of the world's centres for translational medicine. After restructuring, the building will have space for 150 to 180 scientists, engineers and technicians. Delivery of the building is scheduled for the end of H1 2015.

For this project, in 2013 the City of Paris awarded a subsidy of €1.3 million to the INSERM.

B. SCIENTIFIC FACILITIES

The Centre Universitaire des Saints-Pères is one of the sites of Paris Descartes University. The centre comprises notably three Training and Research Units:

- Biomedical unit
- Mathematics and IT unit
- Human and social Sciences faculty

The Biomedical Training and Research Unit comprises 12 laboratories accredited by INSERM and the CNRS, each of which has some fifty internationally-renowned research teams.

The laboratories are organised around two areas: pharmacotoxicology/chemistry and neurosciences, and work on very current themes such as optogenetics, neurophotonics, molecular pharmaco-toxicology, studies of perception, molecular, cellular and integrative neurosciences, bio-organic and bio-inorganic chemistry and synthesis of biologically active molecules...

To remain at the highest international level, develop its research activities and reinforce its industrial partnership with innovative companies of the Biomedical Unit, in 2012, the City of Paris granted a subsidy of an amount of €1,575,000 to Pierre Descartes University for the acquisition of various items of equipment.

The Institut de la Vision is one of the most ambitious research centres in Europe specialised in eyesight diseases. Designed as a place for meeting and exchanges, it fosters sharing of concepts and techniques, encounters between complementary skills and expertise and the emergence of new research directions. The objective of the researchers, doctors and industrialists brought together on a single site is to accelerate discoveries and validation of new therapies or preventive solutions, and technologies to offset damage to eyesight.

There are three key missions: understanding eyesight diseases, delaying their occurrence or development, discovering new treatments and developing innovative technologies to improve daily life for patients.

In 2007 and 2008, the Paris Authority granted the Institute two equipment subsidies for a total amount of €3,540,000.

The Laboratory of the C2RMF is a research team of the Ministry for Culture (Directorate of the Museums of France).

Located in the basement of the Palais du Louvre, this multi-disciplinary unit combines chemical, human and social sciences. Its main themes are the chemical and structural identification of the materials in cultural heritage and studying their production, deterioration and ageing processes, including aspects relating to restoration of the works.

In 2010, the Paris Authority awarded a €250,000 subsidy to the AGLAE particle accelerator and in 2011, a €200,00 subsidy for the acquisition of an electronic microscope.

Engaged to various degrees in digitization of their assets, the libraries of the Sorbonne Paris Cité University Centre (PRES) expressed a wish to share a common platform for the diffusion of the content they digitize to promote them among researchers, students and the general public.

In 2011, the City of Paris awarded the PRES an equipment subsidy of €800,000 for the project.

The Ecole Normale Supérieure de Cachan wanted to launch an ambitious programme of research and experimentation for the renewal of the airship industry. In 2010, the Paris Authority awarded the school a subsidy of €200,000 for the project.

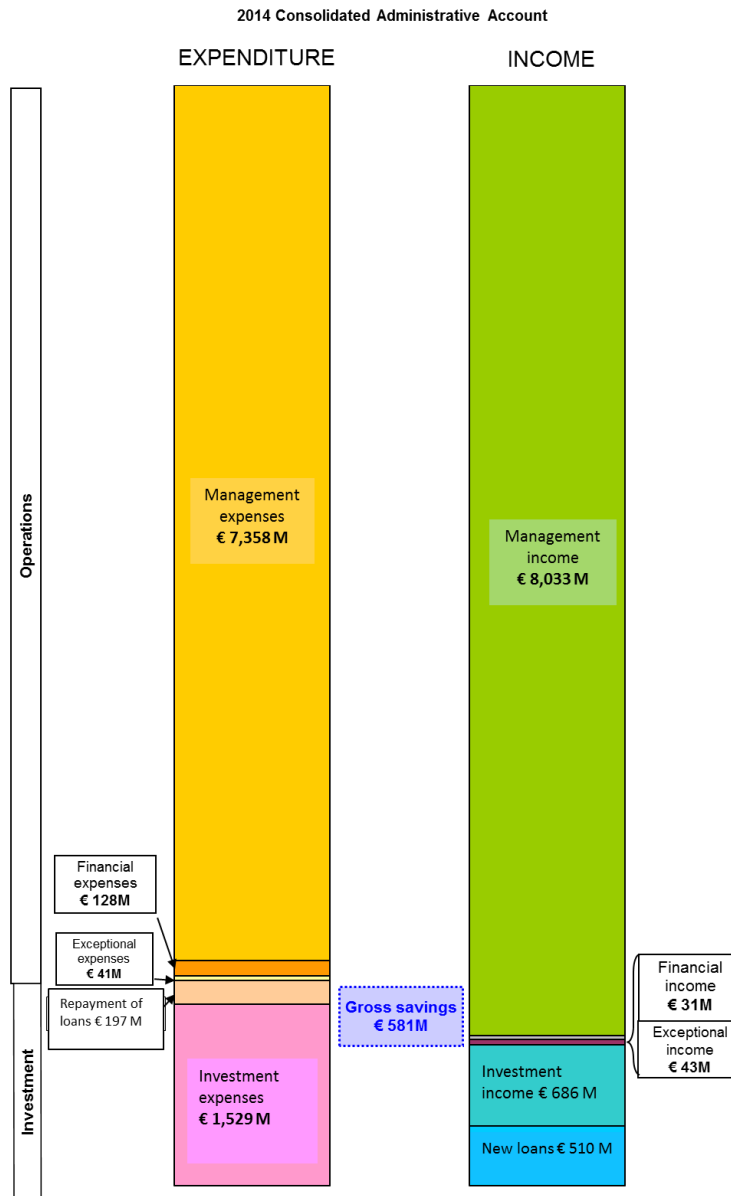
The Association Science Créativité Interdisciplinarité Recherche Education (SCIRE) received €1,000,000 in financing for a platform for digitisation of innovative teaching courses (massive open online course or MOOC) for academics and students in Paris to allow higher education institutions to make a success of their transition to digital teaching.

FINANCIAL RESULTS

PRESENTATION OF THE ADMINISTRATIVE ACCOUNT FOR 2014

I. OVERALL BALANCE OF THE ADMINISTRATIVE ACCOUNT FOR 2014

Investment expenditure stood at €1,529 million, down by €M211 on 2013 (at €1,740 million), which had marked a 'peak' linked to the completion of new projects commissioned by the previous administration. €581 million of this expenditure was financed by the gross surplus from operations. To this gross surplus can be added investment income of €686 million, generating an investment financing capacity of €1266 million, equivalent to 83% of the required investment expenditure (up by €23 million) and limiting our borrowing requirements to €510 million (down from €630 million in 2013), before debt repayment.



II. CHANGES IN KEY EXPENDITURE AND INCOME ITEMS

A. INVESTMENT EXPENDITURE

Total investment expenditure stood at €1,529 million, with €1,332 million of credits from the municipal budget and €197 million from the departmental budget. The resulting financing requirement was largely offset by particularly strong investment income, up €15 million on 2013.

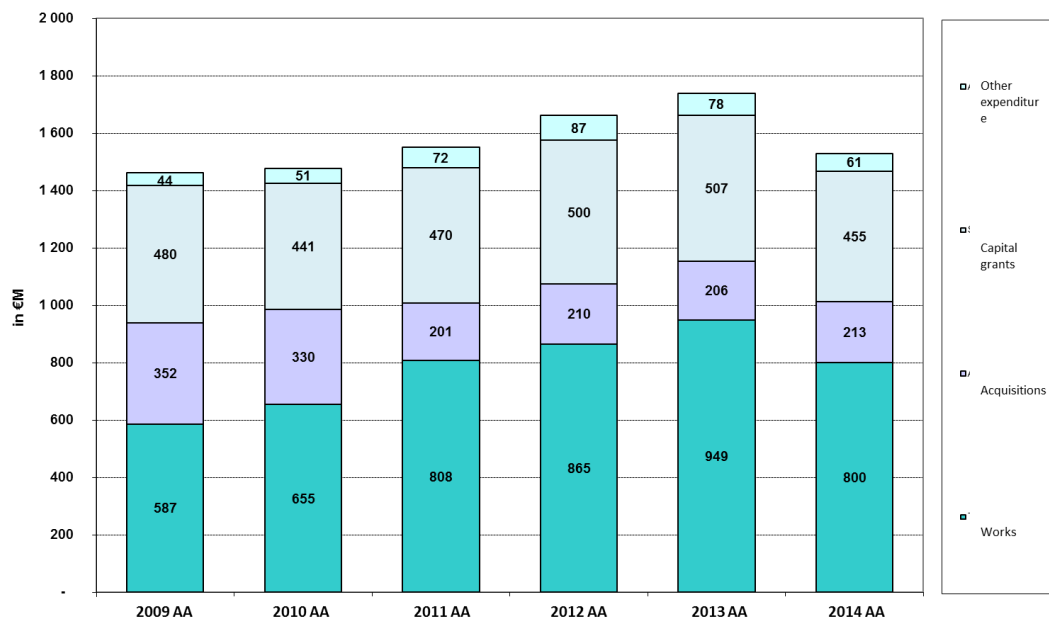
Spending on public works accounted for 52% of investment expenditure, i.e. €800 million (down €149 million from the administrative account for 2013). This slowdown in spending can be largely attributed to the completion of work on the Tram line between Ivry and Porte de la Chapelle (-€46M) and fewer large-scale investments in sporting facilities (-€70M), cultural facilities (-€39M) and daycare facilities (-€36M).

Subsidies for facilities also decreased by €53M to stand at €455M; subsidies for social housing remained high at €303M. Purchasing expenditure totalled €213M in 2014, of which €136M went to the property account.

Other actual capital expenditure accounted for a total of €61M, including work on behalf of third parties (€20M for the AA in 2014) and intangible assets (€10M) in particular.

The amount eliminated in expenditure and income for the 2014 financial year was €315 million (compared to €274 M in 2013). This amount corresponds to the renewal of the concession contract for the works on the Porte de Versailles Exhibition Centre (€111M), the scheduled repayment of the capital outstanding on the loan taken out by the Philharmonie association (€152.5M) and urban development operations involving disposal or acquisition financial packages with repayment schedules and property exchanges (not including those operations relating to the Clichy-Batignolles scheme, T8 and Jourdan, and the repayment of the Semavip advance, amounting to a total of €51.5M).

Change in actual investment expenditure (excluding loan repayment) of the Paris authority from 2009-2013 in €M.



Investment income increased by €15M between 2013 and 2014, rising from €671M to €686M in 2014.

Income from fixed asset disposals was €122M, as in 2013.

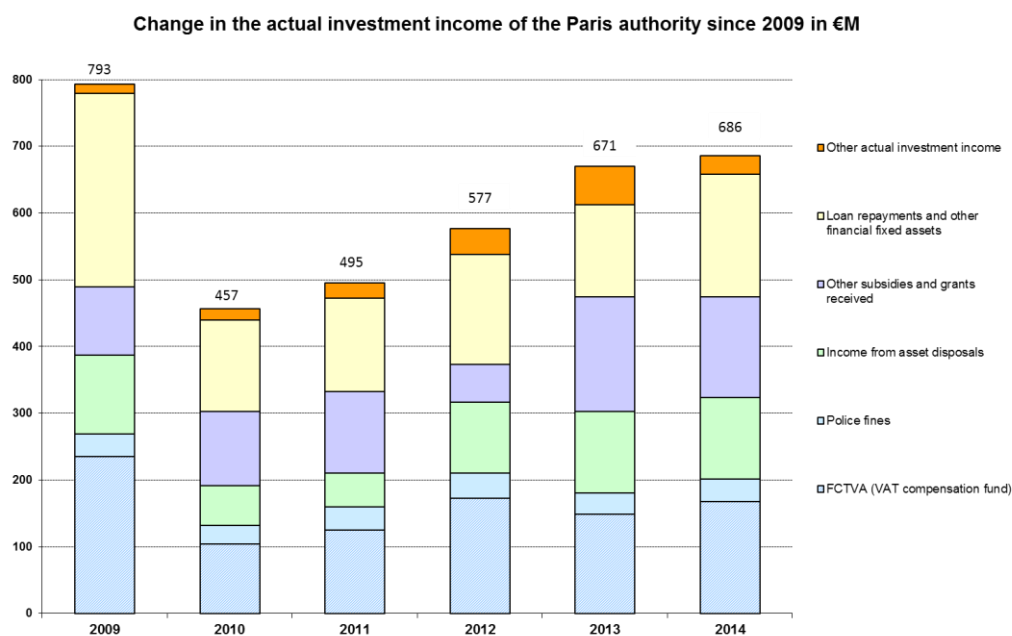
Investment subsidies and grants received decreased by €20M, amounting to a total of €151M. This was due in particular to the decrease in credits received in relation to the delegation of powers from the State to the Department.

Income from financial fixed assets and loan repayments came to €184M in 2014, compared to €138M in the 2013 AA. This can be largely attributed to the increase in income from the Halles and Rambuteau car park operations (+44.6M).

Income recovered from the VAT Compensation Fund (FCTVA) amounted to €168M, compared to €149 M in 2013.

Income from police fines was €33M in 2014, an increase of €1M on 2013.

Other actual investment income amounted to €28M, including €22 M from operations on behalf of third parties.



In 2009, as part of the government plan to stimulate the economy, the Paris authority received an early payment of € 100M of VAT Compensation Funds (FCTVA), corresponding to the amount due by the State for investment expenditure in 2008, payment of which was scheduled for 2010. Since 2010, the amount of FCTVA received has corresponded to the expenditure for year n-1. 2009, dans le cadre du plan gouvernemental de relance de l'économie, la collectivité parisienne a perçu de façon anticipée 100 M€ de Fonds de

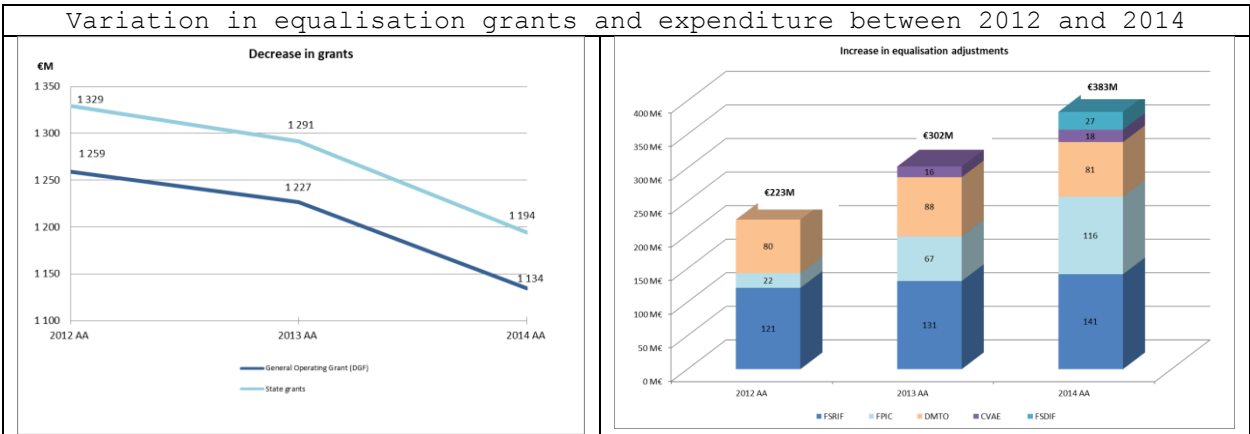
Gross Surplus

Despite the increase in the amount of equalisation expenditure and the reduction of State grants, the gross surplus for 2014 (€581M) financed over a third of investment expenditure.

Operating expenditure amounted to €7527 M in 2014, increasing by 2.8% between 2013 and 2014, primarily due to the ramp-up of the equalisation mechanism. After taking out the growth in equalisation expenditure, operating expenses were €7,143M in 2014, which represents an increase of 1.7% on 2013.

Equalisation expenditure stood at €383M, an increase of 27% on 2013 (+€81M).

Change in equalisation grants and expenditure between 2012 and 2014:



The Municipal and Inter-municipal Resources Equalisation Fund (FPIC) once again heavily increased the City's contribution in 2014 to €116M (+€49M), which represents 20% of the total amount of the fund and makes Paris the biggest single contributor.

The city's contribution to the Ile-de-France Region Solidarity Fund (FSRIF) went up by 8% compared to 2013, as it had done in the previous year, and now amounts to €141 million, equivalent to 57% of the total budget of the fund.

However the city's contribution to the National Property Transfer Duties Equalisation Fund (DMTO), set up in 2011, fell by 8%, from €88M to €81M, reflecting the decline in income from property taxes.

The Parisian authority's contribution to the Business Value Added Contribution Equalisation Fund (CVAE) rose by €2M in 2014 to stand at €18M, accounting for 32% of the fund's total resources.

In 2014 the city also contributed €27M to a new Ile-de-France Departmental Solidarity Equalisation Fund (FSDRIF), providing 44% of the fund's total budget.

Personnel expenses in the overall budget of the Paris municipal authority amounted to €2,209.7 million in 2014, which represents 33% of overall actual operating expenditure (excluding the National Individual Resource Guarantee Fund - FNGIR).

This spending represents a 4.7% increase on the administrative account figures for 2013. This increase can be primarily attributed to the implementation and the overall annual effects of the changes made to the school calendar.

This development is the consequence of a number of factors:

- A marked increase in personnel costs (+€45M) due in particular to exogenous factors, in particular measures taken by the government to raise wages for Category C public employees (an average raise of +7 points for over 30,000 employees in Categories B and C), the mechanical effect of the Seniority and Technical Classification (GVT) and the increase in social security contributions (a 1.55% rate

increase for the National Retirement Fund for Local Authority Employees - CNRACL).

- The impact of the employment plan, with the creation of an average of 1,041 full-time equivalent jobs in the year 2014, primarily in the form of initiatives tending to adapt scholar rhythms (564 sports coaches and supervisors, 137 classroom assistants, 123 primary school support staff etc.), as well as the opening of new facilities, particularly daycare centres (almost 280 new jobs, on average). The financial impact of initiatives relative to school rhythms in 2014, in terms of spending on personnel, is estimated at €38M.
- We must also take into account the effects of the human resources policy operated by the city authorities, for example in terms of automatic promotion after a fixed duration and other career advancement policies (opening up new opportunities in Category B for certain Category C civil servants, particularly in technical posts).
- Furthermore, the Paris city authority has maintained its policy of assistance for the integration of those excluded from the labour market, with more recruitment of jobseekers on subsidised contracts (a spending increase of €9M in 2014).

Welfare expenditure excluding overhead costs rose by 1% (+€15M) to reach €1558 million. Expenditure relating to the RSA programme (Active Solidarity Income) stood at €399M, of which €337.2M went to RMI/RSA benefits, an increase of €18M directly linked to the growth in the number of beneficiaries of these payments (67,292 in 2014, up from 65,063 in 2013 - an increase of 3.4%). Welfare support for disabled people also increased by €9M and now amounts to €216M. This change can be explained mainly by the increase in housing costs and the ramping-up of the Disability Allowance (PCH), a result of the increase seen in both the number of beneficiaries (3870 at the end of 2014, up from 3584 at the end of 2013) and the average monthly payment (+10% on 2013). Expenditure on the Personalised Autonomy Allowance (APA) rose by €2M (€135M, up from €133M in 2013), as a result of the increase in the number of beneficiaries. On the other hand, expenditure on welfare for children, excluding costs posted in chapter 011, decreased by €17M (€307M compared to €324M in 2013). This decrease in expenditure can be attributed partly to the impact of the government circular of 31st May 2013 'regarding the handling of unaccompanied foreign minors' which, by introducing a new inter-departmental equalisation mechanism, has led to a 8% decrease in the number of unaccompanied foreign minors taken on by Paris' child welfare services, and also partly to the generalised transferral of the child welfare services' hotel accommodation activities (PCH-ASE) to Paris' emergency social services (SAMU Social), cutting the cost per night and allowing for savings of €2.5M on the 2013 total.

The contribution to the City of Paris Welfare Centre (CASVP) decreased from €314M in 2013 to €313M in 2014, a slight decrease of €0.7M. There are two reasons for this change: firstly, a technical effect caused by the transferral of the reimbursement of personnel costs from the Multipurpose Departmental Social Services (SSDP) to the budget for the Department, and secondly an increase in spending on operating costs and benefit payments.

The amount of overhead costs was €821M in 2014 compared with €823M in the AA for 2013, a reduction of 0.2%. The reduction of overhead costs was one of the great priorities when implementing the 2014 budget, made possible by further savings on road maintenance spending, and the rental portfolio.

Among these general overhead costs, spending linked to contracts with external service providers has increased by 2.4% to reach €274.3M, and can be broken down as follows:

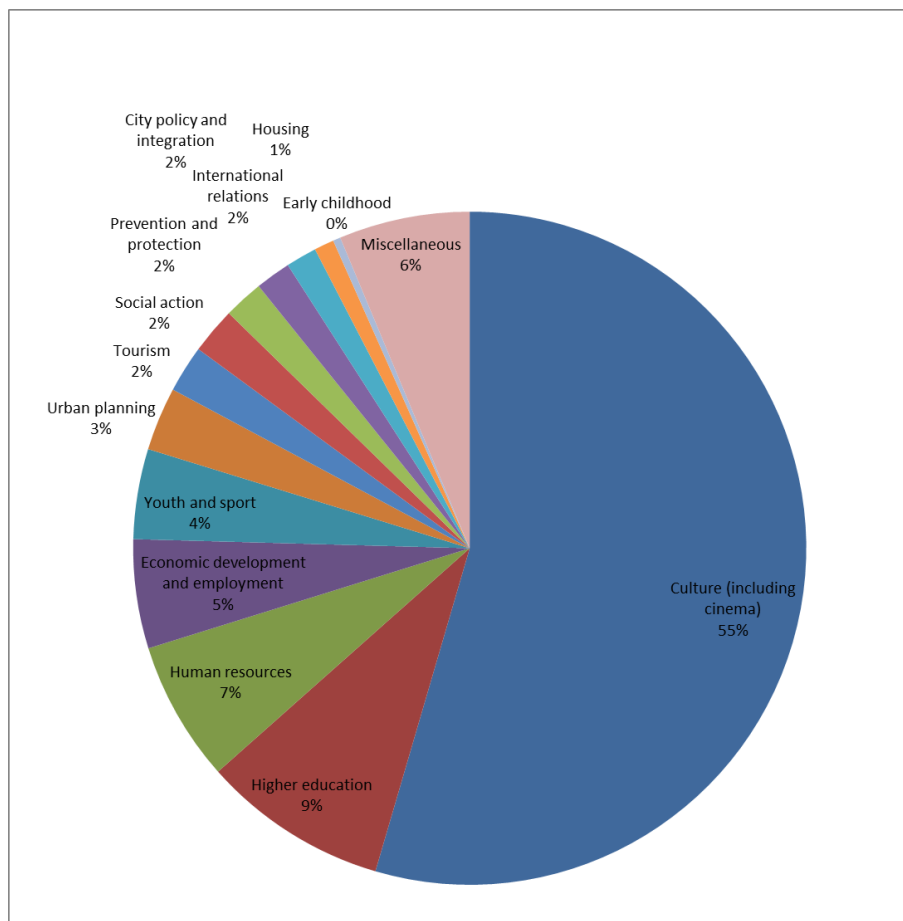
(in €M)	2013 AA	2014 AA	2013 AA
Cleaning	106,9	108,7	1,7%
Roads	53,6	55,1	2,7%
Social action	23,2	23,7	2,3%
Early childhood	20,4	24,2	18,3%
Sport and youth	17,4	16,8	-3,2%
Culture	12,0	13,0	8,6%
Scholar action	2,8	2,5	-13,5%
Housing	3,8	4,1	9,7%
Green spaces	4,1	4,4	6,9%
I.T. and telephone	4,8	4,3	-9,8%
Information and communications	2,6	2,2	-12,1%
Access to law	1,9	1,8	-3,8%
Logistics	1,7	1,3	-23,9%
Other areas	12,8	12,1	-5,1%
TOTAL	267,9	274,3	2,4%

Contributions paid by the Paris city authority (€791M in 2014 compared to €776M in 2013) increased by 2%:

- Contributions to the Ile-de-France Public Transport Syndicate (STIF) were €374M (+€7 M compared to the 2013 AA), as we continue to strive to improve public transport services;
- Contributions to the Prefecture of Police increased by €2M to €292 M (+0.5%);
- Contributions paid to the Household Waste Treatment Syndicate (SYCTOM) increased by 5.7% to €126M. The contribution was lower than average in the AA for 2013 as a result of a decrease in the volume of waste collected in 2012.

The total amount of operating grants excluding grants of a social nature was €526M in 2014, a decrease of -€1M on 2013. This 0.2% decrease can be attributed to the €2M fall in subsidies to schools, partially offset by the €2.1M increase in grants for places in daycare centres, which reached €47.6M after €45.5M in 2013. Grants for maintenance and school dinners in secondary schools increased by €0.7M to reach €5.4M. The increase in grants for culture and cinema, excluding the Musées EP grant, was €8.9M, bringing the total to €106M. This spike is a result of the increase in the grant paid to the Philharmonie. However, total expenditure on school supplies shrank by €5.5M to reach €6.7M in 2014, down from €12.2M at the end of 2013, as a result of the replacement of calls for projects for extracurricular activities for the school year 2014-2015 with fixed contracts.

After deduction of the subsidies for school funds and daycare centres mentioned above and the contribution to the CASVP, the breakdown of operating grants paid to public and private sector third parties, representing a total of €302M (including the EP Musées grant) in the 2014 AA, was as follows:

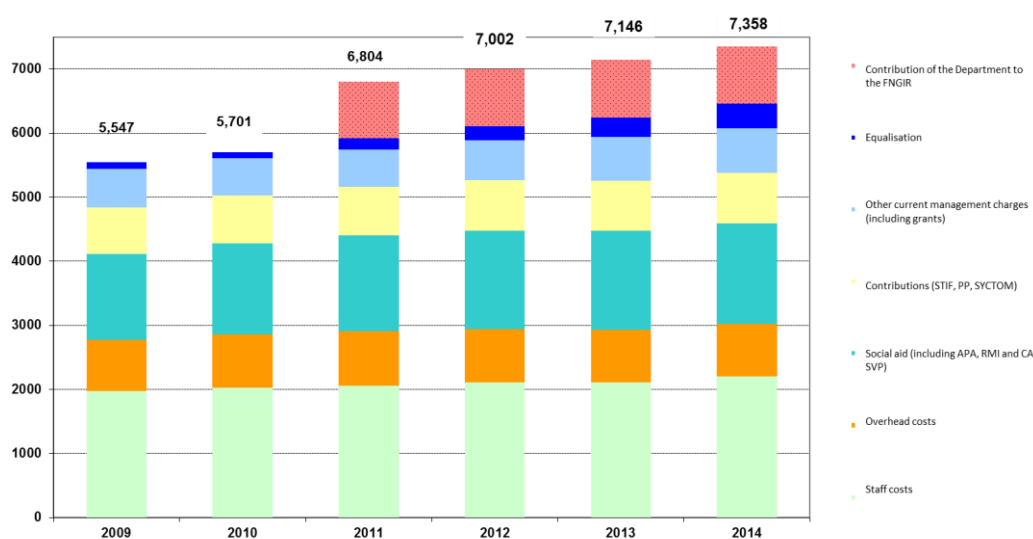


Details of these subsidies are given below.

Exceptional expenditure was €41M in the AA for 2014, down €26M from the 2013 AA. Exceptional spending was particularly high in 2013 due to compensation payments to SIEMP for early termination of lease agreements, following a recommendation by the Regional Court of Auditors (€23.7M).

The pursuit of active debt and cash flow management offered the Authority the benefit of low interest rates over the course of the year, borrowing at an average rate of 1.91%. Financial costs rose to €128M, up from €112M the year before.

Change in current operating expenditure of the Paris authority since 2009 in €M



Operating income rose by 2.7% to reach €8,107M in 2014, up from €7897M in 2013.

In total, on the basis of constant tax rates, direct taxes and payments fell by 4.7% as a result of the decline in revenue from the CVAE:

(in €M)	2013 AA	2014 AA	Variation %
Contributions on business added value	1 423,8	1 228,9	-13,7%
Property taxes	966,5	976,4	1,0%
Residence tax	721,5	722,8	0,2%
Business owners property tax	297,1	307,8	3,6%
Commercial floor area taxes	15,6	15,0	-3,5%
Flat-rate tax on network companies	10,0	11,4	13,7%
Additional rolls	021,6	030,8	42,5%
Total	3 456,1	3 293,2	-4,7%

This sizeable decrease in direct tax revenue has been offset by the increase in income from property taxes. Furthermore, a decision was made in 2014 to add an additional month of notarial fees (DMTO), meaning that thirteen months' revenue was received in the financial year 2014 compared with 12 in 2013. Total revenue from this source in 2014 was €1089M, up 18.7% (+€172M) from 2013. In constant terms, the increase was €102.5M. Furthermore, the number of property transactions has increased since the end of 2013: 43,767 transactions completed in 2014 compared with 41,458 in 2013, over a period of 13 months, hence an increase of + 5.6%.

Income from the household waste removal tax (TEOM) was €451 M in 2014, up 1% compared to 2013, which is explained by the nominal increase voted in by parliament as well as the real increase in the property taxation base.

Income from the street cleaning tax remained stable at €104M in 2014. Income from parking fees also increased slightly, rising from €63M to €64.4M.

However income from the electricity tax amounted to €70M, compared to €74M

in 2013, an exceptional year on account of the harsh winter.

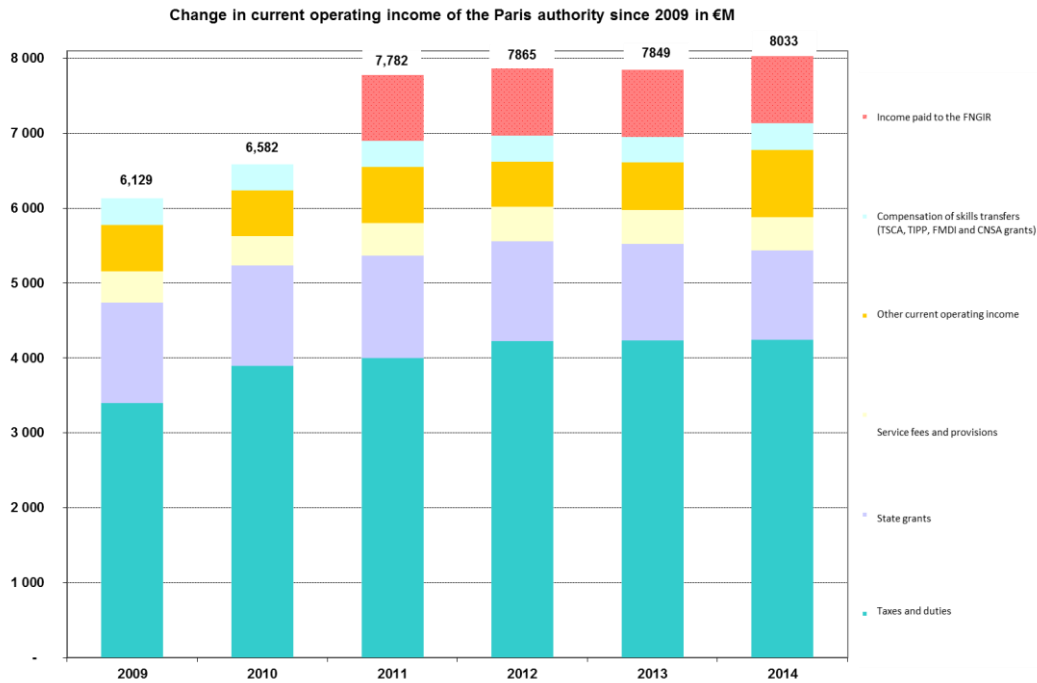
State grants were down by €97M compared to 2013, with a cut of €92M for the overall operating grant, representing a total of €1,134 M in the 2014 AA after €1,227M in 2013. The total amount of grants was €1,194M in the 2014 AA compared to €1,291 M in the AA for 2013 (-7.5%).

Income received in the form of compensation for the transfer of powers rose by 3.2%, an increase of €11M. This increase can be primarily attributed to new income resulting from the agreement of 16 July 2013. This agreement noted the growing disparity between the expenditure demanded of departmental councils in the form of personal solidarity allowances and the compensation provided by the national government, proposing financial solutions to reduce this disparity. A compensation fund was thus established in 2014, transferring the management fees of local taxes, which were previously paid to the State. The transferral of these management fees relating to the property tax on buildings has brought €10.4M of additional revenue for the Department. At constant scope, this revenue remains stable at €345M, despite a slight decrease in the APA grant from the National Solidarity Fund for Autonomy (-€1.9M). This grant is calculated on the basis of the Department's APA expenditure in 2013; this spending was lower in 2013 and 2014 than it was in 2011 and 2012, as a result of the first hour payment rule. On the other hand, income from the tax on insurance policies (TSCA) increased by €2.6M compared with 2013.

Operating income and fees decreased by €4M (-0.8%) on their 2013 level, from €449M to €445M in 2014, of which €278M corresponded to fees and income from the use of public property and €167M to contributions from Parisian users. Income from fees decreased by €9M (€204M in 2014, down from €213M in 2013), largely as a result of the exceptional fee income seen in 2013, corresponding to the final settlement of contracts with leaseholders (-€21.7M) and the increase in fees charged to the Eiffel Tower (€15.7M) and Numéricable (+€4.8M).

Contributions from users are also down by €1.4M (€166.8M in 2014, compared with €168.2M in the AA for 2013), partly as a result of the drop in income from the Facil'Familles service, particularly for extracurricular services.

On the other hand, income from the use of public property increased by €7M, from €67M in 2013 to €74M in 2014, thanks largely to the increase in revenue generated by parking fees and other uses of public highways.



Income from government grants and investments rose by €25M to reach €238M in 2014, after €213M in 2013, of which €19M came from the application of the Contract for Children and Young People (CEJ) agreed with the National Fund for Family Allowances as part of the reform to school hours and the application of augmented rates when calculating the PSU (single service payment).

Other operating income increased by €35M to stand at €447M in 2014, thanks in large part to the great increase in revenue generated by work for third parties, which increased from €45M to €61M as a result of a significant number of adjustments made to contracts from previous financial years. Furthermore, rental income rose by €8M, thanks in no small part to the €5.8M of exceptional income resulting from the rent adjustment for 2013, following a change in the rate of VAT and an increase in rental income resulting from the renewal of the public facility utilisation agreement for Roland Garros, to the sum of €2M.

Finally, exceptional income stood at €43M, up by €14M from the AA for 2013. €4.4M was received by the Crédit Municipal de Paris in the form of fees and interest payments.

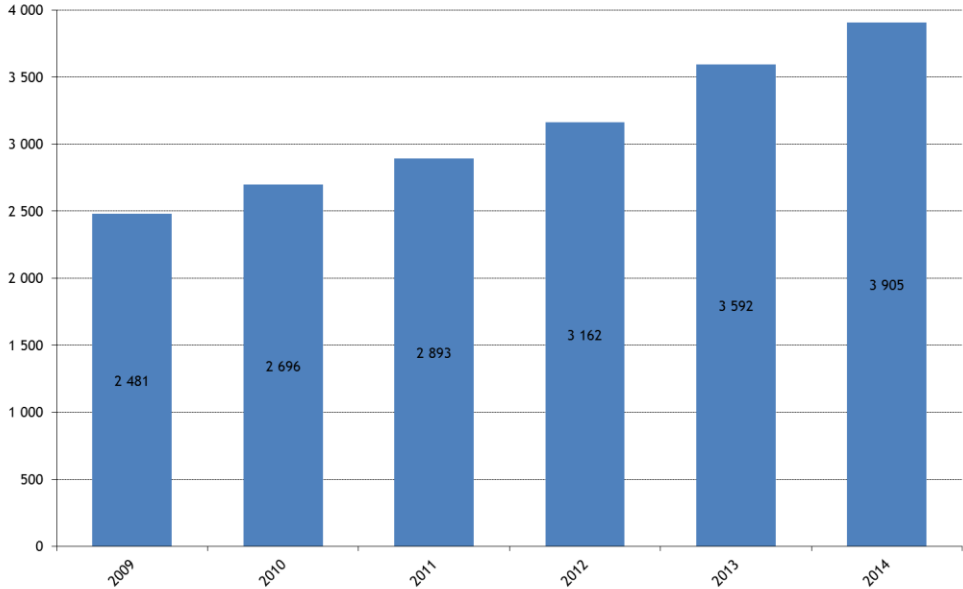
Financial income increased significantly from its 2013 level, rising from €19M to €31M as a result of swap operations worth €13M and a number of exceptional dividend payments (+€9.7M in dividends from the City of Paris Real Estate Company [RIVP] and +€2.5M from the Paris Urban Heating Company [CPCU]).

The Paris city authority's capacity to finance investments increased by €23M to reach €1266M, an increase of 2% on 2013. This strong capacity allowed the city to meet 83% of its own investment finance needs. New loans were taken out to the sum of €510M. €197M of loans were repaid. The total sum of outstanding bank debt and bond debt thus rose by €313M.

Bank debt and bond debt stood at €3905M at the closing of accounts for 2014, to which must be added "other debts" of €215M contracted as part of development operations.

Paris remains one of the least-indebted local authorities in France in 2014, with an outstanding debt/actual operating income ratio of 51%. The national average for municipalities with more than 100,000 residents was estimated to be 79% as of 31 December 2013 (source: DGCL).

Changes in the outstanding amount in debt and bonds on 31 December (in thousands of euros)



Issuer's Rating

The City is rated by Fitch Ratings and Standard & Poor's and has an AA long-term rating with a negative outlook.

The ratings reflect "the very sound economy of the City", the "diversification of its economy", its "central place in France administratively, economically and financially" and the "quality of its infrastructures." The ratings also take account of the "exceptional liquidities" of the City and its "highly efficient financial management." At the date of the present Base Prospectus, Fitch Ratings and Standard & Poor's are rating agencies established in the European Union and registered in accordance with the CRA Regulation, and are included in the list of registered credit rating agencies published on the ESMA website (<http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation.

CONSOLIDATED ADMINISTRATIVE ACCOUNTS OF THE PARIS AUTHORITY 2009-2014

City and Departement of Paris

AA 2009 - AA 2015

In € million	AA 2009	AA 2010	AA 2011	AA 2012	AA 2013	AA 2014
Direct contributions	2 122	2 292	3 103	3 207	3 456	3 293
Household waste removal tax	377	414	426	434	446	451
Street cleaning tax	70	71	70	104	104	104
Parking fees	44	47	63	59	63	64
Electricity tax (City + Department)	70	78	72	69	74	70
Property taxes (transfer & additional duties)	647	928	1 078	1 177	918	1 089
Other taxes	65	67	68	71	69	69
Taxes	3 396	3 897	4 881	5 121	5 130	5 141
Taxes net of payment to FNGIR	3 396	3 897	3 997	4 229	4 232	4 243
APA (CNSA) compensation	19	9	13	12	12	10
RMI / RSA (TIPP + FMDI) compensation	264	260	261	266	260	259
Other compensation (including TSCA & APRE)	73	80	76	74	72	86
Compensation for transfers of powers	356	348	350	351	344	355
General operating grant (DGF)	1 270	1 263	1 290	1 259	1 227	1 134
Compensation grants (DCTP, DCTH, DCTF)	60	56	60	54	48	44
Other grants (DGD, DSI)	16	16	16	16	16	16
State grants	1 345	1 335	1 365	1 329	1 291	1 194
Subsidies and contributions (State, Department, Region, ESF, Social Security, recovery of undue payments, etc.)	181	201	201	214	213	238
<i>dont remboursement frais de collaborateurs d'élus par le Dpt</i>						1
<i>Dont recettes CAF</i>	118	138	136	141	141	160
Fees paid by tenants and concessionaires	211	185	226	226	213	204
<i>of which DF</i>	93	87	93	103	98	111
<i>of which DVD</i>	59	65	79	76	76	76
Fees & income for use of public property (including duties for roads and terraces)	59	56	60	66	67	74
Services provided by Parisians	147	156	157	169	168	167
Operating income	417	397	443	461	449	445
ZAC surpluses		2	132			213
Rent income (revenue from buildings)	216	195	184	171	189	197
<i>of which DLH</i>	200	178	161	148	158	164

City and Departement of Paris

AA 2009 - AA 2015

In € million	AA 2009	AA 2010	AA 2011	AA 2012	AA 2013	AA 2014
Recovery from beneficiaries	93	84	86	82	86	89
Works for third parties	20	27	35	36	45	61
ESA repayment	29	28	30	32	36	32
Repayment of the costs of staff made available, offsetting of charges and miscellaneous levies.	76	69	74	66	67	68
Total other current operating income	434	403	410	387	422	447
Reminder: departmental allowance duplicate cancelled out	13	14	15	15	16	13
Reminder: duplicate of councillor staff costs cancelled out	3	2	2	2	2	1
Reminder: City to Department participation cancelled out	510	380	522	450	550	700
Current operating income	6 129	6 582	7 782	7 865	7 849	8 033
Income net of payment to FNGIR	6 129	6 582	6 898	6 973	6 951	7 135
Personnel costs	1 982	2 026	2 059	2 109	2 111	2 209
of which payroll and subsidised contracts	1 952	1 996	2 031	2 082	2 083	2 180
of which landfill of classes	19	18	18	18	19	19
of which others	10	12	11	10	9	10
Overhead costs	798	832	858	833	823	821
Social welfare including:	692	746	812	853	848	845
Social welfare for children	234	257	303	336	324	307
Social welfare for the disabled (PCH, ACTP)	48	49	54	61	65	70
Accommodation for the disabled	112	120	122	129	142	146
Personalised autonomy allowance (APA)	125	136	138	141	133	135
Accommodation assistance for the elderly	146	149	153	149	146	149
Housing Solidarity Fund (FSL)	12	17	22	20	20	20
RSA, RMI, future work contracts and PDI	348	363	359	366	381	399
of which RMI/RSA allocations	285	300	297	301	318	337
of which Departmental Integration Programme (PDI)	50	55	55	57	54	53
Payment to the Centre for Social Action of the City of Paris (CASVP)	299	313	315	323	314	313
Total for social aid	1 339	1 421	1 486	1 541	1 543	1 558
Grants to school funds	51	51	54	75	77	75

City and Departement of Paris

AA 2009 - AA 2015

In € million	AA 2009	AA 2010	AA 2011	AA 2012	AA 2013	AA 2014
Grants to association daycare centres	33	36	38	42	46	48
Educational policy allocations and contributions (secondary schools, private education)	53	56	62	64	65	67
City operating grants	242	231	204	237	303	302
Various (including Dpt grant, CNRACL, Appendix sanitation budget, IIBRBS, interdepartmental parks)	39	35	69	37	37	35
Subsidies and contributions	419	410	428	454	527	526
Police Prefecture	271	276	280	287	290	292
Contribution to the transport authority (STIF)	335	344	353	360	367	374
Contribution to the SYCTOM (waste)	122	127	131	133	119	126
Contributions	728	747	764	780	776	791
FSRIF (Ile-de-France solidarity fund)	101	86	104	121	131	141
Property transfer duty (DMTO) equalisation fund			67	80	88	81
Communal equalisation fund (FPIC)				22	67	116
Equalisation fund (CVAE)					16	18
Solidarity fund for the departments IDF FSDIF						27
Equalisation expenses	101	86	170	223	302	383
FNGIR			884	892	898	898
Other operating expenditure	180	179	155	170	167	171
<i>Reminder: departmental allowance duplicate cancelled out</i>	13	14	15	15	16	13
<i>Reminder: councillor staff costs cancelled out (NB: not cancelled out in the AA)</i>	3	2	2	2	2	1
<i>Reminder: City to Department participation cancelled out</i>	510	380	522	450	550	700
Operating expenditure	5 547	5 701	6 804	7 002	7 146	7 358
Operating expenditure excluding FNGIR	5 547	5 701	5 919	6 110	6 248	6 460
Surplus	582	881	978	863	703	676
Financial income	13	14	24	21	19	31
Financial expenses	60	64	91	100	112	128
Financial balance	-47	-50	-66	-79	-93	-97

City and Departement of Paris

AA 2009 - AA 2015

In € million	AA 2009	AA 2010	AA 2011	AA 2012	AA 2013	AA 2014
Exceptional income	20	12	10	9	29	43
Exceptional expenses	66	47	56	36	67	41
Exceptional items balance	-46	-34	-46	-27	-38	2
Total actual operating income	6 163	6 609	7 816	7 895	7 897	8 107
Total actual operating income - net FNGIR	6 163	6 609	6 931	7 002	6 999	7 209
Total actual operating expenditure	5 673	5 812	6 950	7 138	7 325	7 527
Total actual operating expenditure - exc. FNGIR	5 673	5 812	6 066	6 245	6 426	6 628
Gross surplus	490	797	866	757	573	581
Subsidies and grants received	371	245	282	266	352	352
- of which investment grants received	93	105	116	49	156	143
- of which police fines	34	28	35	37	32	33
- of which FCTVA (VAT compensation fund)	235	104	125	173	149	168
Income from disposals of capital assets	118	59	50	107	122	122
Operations for third parties	9	4	5	18	24	22
Loan repayments	260	42	20	32	72	15
Other financial fixed assets	30	95	120	134	66	168
Other actual investment income	5	13	17	21	34	6
Actual investment income	793	457	495	577	671	686
Intangible assets	25	17	19	18	13	10
Capital grants	480	441	470	500	507	455
Acquisitions	352	330	201	210	206	213
of which Property Account	239	237	123	150	131	121
Works	587	655	808	865	949	800
Operations for third parties	5	11	16	24	23	20
Loans granted	6	15		6		
Other actual investment expenditure	8	8	36	39	41	31
Actual investment expenditure	1 463	1 477	1 551	1 662	1 740	1 529
Investment financing capacity (gross surplus + investment income)	1 283	1 254	1 360	1 334	1 243	1 266
Loan repayment	120	125	184	200	200	197
Financing requirement (actual investment	300	348	375	528	697	460

City and Departement of Paris

AA 2009 - AA 2015

In € million	AA 2009	AA 2010	AA 2011	AA 2012	AA 2013	AA 2014
expenses + loan repayment - financing capacity of investments)						
New loans	275	340	381	470	630	510
Working capital as of 1/1	318	293	285	288	230	163
Change in working capital	-25	-8	6	-58	-67	50
Working capital as of 31/12	293	285	291	230	163	213
Debt outstanding as of 1/1	2 326	2 481	2 696	2 892	3 219	3 655
Debt outstanding as of 31/12	2 481	2 696	2 892	3 219	3 655	4 120
Change in debt outstanding	155	215	197	327	436	466

City of Paris
AA 2009 - AA 2015

In € million	AA 2009	AA 2010	AA 2011	AA 2012	AA 2013	AA 2014
Direct contributions	1 807	1 946	1 994	2 052	2 167	2 126
Household waste removal tax	377	414	426	434	446	451
Street cleaning tax	70	71	70	104	104	104
Parking fees	44	47	63	59	63	64
Electricity tax (City + Department)	70	78	58	45	50	47
Property taxes (transfer & additional duties)	198	259	279	294	241	284
Other taxes	65	67	68	71	69	69
Taxes	2 632	2 882	2 958	3 060	3 139	3 145
General operating grant (DGF)	1 246	1 243	1 272	1 243	1 212	1 134
Compensation grants (DCTP, DCTH, DCTF)	54	52	55	49	44	40
Other grants (DGD, DSI)	16	16	16	16	16	16
State grants	1 315	1 311	1 343	1 309	1 272	1 190
Subsidies and contributions (State, Department, Region, ESF, Social Security, recovery of undue payments, etc.)	128	145	145	157	157	177
<i>of which repayment by the Dpt of councillor staff costs</i>						1
<i>Of which CAF income</i>	118	138	136	141	141	160
Fees paid by tenants and concessionaires	211	185	226	226	213	204
<i>of which DF</i>	93	87	93	103	98	111
<i>of which DVD</i>	59	65	79	76	76	76
Fees & income for use of public property (including duties for roads and terraces)	58	56	60	65	66	73
Services provided by Parisians	147	156	157	169	168	167
Operating income	416	396	442	460	447	444
ZAC surpluses		2	132			213
Rent income (revenue from buildings)	215	192	182	168	182	194
<i>of which DLH</i>	199	175	158	146	152	161
Works for third parties	20	27	35	36	45	61
ESA repayment	29	28	30	32	36	32
Repayment of the costs of staff made available, offsetting of charges and miscellaneous levies.	81	76	81	77	74	72
<i>including departmental allowance</i>	13	14	15	15	16	13
<i>Including refunding of costs for staff of elected representatives by</i>	3	2	2	2	2	

City of Paris
AA 2009 - AA 2015

In € million	AA 2009	AA 2010	AA 2011	AA 2012	AA 2013	AA 2014
<i>the Departement</i>						
Total other current operating income	345	324	328	313	338	359
Current operating income	4 837	5 059	5 348	5 299	5 353	5 529
Personnel costs	1 795	1 833	1 859	1 902	1 898	1 998
<i>of which payroll and subsidised contracts</i>	1 766	1 803	1 831	1 874	1 871	1 969
<i>of which landfill of classes</i>	19	18	18	18	19	19
<i>of which others</i>	10	11	11	10	9	10
Overhead costs	696	724	741	733	726	717
<i>including equipment maintenance</i>	135	138	139			135
CASVP (City Social Welfare)	299	313	315	323	314	313
Grants to school funds	48	48	50	70	73	70
Grants to association daycare centres	33	36	38	42	46	48
Educational policy allocations and contributions (secondary schools, private education)	23	25	26	27	27	28
City operating grants	27	24	25	24	24	22
Various (including Dpt grant, CNRACL, Appendix sanitation budget, IIBRBS, interdepartmental parks)	218	202	204	207	273	273
Subsidies and contributions	349	334	344	370	443	440
Police Prefecture	271	276	280	287	290	292
Contribution to the transport authority (STIF)	122	127	131	133	119	126
Contribution to the SYCTOM (waste)	510	380	522	450	550	700
Contributions	903	782	932	870	959	1 117
FSRIF (Ile-de-France solidarity fund)	101	86	104	121	131	141
Communal equalisation fund (FPIC)				22	67	116
Péréquation	101	86	104	143	198	257
Other operating expenditure	167	168	144	151	155	158
<i>Including "Etats spéciaux d'arrondissement"</i>	114	121	123	128	132	140
Operating expenditure	4 311	4 240	4 438	4 493	4 693	5 001
Surplus	526	819	910	806	660	528
Financial income	12	14	22	20	18	30

City of Paris
AA 2009 - AA 2015

In € million	AA 2009	AA 2010	AA 2011	AA 2012	AA 2013	AA 2014
Financial expenses	60	64	91	100	112	128
Financial balance	-48	-50	-68	-80	-93	-98
Exceptional income	16	10	8	8	26	42
Exceptional expenses	63	45	54	34	62	37
Exceptional items balance	-46	-34	-46	-26	-36	4
Total actual operating income	4 865	5 083	5 378	5 326	5 398	5 600
Total actual operating expenditure	4 434	4 349	4 583	4 626	4 867	5 167
Gross surplus	432	734	795	700	531	434
Loan repayment	120	125	184	200	200	197
Net Surplus	312	609	611	500	331	237
Subsidies and grants received	294	159	178	220	229	254
- of which investment grants received	34	28	35	37	32	33
- of which police fines	26	27	20	10	39	54
- of which FCTVA (VAT compensation fund)	225	97	117	167	143	160
Income from disposals of capital assets	116	57	46	95	122	112
Operations for third parties	2	2	5	5	16	16
Loan repayments	260	42	20	32	72	15
including DLH exceptional income	236	32				
Other financial fixed assets	30	95	120	133	66	168
Other actual investment income	5	13	16	21	33	5
- + total neutralised operations	290	637	570	84	274	315
Actual investment income	707	368	385	506	538	569
Investment financing capacity (gross surplus + investment income)	1 139	1 102	1 181	1 206	1 069	1 003
Intangible assets	24	16	18	17	12	9
Capital grants	343	350	334	400	345	321
Acquisitions	349	311	199	208	204	212
of which Property Account	239	237	123	148	129	
Works	549	628	775	826	894	746
Operations for third parties	2	4	10	19	17	16
Loans granted	6	15		6		
Other actual investment	8	5	36	38	40	27

City of Paris
AA 2009 - AA 2015

In € million	AA 2009	AA 2010	AA 2011	AA 2012	AA 2013	AA 2014
expenditure						
- + total neutralised operations	290	637	570	78	274	315
Actual investment expenditure	1 280	1 329	1 372	1 515	1 513	1 332
Financing requirement (actual investment expenses + loan repayment - financing capacity of investments)	261	352	375	509	644	525
New loans	275	340	381	470	630	510
Working capital as of 1/1	225	239	227	229	191	176
<i>Change in working capital</i>	14	-12	6		-14	-16
Working capital as of 31/12	239	227	233	191	176	160
Debt outstanding as of 1/1	2 325	2 480	2 695	2 892		
Debt outstanding as of 31/12	2 480	2 695	2 892	3 219		
Change in debt outstanding	155	215	197	327		

Department of Paris

AA 2009 - AA 2015

In € million	AA 2009	AA 2010	AA 2011	AA 2012	AA 2013	AA 2014
Direct contributions	314	347	1 109	1 155	1 289	1 167
Property taxes (transfer & additional duties)	449	669	799	882	677	806
Electricity tax			15	24	25	23
Taxes	763	1 015	1 923	2 062	1 991	1 996
<i>Taxes net of payment to FNGIR</i>	<i>763</i>	<i>1 015</i>	<i>1 039</i>	<i>1 169</i>	<i>1 092</i>	<i>1 098</i>
APA (CNSA) compensation	264	260	261	264	260	259
RMI / RSA (TIPP + FMDI) compensation	19	9	13	12	12	10
Other compensation (including TSCA & APRE)	73	80	76	76	72	86
Compensation for transfers of powers	356	348	350	351	344	355
General operating grant (DGF)	24	21	18	16	15	
Compensation grants (DCTH)	6	4	4	4	4	4
State grants	30	25	22	20	19	4
City Contribution	510	380	522	450	550	700
Subsidies and contributions	53	56	56	58	56	62
Fees and Income for use of the Public Property	1	1	1		2	1
Fees paid by tenants and concessionaires						
Recovery from beneficiaries	93	84	86	82	86	89
Rent income (revenue from buildings)	2	3	3	3	6	3
<i>including DLH</i>	<i>1</i>	<i>3</i>	<i>3</i>	<i>2</i>	<i>6</i>	<i>3</i>
Repayment of the costs of staff made available, cost reduction and miscellaneous recoveries.	8	7	9	7	10	9
Total other actual operating revenues	102	94	98	91	102	101
Current operating income	1 815	1 919	2 972	3 033	3 063	3 219
<i>Income net of payment to FNGIR</i>	<i>1 815</i>	<i>1 919</i>	<i>2 088</i>	<i>2 141</i>	<i>2 165</i>	<i>2 321</i>
Recettes hors contribution de la Ville	1 305	1 539	2 450	2 583	2 513	2 519
Personnel costs	200	208	215	223	228	224
<i>of which payroll and subsidised contracts</i>	<i>187</i>	<i>193</i>	<i>200</i>	<i>207</i>	<i>212</i>	<i>211</i>
<i>of which landfill of classes</i>						
<i>of which refunding of departemental bonus</i>	<i>13</i>	<i>14</i>	<i>15</i>	<i>15</i>	<i>16</i>	<i>13</i>
Charges à caractère général	101	108	118	100	97	104
Social Welfare, including	692	746	812	853	848	845

Department of Paris

AA 2009 - AA 2015

In € million	AA 2009	AA 2010	AA 2011	AA 2012	AA 2013	AA 2014
- social welfare for children	234	257	303	336	324	307
- social welfare for the disabled (PCH, ACTP)	48	49	54	61	65	70
- accommodation assistance for the disabled	112	120	122	129	142	146
- personalised autonomy allowance (APA)	125	136	138	141	133	135
- accommodation assistance for the elderly	146	149	153	149	146	149
Housing Solidarity Fund (FSL)	12	17	22	20	20	20
RSA, RMI, future work contracts and PDI	348	363	359	366	381	399
- of which RMI/RSA allowances	285	300	297	301	318	337
- of which PDIE	50	55	55	57	54	53
Total for welfare Departement	1 040	1 108	1 171	1 218	1 229	1 244
Grants to school funds	4	4	4	4	5	5
Educational policy allocations and contributions (secondary schools)	30	31	37	37	37	39
Department operating grant	24	29	31	29	30	29
Miscellaneous (of which CNRACL, sanitation appendix budget, IIBRBS, interdepartmental parks)	13	13	13	13	13	13
Subsidies and contributions	70	77	84	83	84	86
Contribution to the transport authority (STIF)	335	344	353	360	367	374
Equalisation expenses (DMTO)			67	80	88	81
FNGIR			884	892	898	898
Equalisation fund (CVAE)					16	18
Solidarity fund for the departments IDF FSDIF						27
Other operating expenditure	13	12	12	20	14	14
<i>of which repayment to the City of costs for staff of elected representatives</i>	3	2	2	2	2	1
Operating expenditure	1 759	1 857	2 904	2 976	3 020	3 071
Operating expenditure excluding FNGIR	1 759	1 857	2 020	2 084	2 122	2 173
Surplus	56	62	68	57	43	148
Financial income	1	1	2	1	1	1
Financial expenditure						

Department of Paris

AA 2009 - AA 2015

In € million	AA 2009	AA 2010	AA 2011	AA 2012	AA 2013	AA 2014
Financial balance	1	1	2	1	1	1
Exceptional income	4	2	1	1	3	1
Exceptional expenditure	3	2	1	2	5	3
Exceptional item balance	1			-1	-2	-2
Total actual operating income	1 820	1 922	2 976	3 035	3 067	3 221
Total actual operating income - net FNGIR	1 820	1 922	2 091	2 142	2 168	2 323
Total actual operating expenditure	1 762	1 859	2 905	2 978	3 025	3 074
Total actual operating expenditure - exc. FNGIR	1 762	1 859	2 021	2 086	2 127	2 176
Gross surplus	58	63	70	56	42	147
Loan repayments						
Net surplus	58	63	70	56	42	147
Subsidies and grants received	76	85	103	46	123	98
- of which investment grants received	67	78	96	40	117	89
- of which FCTVA (VAT compensation fund)	9	7	8	6	6	8
Income from disposals of capital assets	2	2	4	12		10
Operations for third parties	7	2	1	12	9	6
Loan repayments			1			1
Other financial fixed assets						
Other actual investment income			1		1	1
Actual investment income	86	89	109	71	133	116
Investment financing capacity (gross savings + investment income)	144	152	179	127	174	263
Intangible assets	1	1	1		1	1
Capital grants	137	92	136	100	162	134
Acquisitions	3	19	2	2	2	1
Including land property				1	2	
Works	39	28	34	39	54	54
Operations for third parties	3	6	6	4	6	4
Loans granted						
Other actual capital expenditure		3		1	1	4
Actual investment expenditure	183	148	179	147	227	197

Department of Paris

AA 2009 - AA 2015

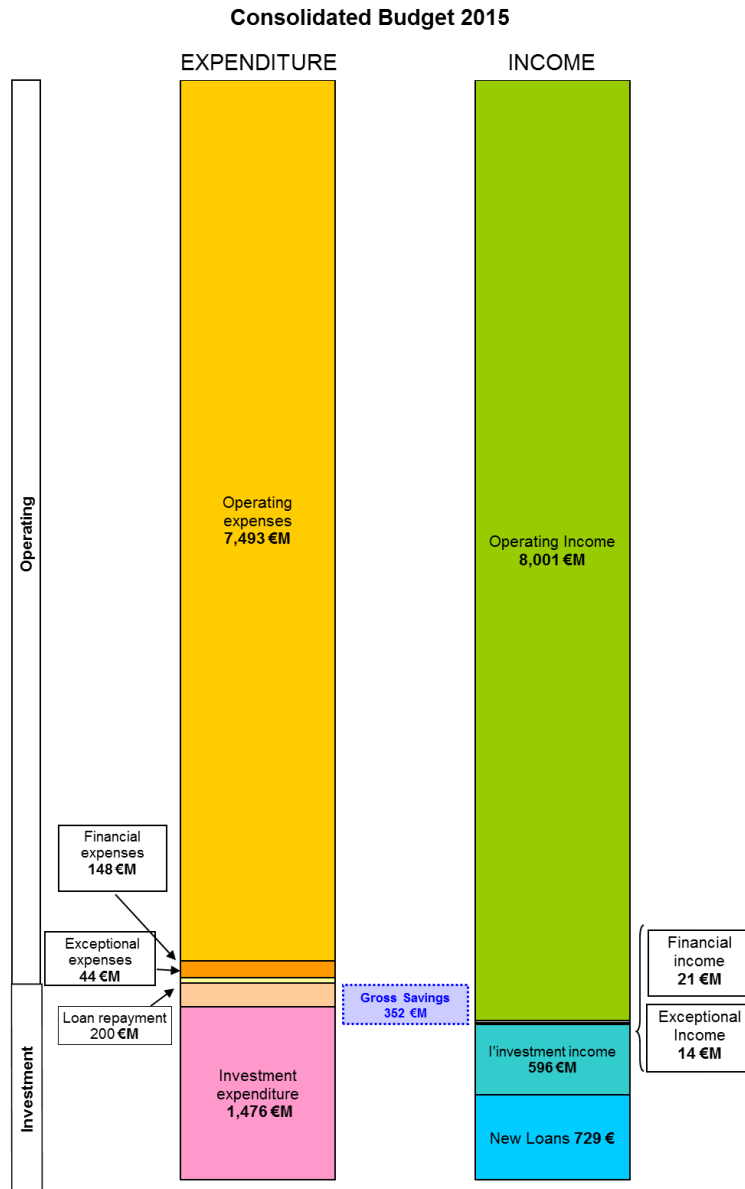
In € million	AA 2009	AA 2010	AA 2011	AA 2012	AA 2013	AA 2014
Financing requirement	39	-4		20	52	-66
New loans						
Working capital as of 1/1			57	58	38	-14
Change in working capital				-20	52	66
Working capital as of 31/12			57	38	-14	51

CONSOLIDATED PRESENTATION OF THE ORIGINAL BUDGET FOR 2015

I. GENERAL PRESENTATION OF THE BALANCE OF THE ORIGINAL BUDGET FOR 2015

A. THE OVERALL BALANCE OF THE ORIGINAL BUDGET FOR 2015

The original budget (IB) for 2015 will see investment expenditure rise by €63M in comparison with 2014 (€1,487M, up from €1,424M in the 2014 budget). Almost a quarter of this expenditure is financed by the gross surplus from operations, a total of €347M. This gross surplus is supplemented by €596M of income from investment, which amounts to a total self-financing capacity of €943M, covering 63% of investments. The borrowing limit is set at €744M, before debt repayment.



B. KEY ITEMS OF INCOME AND EXPENDITURE

1. Investment

Launching the programme of investments for this administration, investment expenditure is set at €1,487M in OB 2015, with €596M of the resulting financing requirements offset by income from investments.

Capital investment, set at €946M, represents 64% of actual investment expenditure.

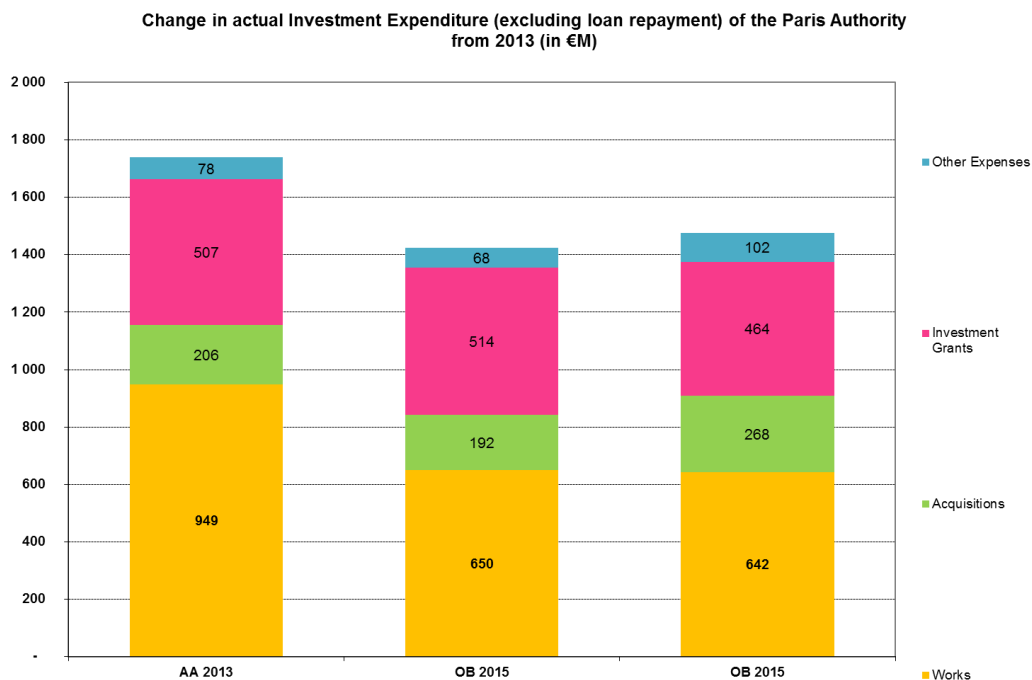
This spending can be broken down into:

- €642M for public works (€650M in OB 2014);
- €278M for acquisitions, and increase of €87M from OB 2014, largely as a result of the strengthening of the property account (+€61M, of which €55M has been allocated to property operations relating to housing);
- €26M of tangible fixed assets (+€11M from OB 2014).

€248M of this capital investment will be devoted to the acquisition of land holdings (including plots earmarked for social housing, a total of €140M), €136M will be spent on the redevelopment of Les Halles, €129m on road maintenance and transports, €99M on the school sector, €54M on sports and youth, €48M on daycare and €42M on culture.

Capital grants amount to a total of €465M. More than three quarters of this sum have been allocated to housing and living conditions (€354M, of which €330M for social housing), roads and transportation (€35M).

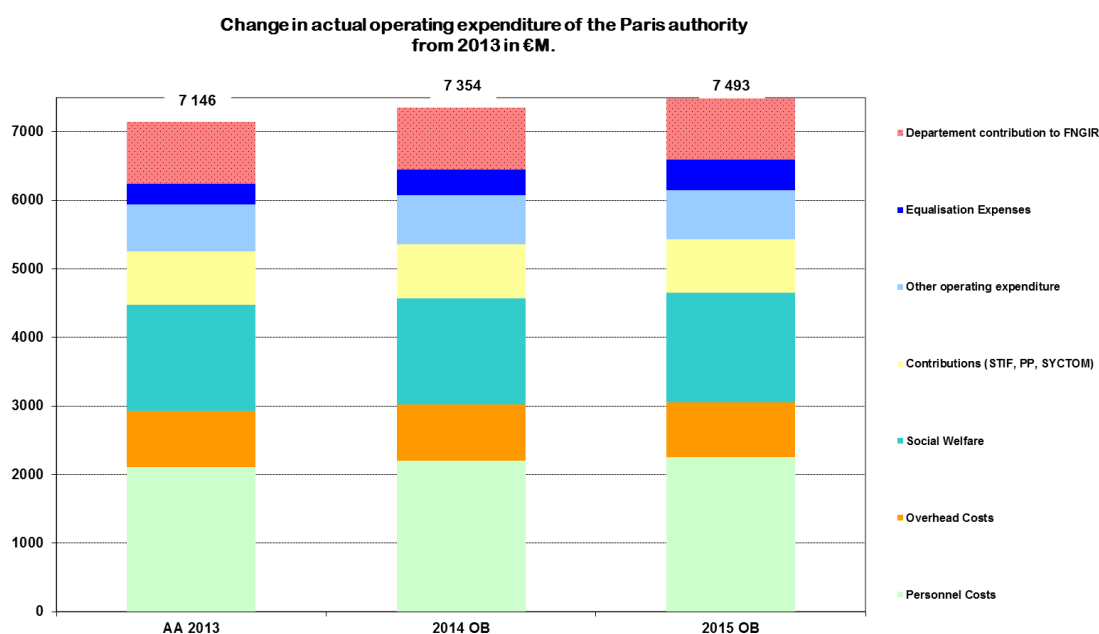
The balance of actual expenditure is composed of expenditure on behalf of third parties (€10M) and financial operations (contributions and advances paid, a total of €65M).



Investment income stands at €596M. This represents a €44M decrease on the exceptional level seen in OB 2014.

This income consists primarily of:

- grants and subsidies received, a total of €326M. This includes €150M from the VAT Compensation Fund (FCTVA) which, based on the results for 2014, will be less than the €165M calculated for OB 2014 on the basis of investment in 2013, a year which saw a peak in investments. This sum also includes a predicted €32M from police fines, based on the levels observed in 2013 and 2014;
- income from property sales, estimated at €200M for 2014, to which must be added €34M in asset sales connected with the property agreement for the Les Halles renovation project.

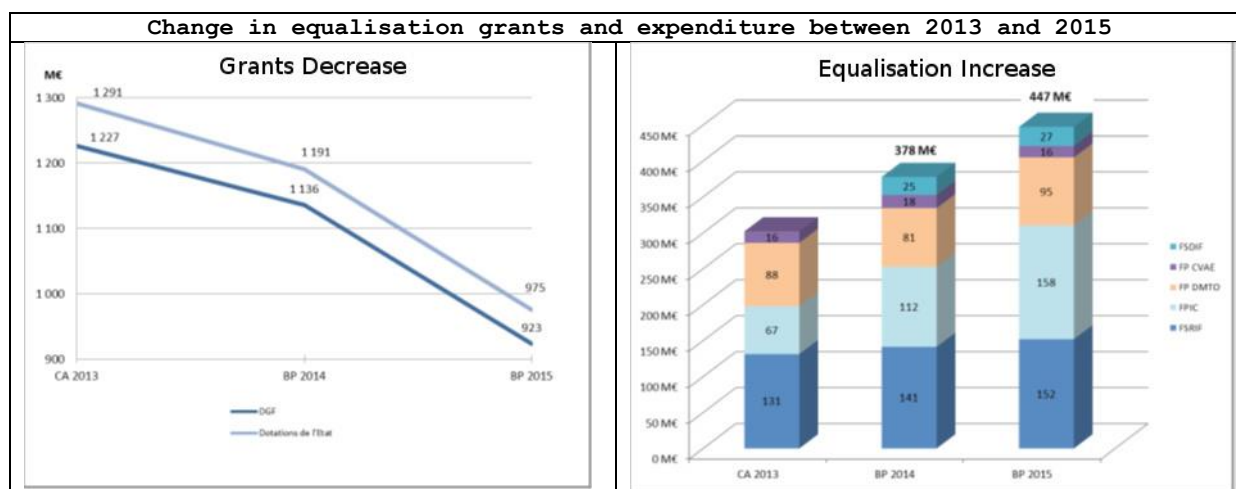


2. Operating expenditure

The increase in equalisation expenditure and the reduction of State grants will have a significant impact on the gross surplus, which drops from €467M in OB 2014 to €347M in OB 2015.

Actual operating expenditure, a total of €7691M, is up 2.2% from OB 2014. Excluding equalisation expenditure this total expenditure stands at €7243M, an increase of 1.4% on 2014; this very modest increase reflects the substantial efforts made to keep expenses under control.

Equalisation expenditure stand at €447M, an increase of 18.4 % on 2014 (+€70M). The methods used to calculate the equalisation funds for 2015 are currently being debated as part of the process of finalising the 2015 draft budget bill. The figures used in drawing up this original budget for 2015 are therefore liable to require subsequent adjustments.



The Intermunicipal and municipal tax income equalisation fund (FPIC) continues to grow in 2015. The City's contribution has increased by 41.9% between 2014 and 2015 to reach €158M (an increase of €47M). This accounts for 20.3% of the total resources of this fund, making Paris the largest sole contributor.

The contribution to the Solidarity fund for the municipalities of the Île-de-France Region (FSRIF) sees an increase of 7.5% from BP 2014, to stand at €152M. The city's contribution to the National Property Transfer Duties Equalisation Fund (DMTO), set up in 2011, has risen by 16.2 %, from €81M to €95M.

Since 2014 Paris has also contributed to the Support fund for the departments of the Île-de-France Region (FDRIF): a contribution of €27M in 2015, up from €25M in 2014.

Furthermore, the contribution to the Equalisation fund for the corporate value added contribution (CVAE) comes to €16M, down by 13.7 on 2014.

Personnel costs in the general budget for the Paris city authority stand at €2266M before discounting of the departmental payment, an increase of 1.3% (+€29M) on the credits opened in 2014. After the flows between the municipal and departmental budgets relating to the departmental payment have been discounted, neutral in budget terms and subject to the progressive phasing out of the departmental payment, expenditure on personnel costs stands at €2259M in OB 2015, an increase of €35M on the credits opened in 2014 and €50M on the provisions made in OB 2014.

As regards payroll expenditure *stricto sensu*, €33.2M of this increase can be attributed to exogenous factors, of which €15.2M is a result of the revision of the pay scale for Category C civil servants, with €15M due to developments in the Seniority and Technical Classification (GVT) and €2.8M due to the increase in social security contributions (a 0.05% increase is expected in the rate of contributions to the National Retirement Fund for Local Authority Employees - CNRACL).

In light of the terms of the Draft Budget Bill for 2015, no increase in the civil service pay scale index is scheduled for 2015. Expenditure connected with subsidised contracts has risen slightly to €30.9M, a result of the launch of the new administration's programme to recruit new employees on the 'future contracts' scheme.

This budget entry also reflects certain choices made by the city authority

in terms of developing the public services on offer, with a budget increase of €36M, of which €27.5M for implementing the 2015 employment strategy (€19M) and the impact of 2014's recruitment campaign in 2015 (€8.5M). The employment strategy proposes to create 1292 new jobs in 2015, of which 940 will be dedicated to improving after-school facilities as part of the Contract for Children and Young People, with 151 new posts required by the changes to the school timetable and 117 for new facilities. Meanwhile, the reform of the Parisian administration and the reorganisation of its departments will allow us to reallocate 490 employees, primarily in support roles and the office staff of elected councillors. All of these movements are presented in detail in the employment strategy DFA-DRH 014 27 and 13G. Moreover, efforts to rationalise holidays and overtime will help keep payroll costs under control in 2015. All in all, endogenous measures should see expenditure progress by €16.8M.

Payroll

The table given below provides an aggregated, consolidated (City and Department) overview of budget entries for the different facets of payroll spending, incorporating the developments described above:

(in €)	OB 2014	OB 2015	% / BP 2014
Personel Costs	1 547 317 526	1 576 576 745	1,89%
<i>of which payroll and subsidised contracts</i>	<i>30 600 000 €</i>	<i>30 900 000 €</i>	<i>0,98%</i>
Taxes	36 352 500	38 192 939	5,06%
Social Security	538 168 500	555 221 824	3,17%
Other expenditure	54 774 200	55 845 545	1,96%
Councillor staff costs	3 700 000	3 397 410	-8,18%
TOTAL	2 180 312 726	2 229 234 463	2,24%

Payroll spending for the Department is down by 5.6% compared to OB 2014, standing at €220.4M (down from €233.4M in OB 2014). This €13M decrease can be attributed to the reduced rate of the departmental contribution to the municipal budget (€6M reduction, as this payment is gradually phased out in favour of the PFR), and to the technical transfer of €6.6M between the municipal and departmental budgets which took place in DM1 in 2014. Redeployments from OB 2014 and OB 2015 are estimated to have an impact of -€0.4M on the departmental budget for 2015.

Other payroll costs are estimated at €29.4M, an increase of 3.9% on OB 2014.

The majority of this expenditure results from the policy of relieving school principals of their teaching responsibilities (68% of 'other payroll costs'). The Paris city authority bears the excess costs incurred by this scheme available to Parisian nursery and primary school principals. The salaries of teachers assigned to Paris to replace these principals are thus reimbursed by the State on the basis of an agreement made with the Ministry for National Education. The predicted budget entry for this item in OB 2015 is €20.2M.

The cost of reimbursing Paris Habitat and the CAF for charges relating to the staff of the city's kindergartens and the André Masson nursery school has fallen by €0.3M. This decrease, a result of members of staff retiring, has been offset by recruitment from among the City's employees.

Other budget entries remain generally stable compared to OB 2014.

	OB 2014	OB 2015	% / BP 2014
Landfill of classes	18 706 357 €	20 206 357 €	8,02%
Grants to association daycare centres	1 668 417 €	1 333 590 €	-20,07%
"Sentence" Personnel and SUDAC allocation	3 600 000 €	3 520 000 €	-2,22%
Medical Expenditure	2 640 000 €	2 640 000 €	0,00%
Work Accidents and invalidity pensions	1 225 000 €	1 225 000 €	0,00%
Others	445 500 €	460 500 €	3,37%
TOTAL	28 285 274 €	29 385 447 €	3,89%

Social expenditure excluding overhead costs has increased by 3.3% to reach €1596M in OB 2015.

In a challenging economic climate, the entry for RSA allowances (active solidarity income) is set at €360.5M, up by €37M on 2014. This is based on a forecast of 67,000 beneficiaries by the end of 2015, to which must be added the impact of inflation and the 2% increase required by the government's anti-poverty strategy, which came into force in September 2014.

Welfare support for people with disabilities has been increased by €18M and now amounts to €222 M. This change can be explained mainly by the increase in housing costs, linked to the 1.1% increase in the per-day prices in existing facilities and the opening of new facilities (a total impact of €8.5M) as well as the ramping-up of the Disability Allowance and Third-Party Compensatory Allowance (PCH-ACTP: +€1.7M).

Expenditure on welfare for children, excluding costs posted in chapter 011, remains stable at the same level seen in OB 2014, €310 million. Spending on accommodation stands at €208M. €28.7M has also been set aside for hotel costs.

Spending on elderly citizens has increased by €7M to reach €298M, primarily as a result of the increase in the cost of the Personalised Autonomy Allowance (APA: €146M up from €135M in OB 2014) due to an increase in the number of beneficiaries.

The contribution to the City of Paris Welfare Centre (CASVP) stands at €305.7M, down by €0.7M on 2014, thanks in large part to a reform which aims to harmonise the eligibility conditions for the 'Navigo Emeraude Améthyste' pass with those in place in other Departments.

Overhead costs have decreased by €13M and now stand at €804M. This net decrease of 2% has been made possible by measures taken to rationalise the authority's optional benefit schemes, and to keep the maintenance and operating costs of departments and facilities under control.

The sums (in €M) set aside for subcontracted services (account 611) are as follows, for the City and the Department:

In €M	2014 OB	2015 OB	% /2014
Cleaning	110,8	111,2	0,4%
Roads	55,0	57,6	4,7%
Social action	20,4	19,8	-2,9%
Early childhood	24,2	26,2	8,2%
Sports and youth	17,0	17,8	5,1%
Culture	13,4	12,1	-10,0%
Scolar Action	5,1	4,8	-6,1%
Housing	4,4	5,6	25,8%
Green Spaces	4,2	4,2	0,0%
IT and telephone	3,3	3,0	-9,6%
Communications and information	1,9	1,9	-4,6%
Access to law	1,9	1,8	-6,0%
Logistics	1,1	0,9	-19,1%
Other areas	11,4	10,5	-7,3%
TOTAL	274,3	277,4	1,2%

Contributions by the Paris authority have decreased by €12M to stand at €778M in OB 2015:

- the contribution to the Ile-de-France Public Transport Syndicate (STIF) is €378M, an increase of €3.2M on 2014;
- the contribution to the Police Prefecture is down €5.7M to €285M, a saving made possible by the boost in police income resulting from the increase in car towing charges, as per the Order dated 26 November, and efforts to rein in expenditure, particularly by optimising - purchasing procedures;
- the contribution paid to the Household Waste Treatment Syndicate (SYCTOM) has been cut by €10M to €115 M, due in particular to an expected decrease in the tonnage collected, in so far as it can be predicted at this stage, and the downward revision of projected investment expenditure.

The total amount of operating grants excluding grants of a social nature is €543M, down by €4M on OB 2014. OB 2015 nonetheless sees some contrasting developments:

- €17.3M of savings are to be sought from operating grants, leaving an entry of €294.5M for 2015 (breakdown below), of which €4.6M must come from higher education and research, €3.3M from culture (including €1.9M from the grant to the Paris Musées public establishment), and €1.2M from sports grants. Furthermore, the entry for funding calls for tender as part of the ARE scheme is €1.8M, down from €7.7M in OB 2014, a decrease which can be attributed to the decision to replace these calls with procurement contracts.
- Additional expenditure of €3.9M€ is earmarked for grants to daycare centres run by non-profit associations, in order to fund the creation of 601 new places, taking the total entry for 2015 to €53M.
- The budget includes grants of €68M under the city's school policy, up €1.6M on OB 2014 as a result of the revision of the grants paid out to private secondary schools under contract.
- Finally, the entry for grants allocated to school funds is €81.4M (+ 8.2% on the total for 2014).

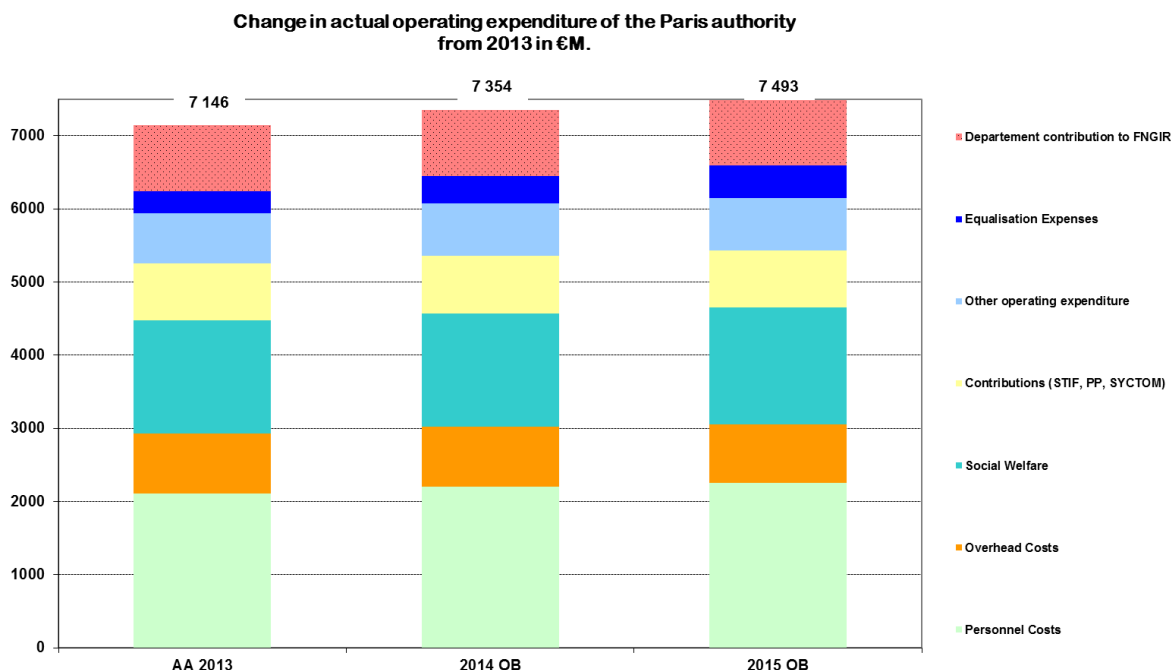
The breakdown of operating grants (in €M) paid, excluding subsidies to

school funds, secondary schools and daycare centres run by association, is as follows:

In €M	BP 2014	BP 2015	% / BP 2014
Culture (including cinema)	166,6	163,3	-2,0%
Training and University	28,8	24,2	-15,9%
Human Ressources	20,4	20,4	0,4%
Youth and sports	13,1	11,9	-8,9%
Urban development	9,3	9,4	0,5%
Tourism	6,8	6,8	0,0%
Safety and Security	5,7	5,3	-6,7%
Economic Development and employment	15,7	15,6	-0,8%
International Relations	4,5	4,6	1,2%
Housing	2,8	2,5	-12,0%
Urban Policy and integration	5,3	5,0	-5,3%
Scolar action	12,7	6,8	-46,6%
Early childhood	2,1	2,1	2,4%
Other areas	18,0	16,5	-8,1%
TOTAL	311,8	294,5	-5,5%

Exceptional expenditure stands at €44M, up by €2M on 2014.

Taking the predicted variation in outstanding debt into account, financial costs are estimated at €148M, up by €22M.



Actual operating income as predicted in OB 2015 is €8,038M, a slight increase of 0.6% on OB 2014 (€7989M) which can be primarily attributed to rising tax revenue (CVAE), which will serve to offset the decrease in state subsidies: the total value of these subsidies will be €216M less in 2015 than it was 2014, itself €91M less than in 2013.

Direct contributions are up 7.4% on OB 2014, at constant rates of tax, reaching €3501M. This development is a result of:

- a €195M increase in the entry for CVAE revenue, giving a total of €1402M;
- the application of an increase, voted in as part of the revised budget act for 2014, to the council tax on houses not designated as main residences (+€15);
- the effects of the nominal increase in the local direct tax bases which should be voted in by the Parliament as part of the draft budget act for 2015 (+0.9%), as well as the real expansion of these tax bases.

	2014 OB	2015 OB	change. %
Business added value contribution (CVAE)	1 207,0	1 402,1	16,2%
Property taxes	978,5	988,2	1,0%
Residence tax	726,0	752,1	3,6%
Business owners property tax (CFE)	304,5	315,2	3,5%
Commercial floor area taxes (TASCOM)	15,6	15,6	0,0%
Flat-rate tax on network companies (IFER)	9,7	10,2	5,2%
Additional rolls	17,0	17,3	1,8%
TOTAL	3 258,3	3 500,7	7,4%

Tax - Change in tax rates for Paris (City and Department)

		rate 2014	rate 2015	2013 national average rate
City of Paris	Residence tax	13,38%	13,38%	23,88%
	Built property	8,37%	8,37%	20,11%
	Unbuilt land	16,67%	16,67%	48,94%
	Business owners property tax (CFE)	16,52%	16,52%	25,69%
	Household waste removal tax	6,21%	6,21%	9,23%
Departement of Paris	Built property	5,13%	5,13%	15,20%

Tax - Comparison with rates in Bordeaux, Lyon, Marseille

Rates City + EPCI	Bordeaux 2014	Lyon 2014	Marseille 2014
Residence tax	31,20%	28,55%	40,57%
Built property	28,10%	17,17%	26,78%
Unbuilt land	89,82%	21,02%	27,54%
Business owners property tax (CFE)	34,91%	27,26%	32,63%
Household waste removal tax	8,26%	6,79%	18,10%

Departement	Bordeaux 2014	Lyon 2014	Marseille 2014
TFB	15,48%	11,03%	15,05%

The entry for income from property tax is €1120M, in line with the trends observed on the property market in 2014. The month-long overlap on property revenue declarations may be settled in 2015, in accordance with the recommendations of the Regional Directorate for Public Finances (DRFiP). Under the current system, property income recorded for a given year actually correspond to the income received on that property between November of the previous year and November of the year in question, after one month of the overlap was removed in 2014. This overlap may be abolished in 2015.

Income from the household waste removal tax (TEOM) is estimated at €456M, up 1.3% compared to OB 2014, which is explained by nominal (0.9%) and real increases in property taxation bases.

Income from the street cleaning tax is predicted to amount to €104M, unchanged from the corresponding figure in OB 2014.

Income from parking fees is also set to increase in OB 2015 to reach a total of €121M, of which €56M will come from the modernisation of the parking rules for residents, visitors and coaches.

The entry for income from the electricity tax is €71M, down €3M from 2014.

Other taxes and levies are valued at €100M, an increase of €30M on OB 2014 which is largely a result of changes to the scales used to calculate the tourism tax, and the extension of this tax to short-term lets, as envisaged in the draft budget act for 2015.

State subsidies amount to €975M, down from €1191M in OB 2014, a drop of €216M (-18.1%). This change will primarily affect the overall operating grant, valued at €1136M in OB 2014 and €923M in OB 2015, a result of the €3.7 billion reduction in national subsidies included in the draft budget act for 2015.

Income received from compensations for transferral of powers remains stable in comparison with OB 2014, increasing slightly from €350M in 2014 to €351M in OB 2015. The expected drop in income from the Departmental Integration Fund (FMDI) (-€5M) and the Domestic Energy Product Consumption Tax (TICPE) (-€4M) is offset by the increase in revenue from the special tax on insurance policies (TSCA) (+€1.2M) and the compensation fund for personal solidarity allowances (AIS) (up by €0.7M from OB 2014).

Operating income and fees are down by €12M overall, reaching €444M in OB 2015. €70M of this total will come from fees and income from the use of public property, and €173M from the contributions of Parisian service users

Grants and contributions from the State, the Region and other third parties amount to €277M, an increase of €19M which is primarily a result of the €31M increase generated by the family allowances fund's (CAF) decision to modify its payment schedule for instalments and remaining balances of its contributions to the single service payment (PSU), aligning it with the payment schedule for the children and youth services grant (PSEJ).

Surplus income from ZAC projects is estimated at €90M, in light of the development operations which have been completed, and those not yet

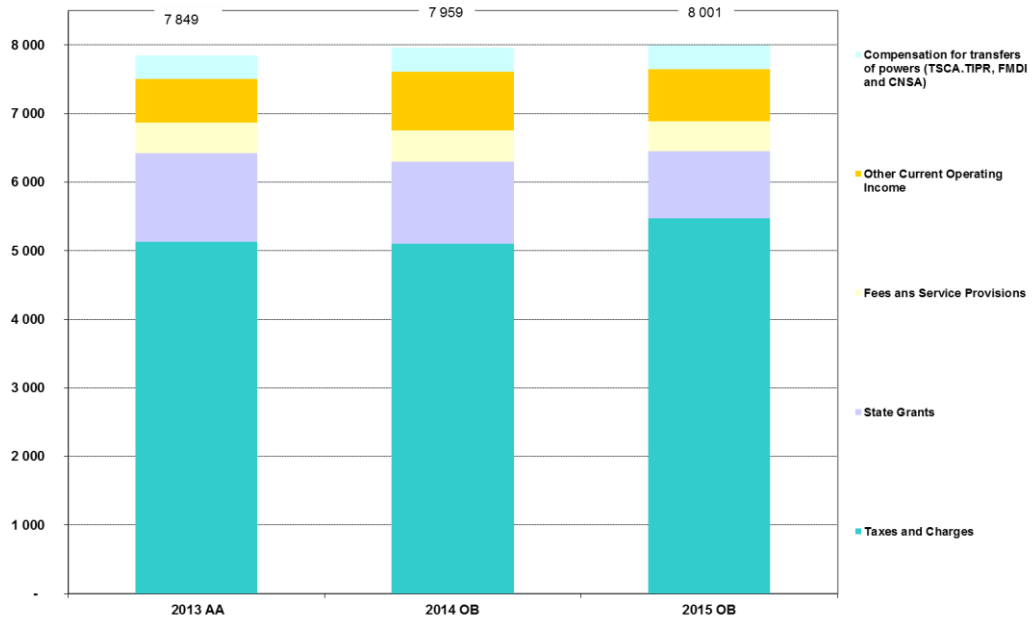
concluded.

Other operating income stands at €393M, up slightly from the €391M seen in OB 2014, thanks in large part to the incorporation of the surplus from the municipal automobile transport (TAM) budget, to the tune of €8M.

Exceptional income is €14M, up from €12M in OB 2014.

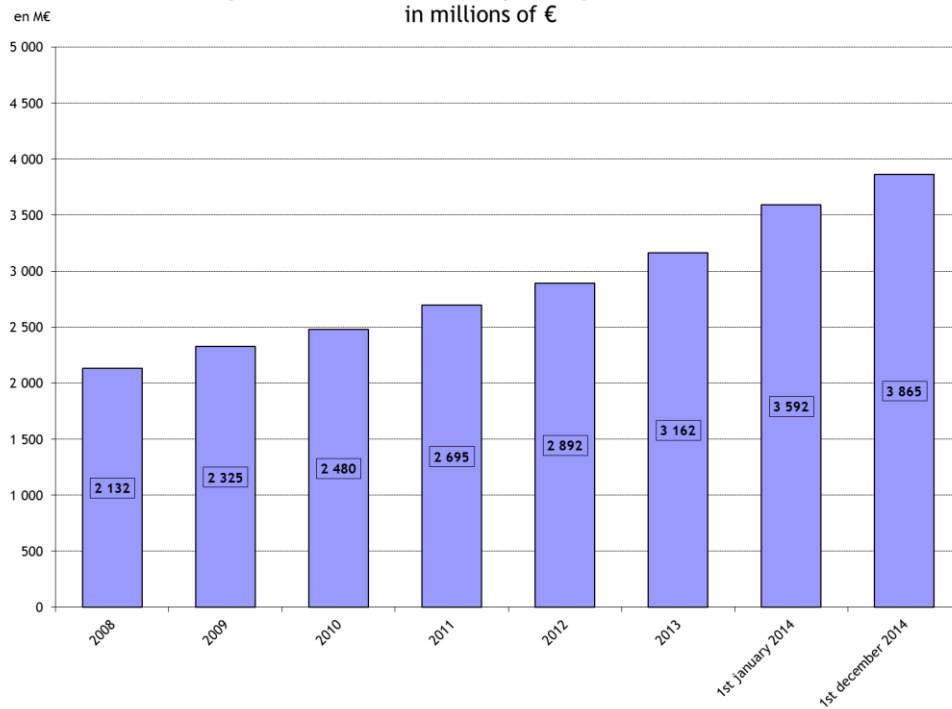
Finally, financial income stands at €21M, up by €3M on OB 2014.

**Change in the Paris authority's operating income since 2013,
in millions of €**



Bank and bond debt stood at €3,865M as of 1st December 2014, to which must be added "other debts" of €215M contracted as part of development operations.

**Change in the Paris authority's operating income since 2013,
in millions of €**



ORIGINAL BUDGETS 2010-2015

City and Department of Paris

OB 2010 - OB 2015

In € million	OB 2010	OB 2011	OB 2012	OB 2013	OB 2014	OB 2015
Direct contributions	2 259	3 195	3 163	3 265	3 258	3 501
Household waste removal tax	415	422	435	445	450	456
Street cleaning tax	70	70	104	104	104	104
Parking fees	56	58	58	80	80	121
Electricity tax (City + Department)	70	66	72	74	74	71
Property taxes (transfer & additional duties)	600	780	850	900	1 068	1 120
Other taxes *	58	86	74	78	70	100
Taxes	3 528	4 677	4 756	4 947	5 105	5 473
Taxes net of payment to FNGIR	3 528	3 703	3 872	4 055	4 206	4 575
APA (CNSA) compensation	18	10	11	13	13	11
RMI / RSA (TIPP + FMDI) compensation	271	264	265	264	262	257
Other compensation (including TSCA & APRE)	70	74	74	75	75	83
Compensation for transfers of powers	359	348	351	352	350	351
General operating grant (DGF)	1 255	1 272	1 281	1 242	1 136	923
Compensation grants (DCTP, DCTH, DCTF)	57	54	55	51	39	35
Other grants (DGD, DSI)	16	16	16	16	16	16
State grants	1 328	1 342	1 352	1 309	1 191	975
Subsidies and contributions: (State, Department, Region, ESF, Social Security, recovery of undue payments, etc.)	199	201	212	212	256	276
<i>of which repayment by the Dpt of councillor staff costs</i>					2	1
<i>Of which CAF income</i>	132	131	140	138	170	204
Fees paid by tenants and concessionaires	180	201	204	219	209	201
<i>Of which DF</i>	89	96	89	95	111	111
<i>Of which DVD</i>	59	60	75	77	79	76
Fees & income for use of public property (including duties for roads and terraces)	56	62	65	70	69	70
Services provided by Parisians	171	161	167	179	178	173
Operating income	407	424	436	468	455	444
ZAC surpluses	75	100	100	100	210	90
Rent income (revenue from buildings)	208	169	162	194	187	179
<i>Of which DLH</i>	185	147	137	165	160	146

City and Department of Paris

OB 2010 - OB 2015

In € million	OB 2010	OB 2011	OB 2012	OB 2013	OB 2014	OB 2015
Recovery from beneficiaries	91	94	92	90	90	87
Works for third parties	30	43	30	28	22	31
ESA repayment	25	26	29	30	30	28
Repayment of the costs of staff made available, cost reduction and miscellaneous recoveries.	65	66	66	64	62	69
Total other actual operating revenues	418	398	379	407	392	394
Reminder: departmental allowance duplicate cancelled out	6	14	15	16	13	7
Reminder: duplicate of costs for staff of elected representatives cancelled out	2	2	2	2	2	1
Reminder: City to Department participation cancelled out	581	637	625	672	619	454
Current operating income	6 315	7 490	7 586	7 793	7 959	8 003
Income net of payment to ENGIR	6 315	6 516	6 702	6 901	7 061	7 105
Personnel costs	2 030	2 078	2 120	2 133	2 209	2 259
of which payroll and subsidised contracts	1 998	2 050	2 092	2 104	2 180	2 229
of which landfill of classes	17	18	18	19	19	20
of which others	14	10	10	10	10	9
Overhead costs	817	813	814	798	816	804
Social welfare including:	716	745	781	844	844	871
- social welfare for children	229	248	275	324	310	310
- social welfare for the disabled (PCH, ACTP)	54	56	53	57	66	67
- accommodation assistance for the disabled	120	120	124	131	139	155
- personalised autonomy allowance (APA)	134	138	142	143	135	146
- accommodation assistance for the elderly	144	145	149	151	156	152
Housing Solidarity Fund (FSL)	17	20	20	20	20	20
RSA, RMI, future work contracts and PDI	371	382	381	378	387	420
- of which RMI/RSA allowances	300	310	310	309	325	361
- of which PDIE	60	61	61	61	55	55
Payment to CASVP	313	315	317	315	313	306
Total for welfare	1 399	1 441	1 478	1 537	1 545	1 596
Grants to school funds	49	48	74	76	81	81

City and Department of Paris

OB 2010 - OB 2015

In € million	OB 2010	OB 2011	OB 2012	OB 2013	OB 2014	OB 2015
Grants to association daycare centres	37	38	41	46	50	53
Educational policy allocations and contributions (secondary schools, private education)	53	58	63	64	66	68
City and Department operating grant	228	234	234	294	312	295
Miscellaneous (of which CNRACL, sanitation appendix budget, IIBRBS, interdepartmental parks)	43	39	38	38	38	46
Subsidies and contributions	410	417	450	517	547	543
Police Prefecture	273	279	284	290	291	285
Contribution to the transport authority (STIF)	344	353	364	367	375	378
Contribution to the SYCTOM (waste)	126	127	129	131	125	115
Contributions	743	760	776	788	790	778
FSRIF (Ile-de-France solidarity fund)	95	89	120	129	141	152
Property transfer duty (DMTO) equalisation fund		8	80	87	81	95
Municipal equalisation fund (FPIC)			40	62	112	158
Equalisation fund (CVAE)				20	18	16
Solidarity fund for the departments IDF FSDIF					25	27
Equalisation expenses	95	97	240	297	378	447
FNGIR		974	884	892	898	898
Other operating expenditure	176	156	159	169	171	174
<i>Reminder: departmental allowance duplicate cancelled out</i>	6	14	15	16	13	7
<i>Reminder: duplicate of councillor staff costs cancelled out</i>	2	2	2	2	2	1
<i>Reminder: City to Department participation cancelled out</i>	581	637	625	672	619	454
Operating expenditure	5 671	6 736	6 921	7 131	7 354	7 499
Operating expenditure excluding FNGIR	5 671	5 762	6 037	6 239	6 455	6 600
Surplus	644	754	664	662	606	504
Financial income	8	7	6	6	18	21
Financial expenditure	96	96	110	113	127	148
Financial balance	-88	-89	-104	-107	-109	-127

City and Department of Paris

OB 2010 - OB 2015

In € million	OB 2010	OB 2011	OB 2012	OB 2013	OB 2014	OB 2015
Exceptional income	5	6	6	6	12	14
Exceptional expenditure	62	59	56	55	42	44
Exceptional item balance	-57	-53	-51	-50	-29	-30
Total actual operating income	6 328	7 503	7 597	7 805	7 989	8 038
Total actual operating income - net FNGIR	6 328	6 529	6 713	6 913	7 090	7 139
Total actual operating expenditure	5 829	6 890	7 088	7 299	7 522	7 691
Total actual operating expenditure - exc. FNGIR	5 829	5 916	6 203	6 407	6 623	6 792
Gross surplus	499	612	510	506	467	347
Subsidies and grants received	283	263	306	337	358	326
- of which investment grants received	146	118	125	132	150	138
- of which police fines	27	30	35	38	35	32
- of which FCTVA (VAT compensation fund)	107	110	140	160	165	150
Income from disposals of capital assets	150	100	200	175	142	188
Operations for third parties	19	17	13	4	17	6
Loan repayments	20	16	24	61	13	21
Other financial fixed assets	49	48	27		101	47
Other actual investment income	6	7	5	1	9	8
Actual investment income	526	450	575	578	639	596
Intangible assets	30	23	21	23	15	26
Capital grants	548	582	534	585	514	464
Acquisitions	294	276	227	229	192	278
<i>dont Compte Foncier</i>	168		145	134	127	212
Works	694	772	853	813	650	642
Operations for third parties	15	13	30	24	19	10
Loans granted			4		1	1
Other actual capital expenditure	26	10	25	35	33	65
Actual investment expenditure	1 607	1 676	1 694	1 710	1 424	1 487
Investment financing capacity (gross savings + investment income)	1 025	1 063	1 085	1 084	1 106	943
Loan repayments	125	184	200	200	197	200

City and Department of Paris

OB 2010 - OB 2015

In € million	OB 2010	OB 2011	OB 2012	OB 2013	OB 2014	OB 2015
Financing requirement	706	797	809	826	514	744
New loans	706	797	809	826	514	744
Working capital as of 1/1				265	163	213
<i>Change in working capital</i>						
Working capital as of 31/12						
Bank and bond debt outstanding as of 01/01	2 405	2 455	2 571	3 242	3 655	4 120
Bank and bond debt outstanding as of 31/12	2 987	3 068	3 180	3 868		
Change in debt outstanding	581	613	609	626	318	

City of Paris

OB 2010 - OB 2015 In € million	OB 2010	OB 2011	OB 2012	OB 2013	OB 2014	OB 2015
Direct contributions	1 916	2 012	2 032	2 086	2 105	2 217
Household waste removal tax	415	422	435	445	450	456
Street cleaning tax	70	70	104	104	104	104
Parking fees	56	58	58	80	80	121
Electricity tax (City + Department)	70	66	48	49	49	47
Property taxes (transfer & additional duties)	170	215	220	225	280	269
Other taxes *	58	86	74	78	70	100
Taxes	2 755	2 929	2 972	3 068	3 138	3 315
General operating grant (DGF)	1 234	1 254	1 264	1 227	1 136	923
Compensation grants (DCTP, DCTH, DCTF)	53	52	50	47	39	32
Other grants (DGD, DSI)	16	16	16	16	16	16
State grants	1 302	1 322	1 330	1 290	1 191	972
Subsidies and contributions: (State, Department, Region, ESF, Social Security, recovery of undue payments, etc.)	143	140	151	152	183	219
<i>of which repayment by the Dpt of councillor staff costs</i>					2	1
<i>Of which CAF income</i>	132	131	140	138	170	204
Fees paid by tenants and concessionaires	180	201	204	219	209	201
<i>Of which DF</i>	89	96	89	95	111	111
<i>Of which DVD</i>	59	60	75	77	79	76
Fees & income for use of public property (including duties for roads and terraces)	55	61	65	70	68	70
Services provided by Parisians	171	161	167	179	178	173
Operating income	406	423	435	468	455	443
ZAC surpluses	75	100	100	100	210	90
Rent income (revenue from buildings)	205	167	159	191	184	176
<i>Of which DLH</i>	183	145	135	163	157	143
Recovery from beneficiaries	30	43	30	28	22	31
ESA repayment	25	26	29	30	30	28
Repayment of the costs of staff made available, cost reduction and miscellaneous recoveries.	66	74	74	74	68	65
<i>including departmental allowance</i>	6	14	15	16	13	7
<i>Including refunding of costs for staff of elected representatives by the</i>	2	2	2	2		

City of Paris

OB 2010 - OB 2015 In € million	OB 2010	OB 2011	OB 2012	OB 2013	OB 2014	OB 2015
Departement						
Total other actual operating revenues	326	309	293	323	304	300
Current operating income	5 007	5 224	5 282	5 399	5 481	5 339
Personnel costs	1 828	1 873	1 910	1 918	1 989	2 046
of which payroll and subsidised contracts	1 797	1 845	1 882	1 890	1 960	2 016
of which landfill of classes	17	18	18	19	19	20
of which others	14	10	10	10	9	9
Other General Operating Expenditure	713	705	706	708	712	702
including equipment maintenance		141	121		250	133
CASVP (City Social Welfare)	313	315	317	315	313	306
Grants to school funds	46	45	71	72	77	77
Grants to association daycare centres	37	38	41	46	50	53
Educational policy allocations and contributions (secondary schools, private education)	23	26	27	28	28	28
City and Department operating grant	30	26	25	25	25	34
Miscellaneous (of which CNRACL, sanitation appendix budget, IIBRBS, interdepartmental parks)	199	203	203	264	282	264
Subsidies and contributions	335	338	367	435	461	456
Police Prefecture	273	279	284	290	291	285
Contribution to the SYCTOM (waste)	126	127	129	131	125	115
Contribution to the Department	581	637	625	672	619	454
Contributions	980	1 043	1 038	1 093	1 034	854
FSRIF (Ile-de-France solidarity fund)	95	89	120	129	141	152
Municipal equalisation fund (FPIC)			40	62	112	158
Equalisation expenses	95	89	160	191	253	310
Other Operating Expenditure	165	145	149	158	159	161
including "Etats spéciaux d'arrondissement"	116	119	124	131	136	139
Operating expenditure	4 429	4 508	4 646	4 818	4 922	4 835
Surplus	577	716	635	581	559	504
Financial income	8	6	5	5	16	20
Financial expenditure	96	96	110	113	127	148

City of Paris

OB 2010 - OB 2015 In € million	OB 2010	OB 2011	OB 2012	OB 2013	OB 2014	OB 2015
Financial balance	-88	-90	-105	-107	-110	-128
Exceptional income	5	6	5	5	11	11
Exceptional expenditure	53	52	50	49	37	38
Exceptional item balance	-49	-46	-44	-44	-25	-28
Total actual operating income	5 019	5 236	5 292	5 410	5 509	5 369
Total actual operating expenditure	4 579	4 656	4 806	4 980	5 085	5 021
Gross surplus	440	580	486	430	424	348
Loan repayments	125	184	200	200	197	200
Net surplus	315	396	286	230	227	148
Subsidies and grants received	161	149	186	212	239	209
- of which investment grants received	27	30	35	38	35	32
- of which police fines	30	12	14	16	41	31
- of which FCTVA (VAT compensation fund)	100	102	131	150	155	140
Income from disposals of capital assets	150	100	200	175	142	188
Operations for third parties	2	1	1	4	2	1
Loan repayments including DLH exceptional income	20	15	24	61	13	21
Other financial fixed assets	49	48	27		101	42
Other actual investment income	6	7	5	1	8	8
- + total neutralised operations						
Actual investment income	387	321	442	452	505	469
Investment financing capacity (gross savings + investment income)	827	900	929	882	928	817
Intangible assets	27	22	19	22	14	23
Capital grants	394	443	394	413	354	320
Acquisitions	266	272	222	225	189	273
Including land property	144		145	134	127	212
Works	659	731	814	761	615	607
Operations for third parties	6	9	28	17	14	8
Loans granted			4		1	1
Other actual capital expenditure	20	8	22	33	27	58
- + total neutralised operations						
Actual investment expenditure	1 372	1 485	1 504	1 470	1 215	1 290
Financing requirement	670	768	775	788	514	673

City of Paris

OB 2010 - OB 2015 In € million	OB 2010	OB 2011	OB 2012	OB 2013	OB 2014	OB 2015
New loans	670	768	775	788	514	673
Working capital as of 1/1	239	227	233	191	176	160
<i>Change in working capital</i>						
Working capital as of 31/12						
Bank and bond debt outstanding as of 01/01	2 405	2 455	2 571			
Bank and bond debt outstanding as of 31/12	2 951	3 039	3 146			
Change in debt outstanding				588		

Department of Paris

OB 2010 - OB 2015	OB 2010	OB 2011	OB 2012	OB 2013	OB 2014	OB 2015
In € million						
Direct contributions	343	1 183	1 130	1 179	1 154	1 283
Property taxes (transfer & additional duties)	430	565	630	675	788	851
Electricity tax			24	25	25	24
Taxes	773	1 748	1 784	1 879	1 966	2 158
Taxes net of payment to FNGIR	773	774	900	987	1 068	1 260
APA (CNSA) compensation	271	264	265	264	262	257
RMI / RSA (TIPP + FMDI) compensation	18	10	11	13	13	11
Other compensation (including TSCA & APRE)	70	74	74	75	75	83
Compensation for transfers of powers	359	348	351	352	350	351
General operating grant (DGF)	21	18	16	15		
Compensation grants (DCTH)	5	2	6	4		3
State grants	26	20	22	19		3
City Contribution	581	637	625	672	619	454
Subsidies and contributions	56	61	61	60	75	58
Fees and Income for use of the Public Property	1	1	1	1	1	1
Fees paid by tenants and concessionaires						
Recovery from beneficiaries	91	94	92	90	90	87
Rent income (revenue from buildings) including DLH	2	2	2	3	3	3
	2	2	2	2	3	3
Repayment of the costs of staff made available, cost reduction and miscellaneous recoveries.	8	8	8	8	8	12
Total other actual operating revenues	101	104	102	101	101	102
Current operating income	1 897	2 919	2 946	3 083	3 112	3 127
Income net of payment to FNGIR	1 897	1 945	2 061	2 191	2 214	2 228
Income (excluding City contribution)	1 316	2 282	2 321	2 411	2 493	2 673
Personnel costs	208	218	224	230	233	220
of which payroll and subsidised contracts	202	204	210	214	220	213
of which landfill of classes						
of which refunding of departemental	6	14	15	16	13	7

Department of Paris

OB 2010 - OB 2015	OB 2010	OB 2011	OB 2012	OB 2013	OB 2014	OB 2015
<i>bonus</i>						
General Operating Expenditure	104	108	108	90	104	102
Social Welfare, including	716	745	781	844	844	871
- social welfare for children	229	248	275	324	310	310
- social welfare for the disabled (PCH, ACTP)	54	56	53	57	66	67
- accommodation assistance for the disabled	120	120	124	131	139	155
- personalised autonomy allowance (APA)	134	138	142	143	135	146
- accommodation assistance for the elderly	144	145	149	151	156	152
Housing Solidarity Fund (FSL)	17	20	20	20	20	20
RSA, RMI, future work contracts and PDI	371	382	381	378	387	420
- of which RMI/RSA allowances	300	310	310	309	325	361
- of which PDIE	60	61	61	61	55	55
Total for welfare Departement	1 087	1 126	1 162	1 222	1 232	1 291
Grants to school funds	3	3	3	3	4	5
Educational policy allocations and contributions (secondary schools)	30	32	37	36	38	39
Department operating grant	29	31	30	30	30	31
Miscellaneous (of which CNRACL, sanitation appendix budget, IIBRBS, interdepartmental parks)	13	13	13	13	13	12
Subsidies and contributions	75	80	83	82	85	87
Contribution to the transport authority (STIF)	344	353	364	367	375	378
Equalisation expenses (DMTO)		8	80	87	81	95
FNGIR		974	884	892	898	898
Equalisation fund (CVAE)				20	18	16
Solidarity fund for the departments IDF FSDIF					25	27
Other operating expenditure	13	13	12	13	14	14
<i>of which repayment to the City of costs for staff of elected representatives</i>	2	2	2	2	2	1

Department of Paris

OB 2010 - OB 2015	OB 2010	OB 2011	OB 2012	OB 2013	OB 2014	OB 2015
In € million						
Operating expenditure	1 831	2 881	2 917	3 002	3 066	3 127
Operating expenditure excluding FNGIR	1 831	1 899	2 032	2 110	2 167	2 229
Surplus		46	29	81	46	
Financial income	1	1	1	1	1	1
Financial expenditure						
Financial balance	1	1	1	1	1	1
Exceptional income					1	3
Exceptional expenditure	8	7	7	6	5	6
Exceptional item balance	-8	-6	-7	-6	-4	-2
Total actual operating income	1 899	2 920	2 947	3 084	3 114	3 131
Total actual operating income - net FNGIR	1 899	1 946	2 063	2 192	2 216	2 233
Total actual operating expenditure	1 840	2 887	2 923	3 008	3 071	3 132
Total actual operating expenditure - exc. FNGIR	1 840	1 913	2 039	2 116	2 172	2 234
Gross surplus	59	40	23	76	43	-1
Loan repayments						
Net surplus	59	40	23	76	43	-1
Subsidies and grants received	123	114	121	126	119	117
- of which investment grants received	116	106	112	116	109	107
- of which FCTVA (VAT compensation fund)	7	8	9	10	10	10
Income from disposals of capital assets						
Operations for third parties	17	16	12		15	5
Loan repayments						
Other financial fixed assets						4
Other actual investment income					1	
Actual investment income	139	130	133	126	135	127
Investment financing capacity (gross savings + investment income)	198	170	156	202	178	125
Intangible assets	3	1	1	1	1	3
Capital grants	154	139	140	172	160	145
Acquisitions	29	4	5	4	3	5

Department of Paris

OB 2010 - OB 2015	OB 2010	OB 2011	OB 2012	OB 2013	OB 2014	OB 2015
In € million						
<i>Including land property</i>	24				1	1
Works	35	40	38	52	34	35
Operations for third parties	8	5	2	7	5	3
Loans granted						
Other actual capital expenditure	6	3	3	3	6	6
Actual investment expenditure	234	191	190	240	209	197
Financing requirement	36	21	34	38		68
New loans	36	21	34	38		71
Working capital as of 1/1		57	57	38	-14	51
<i>Change in working capital</i>						
Working capital as of 31/12						

DEBT

OUTSTANDING BANK AND BOND DEBT AS OF 1 JANUARY 2015

CITY DEBTS

Outstanding debt 01-01-2014	€ 3,592,100,092
Repayment 2014	- € 196,622,091
New loans 2014	€ 510,000,000
Outstanding debt 01-01-2015	€ 3,905,478,001

N.B.: The Paris Department has no debts. As such, the following information refers exclusively to the debt situation of the City of Paris.

THE DEBT SITUATION OF THE CITY OF PARIS

At 1st January 2015, the outstanding debt of the City of Paris amounted to €3,905M, an amount 10.5% higher than that at 1st January 2014 (€3,592M) and representing a year-on-year increase of 3.6% from 1st January 2003 to 1st January 2015. This increase is in line with forecasts and with the investment expenditure programme for the term of office.

The outstanding debt, of which one quarter consists of bank loans (24%), is distributed among 8 lender groups and 19 lead managers (including 8 foreign banks among the lead managers).

2014 saw a substantial increase in the outstanding debt composed of Schuldschein-type loans, which now amount to a total of €165M. The City also drew upon the EIB credit line, with a total value of €500M, from which the city withdrew the remaining balance of €200M. Bond debt accounted for only 2 new loans, with a total value of €120M. Total bank debt and bond debt as of 01/01/2015 can be broken down as follows:

	Outstanding Debt (in €) 01/04/2015	% of total outstanding debt
Bank Loans	1 045 126 287	26,76%
Standard Loans	945 126 287	24,20%
Revolving Loans	100 000 000	2,56%
Bond Issues	2 860 394 230	73,24%
in Euro	2 501 000 000	64,04%
in other currencies	359 394 230	9,20%
TOTAL	3 905 520 517	100,00%

The respective shares of different banking institutions and lead managers in the total outstanding bank and bond debt of the City of Paris are detailed hereunder:

**BANK DEBT OF THE CITY OF PARIS
RANKED BY LENDER
DEBT AS OF 31/12/2014**

LENDER		Initial Capital (in €)	Outstanding Debt (in €)	Interests (in €)	Amortisa- tion (in €)	Part of total Bank Debt	Part of total Bank & Bond Debt
BEI	1641 - Emprunts auprès des établissements de crédit	580 000 000	580 000 000	10 871 976	-	55,50%	14,85%
Helaba	1641 - Emprunts auprès des établissements de crédit	165 000 000	165 000 000	702 500	-	15,79%	4,22%
BNP Paribas	1641 - Emprunts auprès des établissements de crédit	135 000 000	135 000 000	330 116	-	12,92%	3,46%
DEXIA CREDIT LOCAL	16441 - Emprunts avec option de tirage sur ligne de trésorerie auprès des établissements de crédit	100 000 000	100 000 000	-	-	9,57%	2,56%
Gr.C.E.: CREDIT FONCIER	1641 - Emprunts auprès des établissements de crédit	40 000 000	40 000 000	71 040	-	3,83%	1,02%
SOCIETE GENERALE	1641 - Emprunts auprès des établissements de crédit	25 000 000	25 000 000	31 501	-	2,39%	0,64%
C.D.C.	1641 - Emprunts auprès des établissements de crédit	40 672	6 035	143	1 107	0,00%	0,00%
S.I.A.A.P.	168 - Autres emprunts et dettes assimilées	85 615	77 735	-	2 627	0,01%	0,00%
Total général		1 045 126 287	1 045 083 771	12 007 275	3 734	100,0%	26,76%

1 This is the amount of total outstanding debt which is related to loans. As part of the Clichy-Batignolles development operation (Clichy-Batignolles, Rue de Chevaleret, Ateliers rue Primo Lévi), the City acquired rights-of-way from third parties (SNCF, RFF). A payment schedule is in place for these rights, with no accrual of interest. The outstanding capital according to the schedule on 31 December 2013 totalled €62,713,456, bringing the total debt of the City of Paris to €3,654,813,548.

**BOND DEBT OF THE CITY OF PARIS
RANKED BY LENDER
DEBT AS OF 31/12/2014**

ARRANGER		Initial Capital	Encours	Interests	Amortisation	Part of total Bond Debt	Part of total Bank & Bond Debt
HSBC	16311 - Emprunts obligataires remboursables in fine	541 540 095	541 540 095	13 103 444	-	18,93%	13,87%
HSBC-Natixis	16311 - Emprunts obligataires remboursables in fine	360 000 000	360 000 000	15 450 000	-	12,59%	9,22%
SocGen (arrangeur)	16311 - Emprunts obligataires remboursables in fine	310 000 000	310 000 000	9 917 500	-	10,84%	7,94%
HSBC-Natixis-Société Générale	16311 - Emprunts obligataires remboursables in fine	295 000 000	295 000 000	12 787 500	-	10,31%	7,55%
Natixis	16311 - Emprunts obligataires remboursables in fine	235 000 000	235 000 000	4 013 353	-	8,22%	6,02%
HSBC-Natixis-Banca IMI	16311 - Emprunts obligataires remboursables in fine	200 000 000	200 000 000	9 250 000	-	6,99%	5,12%
Goldman Sachs	16311 - Emprunts obligataires remboursables in fine	170 000 000	170 000 000	5 989 000	-	5,94%	4,35%
Dexia - Morgan Stanley	16311 - Emprunts obligataires remboursables in fine	120 000 000	120 000 000	3 900 000	-	4,20%	3,07%
Calyon-Dexia	16311 - Emprunts obligataires remboursables in fine	100 000 000		3 875 000	100 000 000	0,00%	0,00%
Deutsche Bank	16311 - Emprunts obligataires remboursables in fine	100 000 000	100 000 000	4 000 000	-	3,50%	2,56%
Crédit Agricole	16311 - Emprunts obligataires remboursables in fine	100 000 000	100 000 000	2 909 000	-	3,50%	2,56%
Crédit Suisse	16311 - Emprunts obligataires remboursables in fine	98 525 250	98 525 250	393 401	-	3,44%	2,52%
BNP Paribas	16311 - Emprunts obligataires remboursables in fine	96 618 357	-	162 901	96 618 357	0,00%	0,00%
Crédit Suisse-BNPP	16311 - Emprunts obligataires remboursables in fine	95 328 885	95 328 885	318 520	-	3,33%	2,44%
Natixis	16311 - Emprunts obligataires remboursables in fine	60 000 000	60 000 000	553 968	-	2,10%	1,54%
Citi	16311 - Emprunts obligataires remboursables in fine	60 000 000	60 000 000	170 000	-	2,10%	1,54%
BRED	16311 - Emprunts obligataires remboursables in fine	50 000 000	50 000 000	477 863	-	1,75%	1,28%
Natixis-BNP	16311 - Emprunts obligataires remboursables in fine	40 000 000	40 000 000	385 479	-	1,40%	1,02%
Barclays	16311 - Emprunts obligataires remboursables in fine	25 000 000	25 000 000	219 648	-	0,87%	0,64%
Total général		3 057 012 587	2 860 394 230	87 876 578	196 618 357	100,00%	73,24%

As of 1st January 2015 revolving loans now represent just 3% of total outstanding debt. On 1st January 2015 the total amount was €100 M.

After swaps on 1st January 2015, the debt (excluding revolving debt) consisted of 85.8% fixed-rate loans and 14.2% floating-rate loans.

The average life of the debt at 1st January 2015 was 8.85 years, stable in

relation to 1st January 2014 (8.95 years), with some of the new loans (particularly from the EIB) agreed with fairly short maturities (7 or 9 years).

The weighted average rate (WAR) of the debt for 2014 was 3.02%, against 2.91% in 2013. These figures reflect the ever decreasing proportion of revolving debt in the City's overall outstanding debt portfolio.

The following table shows the breakdown of the weighted average rate after swaps since 2010.

WEIGHTED AVERAGE RATE OF DEBT AFTER SWAPS	2014	2013	2012	2011	2010
+ Financial charges paid on debt (excl. revolving credit facilities and swaps) in €	99 883 853	81 593 518	72 719 030	70 831 578	51 003 506
+ Financial charges paid on debt, revolving credit facilities in €	180,56	22 566	55 861	184 162	636 859
+ Financial charges paid on credit lines and notes in €	8044,45	104 519	765	226 451	61 041
+ Flows paid on swaps	21 664 368	22 938 441	21 062 691	17 962 136	10 223 826
- Flows received on swaps	-13 013 663	-12 632 449	-13 279 203	-13 324 530	-7 177 855
A - Total financial charges in €	108 542 783	92 026 594	80 559 143	75 879 796	54 747 377
B - Total debt capital outstanding on 1st January in €	3 592 100 092	3 162 103 804	2 892 138 874	2 694 955 497	2 479 965 518
A/B -WAR total debt over the year	3,02%	2,91%	2,79%	2,82%	2,21%

Breakdown and structure of the debt before and after hedging operations are presented in the section of "Active debt management using interest rate derivatives".

BANK LOANS

Loan N°	Lender and contract year	Capital outstanding (in € M)	Rate	Term	Date of release	Last due date
0532	Banque Européenne d'Investissement 2005	100	3,45%	13 years	21/107/2010	21/07/2023
0536	Banque Européenne d'Investissement 2009	50	3,37%	14 years	19/12/2012	19/12/2026
0537	Banque Européenne d'Investissement 2009	50	3,36%	13 years	19/12/2012	19/12/2025
0539	Banque Européenne d'Investissement 2009	100	3,78%	13 years	19/12/2012	19/12/2025
0554	Helaba Hessen-Thüringen	25	2,81%	15 years	13/06/2013	13/06/2028
0562	Helaba Hessen-Thüringen	25	2,10%	9 years	10/04/2014	21/03/2023
0563	Helaba Hessen-Thüringen	25	2,84%	15 years	10/04/2014	21/03/2029
0564	Helaba Hessen-Thüringen	50	2,57%	20 years	11/06/2014	11/07/2034
0567	Banque Européenne d'Investissement 2009	130	1,45%	9 years	31/07/2014	31/07/2023
0568	Banque Européenne d'Investissement 2009	70	0,77%	7 years	07/10/2014	07/10/2021
0569	Helaba Hessen-Thüringen	40	1,13%	10 years	13/01/2015	13/12/2024
TOTAL FIXED RATE LOANS		665				
0510	BNP-PARIBAS 2002	110	Euribor 1, 3, 6, or 12M without margin Eonia +0.04% T4M +0.04%	15 years	27/12/2002	27/12/2017
0512	Crédit Foncier 2003	40	Euribor 1, 3, 6 or 12 M+0.03% Avg annual rate and avg. sliding rate 3, 6, or 12 M+0.07%	15 years	22/12/2003	22/12/2018
0518	Société Générale 2005	25	Euribor 1, 3, 6 or 12 M+0.015% Avg sliding rate 3, 6, or 12 M+0.025% Eonia +0.025%	14 years	28/12/2005	28/12/2019
0528	Banque Européenne d'Investissement 2005	80	Euribor 3M +0.088%	11 years	25/11/2008	25/11/2019
0531	BNP-PARIBAS 2009	25	Euribor 3M +0.40%	12 years	29/12/2009	29/12/2021
TOTAL FLOATING RATE LOANS		280				

BOND LOANS

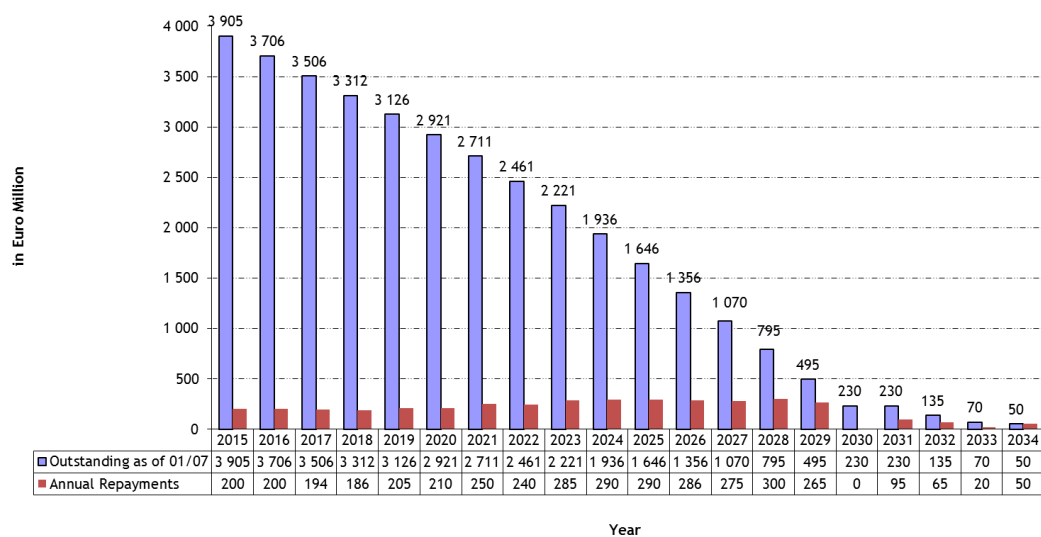
Loan N°	Dealer and contract year	Type of debt	Outstanding capital	Rate *	Term	Date of release	Last due date
0514	Dexia - Morgan Stanley 2005	Public bond issue	120	Fixed 3.5%	10 years	24/06/2005	24/06/2015
0519	Natixis - HSBC 2006	Public bond issue	200	Fixed 4.125%	10 years	26/05/2006	26/05/2016
0521	Calyon - Dexia 2006	Public bond issue	100	Fixed 3.875%	8 years	28/11/2006	28/11/2014
0523	HSBC - Natixis 2007	Public bond issue	160	Fixed 4.50%	13 years	04/12/2007	04/12/2020
0527	HSBC - Natixis - SocGen 2008	Public bond issue	155	Fixed 4.75 %	13 years	30/10/2008	29/10/2021
0529	HSBC - Natixis - Banca IMI 2009	Public bond issue	200	Fixed 4.625%	13 years	29/06/2009	29/06/2022
0533	HSBC	Private investment	100	Fixed 3.50%	14 years	02/12/2010	02/12/2024
0534	HSBC-Natixis-SocGen	Public bond issue	140	Fixed 3.875%	15 years	29/12/2010	29/12/2025
0535	SocGen 2011	Private investment	60	Fixed 4.12%	15 years	13/07/2011	13/07/2026
0540	HSBC 2011	Private investment	21	Fixed 4%	15 years	29/12/2011	29/12/2026
0538	Goldman Sachs	Public bond issue	100	Fixed 3.875%	years 1 mon	25/11/2011	29/12/2025
0541	Deutsche Bank	Private investment	100	Fixed 4%	15 years	02/04/2012	02/04/2027
0542	HSBC	Private investment (on 541 HSBC)	50	Fixed 4%	15 years	02/04/2012	02/04/2027
0543	HSBC	Private investment	50	Fixed 3.50%	20 years	20/07/2012	20/07/2032
0544	Crédit Agricole	Private investment	100	Fixed 2.909%	years 4 mont	20/09/2012	20/01/2026
0545	HSBC	Private investment	30	Fixed 2.60%	11 years	02/10/2012	02/10/2023
0546	HSBC	Private investment (on 544 Crédit Agricole)	30	Fixed 2.909%	years 3 mont	26/10/2012	20/01/2026
0547	Goldmann Sachs	Private investment	70	Fixed 3.02%	17 years	25/10/2012	25/10/2029
0549	HSBC	Private investment	75	Fixed 2.886%	15 years	21/06/2014	21/06/2028
0553	Société Générale	Private investment	50	Fixed 2.43%	15 years	22/05/2014	22/05/2028
0555	Société Générale	Private investment	125	Fixed 3.155%	14 years	01/10/2014	01/10/2027
0556	Société Générale	Private investment	75	Fixed 3.049 %	13 years	01/10/2014	01/10/2026
0557	Natixis	Private investment	50	Fixed 2.886%	15 years	21/06/2014	21/06/2028
0558	Natixis	Private investment	50	Fixed 3.15%	15 years	17/10/2014	17/10/2028
0559	Citi	Private investment	60	Fixed 3.00%	15.1 years	15/01/2014	15/01/2029
0560	Natixis	Private investment	20	Fixed 3.24%	20 years	12/12/2014	12/12/2033
0565	HSBC	Private investment	70	Fixed 2.51 %	17 years	17/07/2014	17/07/2031
0566	BRED	Private investment	50	Fixed 2.28 %	14.4 years	15/07/2014	15/12/2028
TOTAL FIXED RATE ISSUES			2 411,00				
0515	BNP-PARIBAS 2005	Public bond issue CHF 150M	96,6	Euribor 3M -0.085%	9 years	24/11/2005	24/11/2014
0516	HSBC 2005	Private investment JPY 7BN	50,7	Euribor 3 M -0.03%	13 years	09/11/2005	09/11/2018
0517	HSBC 2005	Private investment HKD 140M	14,9	Euribor 3 M -0.06%	10 years	16/11/2005	16/11/2015
0520	Natixis 2006	Private investment NOK 824M	100	Euribor 3 M -0.05%	13 years	28/11/2006	28/11/2019
0524	Crédit Suisse 2007	Private investment CHF 40M	24,4	Euribor 3 M -0.05%	years 1 mont	14/12/2007	13/01/2017
0525	Crédit Suisse 2007	Private investment CHF 40 million	24,4	Euribor 3 M -0,05%	years 2 mont	14/12/2007	14/02/2017
0526	Crédit Suisse - BNP-PARIBAS 2008	Public bond issue CHF 150M	95,3	Euribor 3M +0.064%	10 years	05/11/2008	05/11/2018
0530	Crédit Suisse 2009	Private investment CHF 75M	49,7	Euribor 3M +0.315%	years 1 mon	10/12/2009	10/01/2020
0548	Natixis - BNP 2012	Private investment €40M	40	Euribor 3M +0.725%	10 years	19/12/2012	19/12/2022
0550	Barclays 2013	Private investment €40M	25	Euribor 3M +0.725%	18 years	18/07/2013	18/04/2031
0551	Natixis 2013	Private investment €40M	15	Euribor 3M +0.725%	19 years	30/07/2013	30/04/2032
0552	Natixis 2013	Private investment €40M	60	Euribor 3M +0.725%	16 years	30/07/2013	30/04/2029
TOTAL FIXED RATE ISSUES			596,01				

PROVISIONAL DEBT REPAYMENT SCHEDULE FOR THE CITY OF PARIS
Situation as of 1st January 2015

YEAR	AMOUNT OUTSTANDING	REPAYMENT
2015	3 905 478 001	199 898 556
2016	3 705 579 445	200 009 713
2017	3 505 569 732	193 819 987
2018	3 311 749 745	185 989 875
2019	3 125 759 870	205 009 784
2020	2 920 750 087	209 723 721
2021	2 711 026 366	250 008 562
2022	2 461 017 805	240 005 935
2023	2 221 011 870	285 005 935
2024	1 936 005 935	290 005 935
2025	1 646 000 000	290 000 000
2026	1 356 000 000	286 000 000
2027	1 070 000 000	275 000 000
2028	795 000 000	300 000 000
2029	495 000 000	265 000 000
2030	230 000 000	0
2031	230 000 000	95 000 000
2032	135 000 000	65 000 000
2033	70 000 000	20 000 000
2034	50 000 000	50 000 000
GRAND TOTAL		3 905 478 000,61

Debt repayment table:

Debt extinction profile and annual repayment as of 2015 January 1st



ACTIVE DEBT MANAGEMENT USING INTEREST RATE DERIVATIVES

I. HEDGING AGAINST INTEREST RATE RISK A KEY PRIORITY FOR EFFECTIVE FINANCIAL MANAGEMENT IN PARIS

In its borrowing policy, the City of Paris endeavours to allocate its total debt indexing between fixed-rate and floating-rate so that the structure of its debt engenders no major extra financial costs in the event of a significant rise in interest rates (i.e. variable rate debts indexed against interest rates with no protection) while keeping the possibility open of profiting from any falls in interest rates.

To avoid remaining inactive faced with financial market volatility, the City makes use of certain instruments to reduce the impact of any changes in interest rates that might be detrimental to it.

For the City of Paris this involves putting in place only the hedging instruments that seem to it useful based on its expectations of interest-rate changes, depending on the structure of its existing and future debt stock.

The City accordingly takes out interest rate swaps on its debt to hedge against interest-rate fluctuations. It also secures profits by unwinding certain transactions when the opportunity arises.

The City concludes each interest-rate derivative after competitive tendering by several banks in real time. The City also has tools which provide it with access to:

- a financial information system and swap and option pricing tools in real time,
- an effective tool for analysing markets before making a decision,
- a tool for price checking during conclusion of the transactions,
- a means for monitoring positions after their conclusion (Mark to Market monitoring).

The City plans to continue this policy of active debt management, and use interest-rate derivatives when it considers that their use is necessary.

II. REVIEW OF RATE HEDGING OPERATIONS CONDUCTED IN 2014

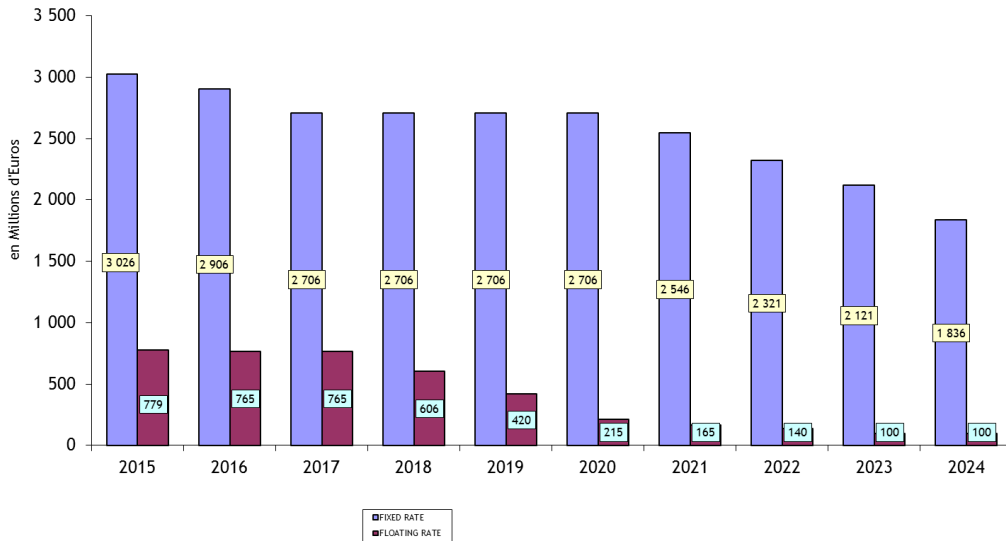
Regarding active debt management, the City has set itself the goal of tending toward a 70% fixed-rate debt versus 30% floating-rate debt breakdown on average smoothed over the coming ten years (with a possible breakdown between 50% and 75% over a single year). The City has diverged somewhat from this 70/30 target since 2008 to take advantage of the significant decrease in short-term interest rates.

The year 2014 saw interest levels remain extremely low, a result of the major market interventions by central banks. In this turbulent environment, and insofar as the debt of the City had previously been largely secured, no further debt hedging operations were conducted.

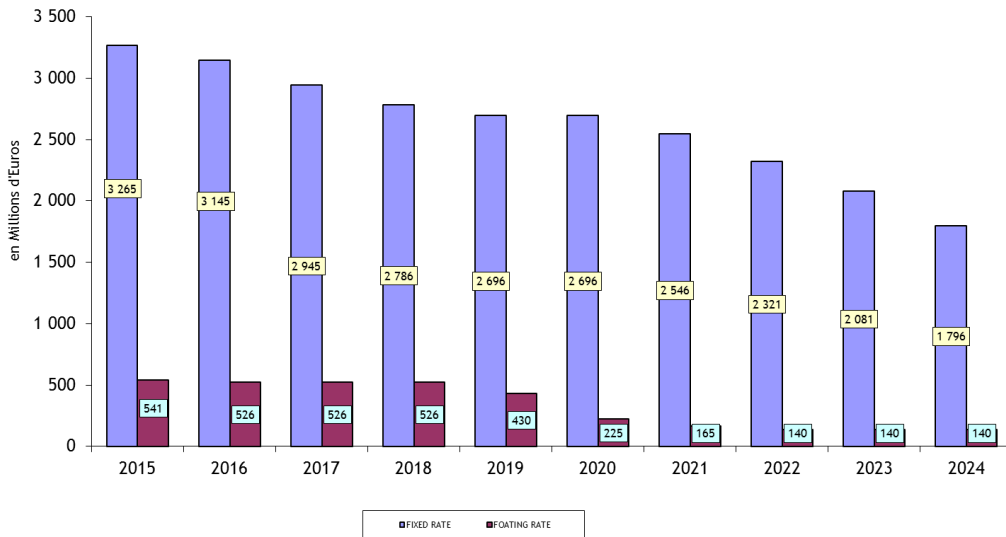
On 1st January 2015, the City's debt (excluding revolving credit) broke down as follows

- before swaps: 79.5% fixed-rate and 20.5% floating-rate, versus 74.9% fixed-rate and 25.1% floating-rate on 1st January 2014.
- after swaps: 85.8 % fixed-rate and 14.2 % floating-rate, versus 87.4 % fixed-rate and 12.6 % floating-rate on 1st January 2014.

Breakdown of debt excluding revolving loans between fixed and floating rate BEFORE SWAPS on 1st January 2015

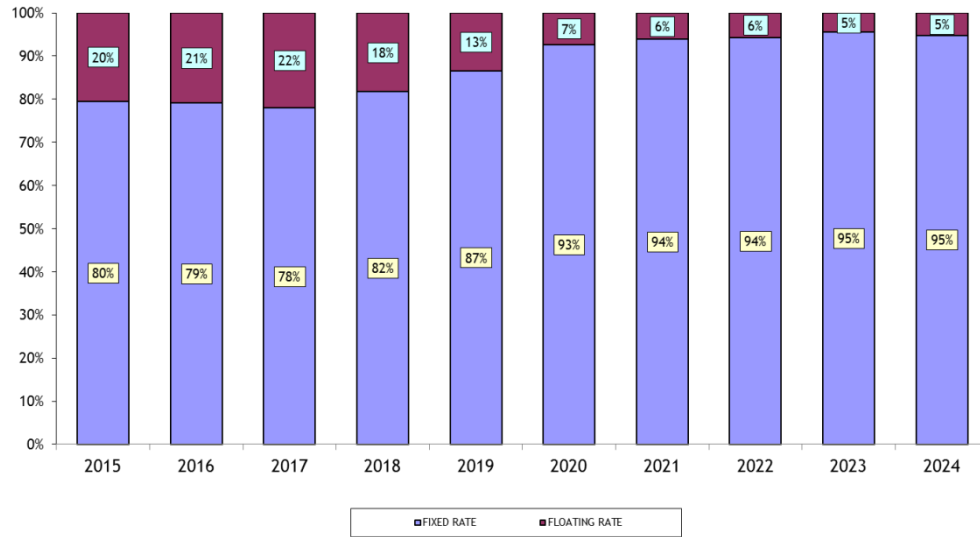


Breakdown of debt excluding revolving loans between fixed and floating rate AFTER SWAPS on 1st January 2015



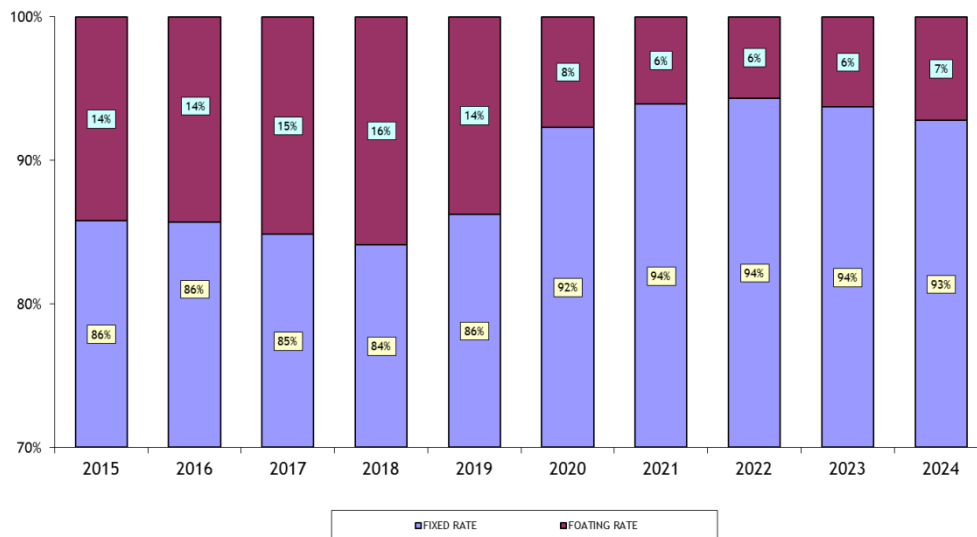
Expressed as a percentage, the debt structure at 1st January 2014 was as follows:

Breakdown of debt excluding revolving loans between fixed and floating rate
BEFORE SWAPS on 1st January 2015



After these hedging operations, the debt breakdown was as follows:

Breakdown of debt excluding revolving loans between fixed and floating rate
AFTER SWAPS on 1st January 2015



Contracting agency	Underlying loan	Amount swapped in €M	Date of conclusion of the swap	Start of swap	End of swap	Swap direction	Rate paid (in %)	Margin paid (in bp)	Rate received (in %)	Margin received (in bp)
Natixis	0551	15	16/04/2013	30/04/2013	30/04/2032	V=>F	2,77	-	EUR03M	67,2
Natixis	0552	60	16/04/2013	30/04/2013	30/04/2029	V=>F	2,64	-	EUR03M	64
HSBC	0550	25	09/04/2013	18/04/2013	18/04/2031	V=>F	2,69	-	EUR03M	60
Natixis	0548	20	12/12/2012	19/12/2012	19/12/2022	V=>F	2,25	-	EUR03M	72,5
BNP-Paribas	0548	20	12/12/2012	19/12/2012	19/12/2022	V=>F	2,25	-	EUR03M	72,5
HSBC	0534	100	12/07/2011	14/07/2011	29/12/2025	V=>F	3,78	-	EUR03M	46,7
Natixis	0534	140	02/12/2010	29/12/2010	29/12/2025	F=>V	EUR03M	46,7	3,875%	-
Calyon	0510	15	14/03/2006	27/12/2010	27/12/2017	V=>F	4,10	-	EUR03M	-
Natixis	0510	110	17/12/2010	27/12/2010	27/12/2017	V=>V	EUR03M	-	T4M	4
HSBC	0533	100	23/11/2010	02/12/2010	02/12/2024	F=>V	EUR03M	44	3,50%	-
BNP-Paribas	0525	24	02/09/2010	06/09/2010	14/02/2017	V=>F	1,83	-	EUR03M	-5
Crédit Suisse	0524	24	25/05/2010	27/05/2010	14/01/2017	V=>F	2,17	-	EUR03M	-5
HSBC	0530	50	18/05/2010	25/05/2010	10/01/2020	V=>F	3,03	-	EUR03M	31,5
Natixis	0512	40	18/05/2010	20/05/2010	22/12/2018	V=>F	2,69	-	EUR03M	-1,75
Natixis	0510	20	14/03/2006	29/03/2010	27/12/2017	V=>F	4,06	-	EUR03M	-
HSBC	0516	50	25/02/2010	01/03/2010	01/03/2018	V=>F	2,96	-	EUR03M	-
BNP-Paribas	0510	25	14/03/2006	29/12/2008	27/12/2017	V=>F	4,00	-	EUR03M	-
Société Générale	0523	60	30/04/2008	04/09/2008	04/12/2020	F=>V	EUR03M	-	4,54%	-
Société Générale	0510	25	22/09/2006	27/03/2007	27/12/2017	V=>F	3,90	-	EUR03M	-
Dexia	0510	25	22/09/2006	27/03/2007	27/12/2017	V=>F	3,88	-	EUR03M	-
Natixis	0512	40	13/01/2004	22/01/2004	22/12/2018	V=>V	EUR03M	-1,75	TAG12M	7

DEBT MANAGEMENT OPERATIONS IN 2015

The debt capital outstanding on 1st January 2015 was €3,905M. Since the beginning of the year, 8 new loans have been concluded (four private placements with Société Générale, HSBC and Crédit Agricole, one with Goldman Sachs and three Schuldschein loans from Helaba), for an overall amount of €345M.

Dealer / Lender	Capital (in €M)	Beginning	Ending	Maturity (years)	Rate (%)	Spread on OAT (in bp)
Helaba (1)	50	13/03/15	13/03/40	25	1,543	20
Société Générale	110	16/03/15	25/05/30	15,2	1,214	20
Helaba (1)	40	18/03/15	18/03/39	24	1,2	19
HSBC	50	16/09/15	16/09/30	15	1,274	22
Goldmann Sachs	40	01/10/15	25/05/30	15	1,8	25
Helaba (1)	15	18/09/15	25/10/38	23	2,103	25
Crédit Agricole	20	29/09/15	29/09/35	20	2,006	25
Crédit Agricole	20	29/09/15	29/09/37	22	2,080	25
Total	345					
	Moy 2015 pond. par nominaux			18,6	1,54	21,6

(1) Schuldschein

CASH MANAGEMENT

The goal of the cash management of the Paris Authority at present is to minimise its cash on hand and meet its liquidity requirements.

To effectively manage its cash needs, the City of Paris has:

- a revolving credit of €100 M, a contract first concluded by the authority in 2007 which is still active as its terms remain attractive (EONIA + 0.08%);
- a commercial paper programme of €800 M, in place since March 2011;
- four credit lines:
 - with Société Générale for a total of €100M;
 - with BNP PARIBAS for a total of €100M;
 - with Banque Postale for a total of €100M (2 contracts of €50M each).

The City of Paris thus has the ability to mobilise significant short-term funds (€1,020 M in 2014 and €1,100 in 2015), including short-term financing to provide appropriate liquidity.

The possibilities for investments within the limits of the Finance Act of 2004 were barely used in 2014, on account of a negative net yield.

I. USE OF REVOLVING LOANS, THE COMMERCIAL PAPER PROGRAMME AND THE CASH FACILITY

A. REVOLVING LOANS (€100M in 2014 and €100M in 2015)

For day-to-day adjustments of the cash position, revolving credit facilities put in place by the City of Paris before 2008 have been and continue to be used in place of liquidity facilities, as they offer more attractive terms.

For the use of revolving loans or liquidity lines, the Paris Authority, with the Treasury and banks, follows a procedure in which drawdown requests are sent before 10.30am for drawdowns on the same day, and fund repayment requests are issued the day before by 4.00pm. This arrangement allows a precise adjustment of the sums to be drawn or repaid depending on the real expenditures and revenues announced by the public accountant the day before in the evening, then adjusted the same morning.

For 2015, the Paris Authority has a remaining revolving loan resulting from the consultations conducted prior to 2008, for an amount of €100 M. It is scheduled to mature at the end of 2017.

The Paris Department has no revolving credit arrangements.

B. LIQUIDITY FACILITIES

The City of Paris has taken out four liquidity facilities:

- A first contract for a liquidity facility was signed with the Société Générale in July 2014 for a total of €100M, for the period from 31 July 2015 to 30 July 2016.
- A second contract for a liquidity facility was signed with BNP

PARIBAS in December 2014 for a total of €100M, for the period from 8 December 2014 to 8 December 2015.

- A third contract for a liquidity facility was signed with the Banque Postale in July 2015 for a total of €50M, for the period from 31 July 2015 to 29 July 2016.
- A fourth contract for a liquidity facility was signed with the Banque Postale in July 2015 for a total of €50M, for the period from 31 July 2015 to 29 July 2016.

The Paris Department has not put in place any liquidity facilities.

C. THE COMMERCIAL PAPER ISSUANCE PROGRAMME

In order to diversify and supplement its sources of financing (as the revolving credit facilities gradually reach maturity), the City of Paris has also, since March 2011, mobilised its commercial paper programme. The maximum amount of the programme is €800m.

For this programme, the arranger is the Société Générale. The dealers are Société Générale, HSBC, Crédit Agricole Corporate and Investment Bank and Natixis. Issuance can be either fixed-rate or floating-rate for maturities usually ranging from one week to one month.

For cost reasons, this mode of financing is preferred whenever the requirement is significant for a certain period of time.

The commercial paper issuance programme does not concern the Paris Department.

II. INVESTMENT OF SOME OF THE RESOURCES OF THE PARIS AUTHORITY

A. INVESTMENT CONDITIONS AND PROCEDURES

Article 116 of the 2004 Finance Act authorises local governments to invest certain categories of funds, without the prior agreement of the Regional Public Finance Directorate (DRFiP).

This includes:

- revenue generated by the disposal of items of the Paris property portfolio (in this case, sales of private real estate);
- insurance compensation received under the insurance policy to compensate for damage sustained by the local authority;
- sums of money received by the local authority following an enforceable legal decision.

Placements complying with the conditions of eligibility are made by the Paris Authority in short-term government bonds via a money market mutual fund. The resale must be made on the same day in the case of cash requirements, preferably via a revolving credit or liquidity facility.

The amount which could potentially be invested increases over the course of the year, notably with disposals of private real estate.

B. NO NEW INVESTMENTS IN 2014

Due to the negative returns on French short-term sovereign securities, the City made only two cash investments in 2014, generating a total return of €5,814.52. The Paris Department, although entitled to make such placements, did not exercise this right in 2014.

III. USE OF REVOLVING LOANS

The City of Paris' scheduled use of loans allowed it to maintain a positive cash balance in 2014 (see section on Debt Management for more details). The City of Paris therefore did not make great use of short-term financing over the course of the year 2014.

The choice was made to favour bond or bank borrowing when the terms on offer were attractive, generating temporarily positive cash on hand, as required.

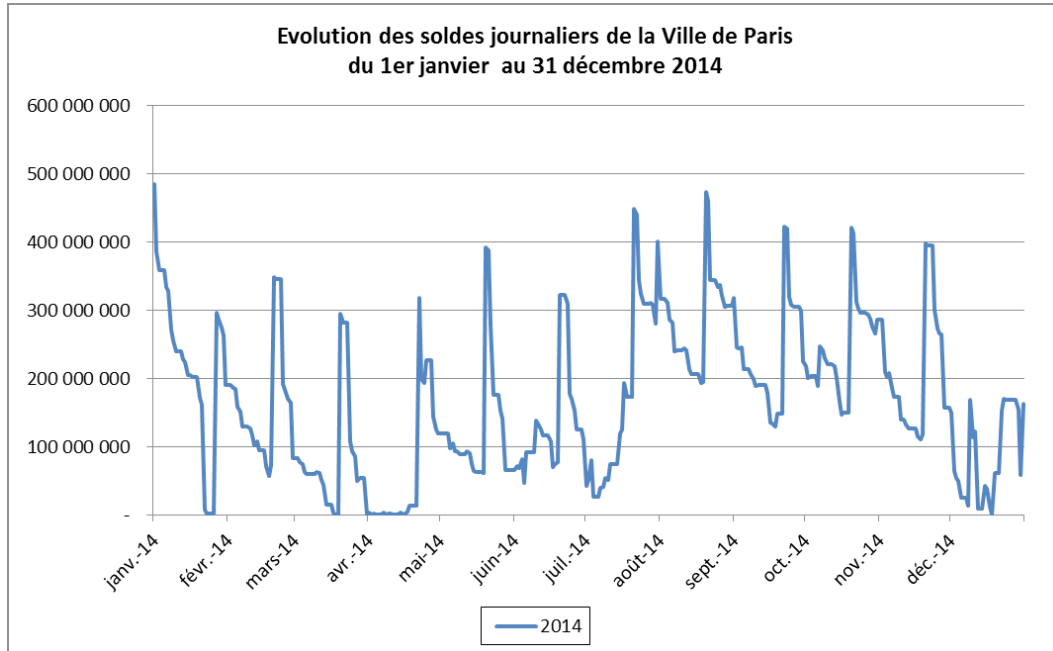
From 1st January to 31 December 2014, the City of Paris made 14 drawdowns and 7 repayments of revolving credits, against 7 movements in 2013 (5 drawdowns and 2 repayments). During the first 4 months of 2015, 1 drawdown was made.

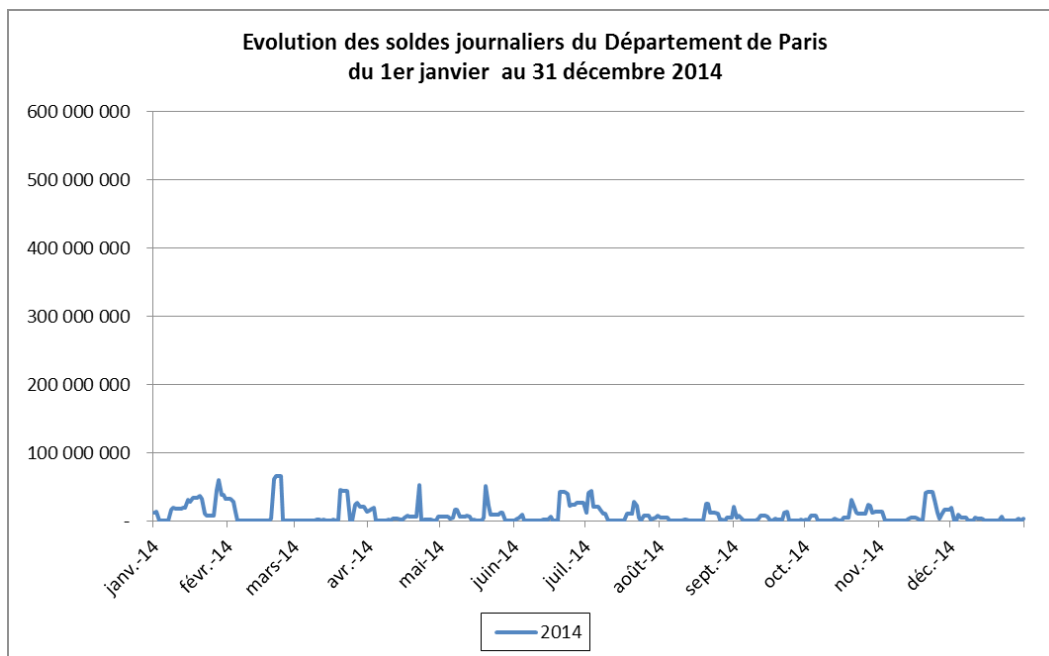
The total sum of drawdowns on revolving credit lines for the period from 1st January to 31 December 2014 amounted to over €232M. In the first 4 months of 2015, the amount of drawdowns was €100M.

In the same period there was 1 commercial paper issuance (compared with 2 for the same period in 2013), giving a cumulative total of €130M. In the first 4 months of 2015, 4 commercial paper issuances were conducted with a total value of €440M.

IV. B. CASH BALANCES

In 2014 the average annual cash balance was €169M for the City and €9M for the Department of Paris. The graph given hereunder shows the changes in this balance over the year.





Temporary peaks in cash flow for both the City and the Department can be noted around the 20th of each month, due to the gap between receipt of the one-twelfth taxation payments and the general operating grant on the one hand (20th of the month) and payment of wages on the other (24th of the month).

The following tables show the monthly cash flows of revenues and expenditures specific to the City and the Department of Paris between January 2014 and March 2015 (excluding flows related to the use of the liquidity facilities, revolving credit facilities and borrowing).

MONTHLY CASH FLOW IN EUROS OF THE CITY OF PARIS FROM JANUARY 2014 TO END APRIL 2015 (EXCLUDING LOANS AND DRAWDOWNS ON REVOLVING CREDITS AND COMMERCIAL PAPER)

Période	EXPENSES (including to the Département)	Income	Balance of the flows
January 2014	652 543 307,67	457 296 699,28	-195 246 608,39
February 2014	553 391 731,76	446 218 097,14	-107 173 634,62
March 2014	549 315 315,59	463 521 523,50	-85 793 792,09
April 2014	437 530 110,42	559 674 965,17	122 144 854,75
May 2014	371 580 816,26	416 186 162,91	44 605 346,65
June 2014	437 708 458,47	384 524 954,81	-53 183 503,66
July 2014	522 528 575,81	812 481 385,95	289 952 810,14
August 2014	488 898 014,77	394 954 588,88	-93 943 425,89
Septembre 2014	670 027 096,07	588 919 627,02	-81 107 469,05
October 2014	443 878 847,17	505 361 080,35	61 482 233,18
November 2014	714 320 466,13	584 848 532,46	-129 471 933,67
December 2014	971 653 928,86	876 663 697,08	-94 990 231,78
TOTAL 2014	6 813 376 668,98	6 490 651 314,55	-322 725 354,43
January 2015	536 806 285,38	483 726 353,60	-53 079 931,78
February 2015	513 265 588,93	445 813 563,66	-67 452 025,27
March 2015	501 970 552,32	651 283 114,10	149 312 561,78
April 2015	333 441 069,96	455 496 262,69	122 055 192,73
TOTAL 2015	1 885 483 496,59	2 036 319 294,05	150 835 797,46

**MONTHLY CASH FLOW IN EUROS OF THE DEPARTEMENT OF PARIS FROM JANUARY 2014 TO
END APRIL 2015)**

Période	EXPENSES	Income (including from the City)	Balance of the flows
January 2014	151 790 555,66	171 224 552,88	19 433 997,22
February 2014	215 069 915,98	183 302 738,70	-31 767 177,28
March 2014	198 086 009,27	211 535 092,34	13 449 083,07
April 2014	151 162 072,51	144 093 806,25	-7 068 266,26
May 2014	171 217 200,48	164 821 958,88	-6 395 241,60
June 2014	164 880 785,27	191 577 961,39	26 697 176,12
July 2014	241 214 688,42	221 676 375,92	-19 538 312,50
August 2014	174 636 977,99	171 349 090,67	-3 287 887,32
September 2014	203 276 341,16	199 417 140,98	-3 859 200,18
October 2014	181 132 551,10	193 827 027,27	12 694 476,17
November 2014	190 786 273,83	194 068 260,23	3 281 986,40
December 2014	296 068 960,79	282 923 287,60	-13 145 673,19
TOTAL 2014	2 339 322 332,46	2 329 817 293,11	-9 505 039,35
January 2015	126 845 459,79	137 581 134,90	10 735 675,11
February 2015	232 632 686,80	239 647 306,59	7 014 619,79
March 2015	229 743 522,14	209 159 273,77	-20 584 248,37
April 2015	128 924 145,16	194 494 347,59	65 570 202,43
TOTAL 2015	718 145 813,89	780 882 062,85	62 736 248,96

LOAN GUARANTEES

The City and Department of Paris provide loan guarantees for partners falling into two main categories:

- on the one hand, guarantees for public and/or private companies specialising in the acquisition and renovation of social housing. Such organisations account for 87.5% of the total volume of debt guaranteed by the City of Paris, and 86.6% of that guaranteed by the Paris authority as a whole (the City and Department of Paris combined). These partners are essential to the implementation of the City of Paris' policies for the development of social housing. The granting of loan guarantees to organisations of this type is facilitated by legislative arrangements which allow for loans relating to social housing to be guaranteed 100% (compared to 50% or 80% for other operations, as set out in Article 2252 of the Local Government Code). Furthermore, these guarantees are not included when calculating the ratios to be respected in relation to the authority's actual operating income (total annuities on debt and guarantees limited to 50% of operating income, total value of annuities guaranteed for a single beneficiary capped at 5% of operating income).
- on the other hand, organisations outside the social housing sector such as Public Companies for Local Development (SPLA), Local Public Companies (SPL), public-private companies (SEM) and associations working on projects deemed to be in the general interest of Parisians. The Authority's SPLAs, SPLs and SEMs are under the constant supervision of the Authority. As for associations, their financial soundness and strategies are evaluated by the Finance and Procurement Directorate, which then issues a positive or negative verdict. The final decision of whether or not to guarantee a loan ultimately lies with the Deputy Mayor for Finances, and the Deputy Mayor for the sector in which the project in question falls.

I. LOAN GUARANTEES GRANTED BY THE CITY OF PARIS AND THE FORMER SEINE DEPARTMENT

The total value of outstanding loans guaranteed by the City and the Department previously known as Seine was €8,828M² as of 31 December 2014, an increase of 5.7% (+€474M) on the previous year.

Outstanding loans guaranteed in the social housing sector grew by 6.3% (€458M) from €7,270M in 2013 to €7,728M in 2014 following an increase of 5.2% (+€357M) between 2012 and 2013, and 3.7% (+€247M) between 2011 and 2012. This increase is largely a consequence of the granting of new loan guarantees to Paris-Habitat (a 10% increase in the total value of outstanding loans guaranteed between 2013 and 2014), a 9.2% increase in guarantees for HLM social housing companies (particularly ICF - La Sablière, Toit et Joie, Batigère Île de France and I3F) and, to a lesser extent, the 2% increase in loan guarantees for public-private companies (primarily RIVP, SIEMP and Elogie).

Meanwhile, the total value of outstanding loan guarantees outside the social housing sector increased only slightly (up 1.5%, or €16M) between 2013 and 2014. The total stood at €1100M as of 31 December 2014, compared with €1084M on 31 December 2013. This increase is primarily a result of guarantees granted to public-private companies and development agencies.

2 The current state of loan guarantees cited here is based on the most

recent figures available, i.e. the administrative accounts for 2014 as approved in June 2015. The comparisons are between the state of affairs as of 31/12/2013 (AA 2013) and as of 31/12/2014 (AA 2014).

The City and the former Seine Department

	Initial guarantee (€M)	Outstanding guaranteed debt at 31/12/2013 (€M)	Outstanding guaranteed debt at 31/12/2014 (€M)	Change 2014/2013	% of total outstanding debt at 31/12/2014
PARIS HABITAT-OPH	3 059,7	2 084,0	2 292,0	10,0%	26,0%
SEM	4 302,1	3 478,0	3 547,3	2,0%	40,2%
SA d'HLM	2 271,2	1 645,9	1 797,4	9,2%	20,4%
Associations	96,5	52,1	81,5	56,2%	0,9%
CASVP	10,4	9,7	9,4	-3,7%	0,1%
Otherss	1,8	0,5	0,4	-15,5%	0,0%
Social Housing	9 741,8	7 270,3	7 728,0	6,3%	87,5%
Associations	237,7	204,8	210,8	2,9%	2,4%
SEM	1 023,1	839,3	854,1	1,8%	9,7%
Others (including PARIS HABITAT-OPH)	49,6	39,5	34,8	-11,8%	0,4%
Excluding social Housing	1 310,3	1 083,6	1 099,7	1,5%	12,5%
TOTAL	11 052,1	8 353,9	8 827,7	5,7%	100,0%

Total annuities guaranteed by the City of Paris and the former Seine Department as of 31 December 2014 stand at €591M.

	Initial guarantee (€M)	Outstanding guaranteed debt at 31/12/2011 (€M)	Outstanding guaranteed debt at 31/12/2012 (€M)	Outstanding guaranteed debt at 31/12/2013 (€M)	Outstanding guaranteed debt at 31/12/2014 (€M)	Change 2014/2013	% of total outstanding debt at 31/12/2014
Social Housing	9 741,8	497,0	484,6	476,5	485,6	1,9%	82,2%
Excluding Social Housing	1 310,3	32,0	146,6	97,2	105,0	8,1%	17,8%
TOTAL	11 052,1	529,0	631,2	573,6	590,6	3,0%	100,0%

This total can be broken down as follows:

- social housing organisations: €485.6M (82.2% of the total) in 2014, up from €476.5M (83% of the total) in 2013;
- organisations not involved with social housing: €105M (17.8% of the total) in 2014, up from €97.2M (17% of the total) in 2013.

Only annuities outside the social housing sector are taken into account when calculating the ratios established by Law N088-13 of 5 January 1988 (Loi Galland) in order to frame the risks associated with loan guarantees for the guarantor. These ratios are respected.

Paris Authority - City Paris - Administrative Account	Situation at 31/12/2013 (in €M)	Situation at 31/12/2014 (in €M)	Change 2014/2013
Financial expenditure excluding social Housing (A)	97,2	105,0	8,1%
Financial expenditure City of Paris (B)	291,9	310,0	6,2%
I-Total Financial expenditure (A+B)	389,1	415,0	6,7%
II Real Operating Income	5 566,7	5 782,5	3,9%
Ratio (I/II)	7,0%	7,2%	2,7%

II. LOAN GUARANTEES GRANTED BY THE DEPARTMENT OF PARIS

	Capital initial- lement garanti (M€)	Outstanding guaranteed debt at 31/12/2011 (€M)	Outstanding guaranteed debt at 31/12/2012 (€M)	Outstanding guaranteed debt at 31/12/2013 (€M)	Outstanding guaranteed debt at 31/12/2014 (€M)	Change in Outstanding guaranteed debt 2014/2013 (%)
Total loan guarantees granted	111,8	66,6	85,2	103,2	101,1	-2,0%

N.B.: The Paris Department does not guarantee operations relating to social housing (which fall under the aegis of the municipal authorities).

The total value of outstanding loans guaranteed by the Department of Paris was €101M as of 31 December 2014, a slight decrease of 2% (-€2.1) on the previous year. This fall is a result of the lack of new loan guarantees granted by the Department, and reflects the mechanical decrease in the outstanding balance resulting from the repayment of loan capital.

The share of these loan guarantees granted to public companies (Paris-Habitat) was €0.54M in 2014 (down slightly from 2013), equivalent to 0.05% of the total value of outstanding loans guaranteed by the Paris Department. This loan was used to fund the construction of a new residence for people with disabilities in the 14th arrondissement.

The ratios stipulated in the Loi Galland have thus also been respected by the Department.

Paris Authority - City Paris - Administrative Account	Situation at 31/12/2012 (in €M)	Situation at 31/12/2013 (in €M)	Situation at 31/12/2014 (in €M)	Change 2014/2013
Financial expenditure excluding social Housing (A)	2,7	3,2	3,9	21,9%
Financial expenditure City of Paris (B)				
I-Total Financial expenditure (A+B)	2,7	3,2		21,9%
II Real Operating Income	2 946,90	3 066,6	3 231,50	5,4%
Ratio (I/II)	0,09%	0,10%	0,12%	20,0%

III. ENFORCEMENT OF GUARANTEES GRANTED BY THE CITY AND DEPARTMENT OF PARIS

Guarantees provided by the city and the department may be enforced. In such rare cases (2 enforcements of guarantees provided by the City of Paris over the past 10 years, with a total value of €24,756), the loan guarantee contracts, which are systematically signed between the City or Department and their beneficiaries for each new loan, include a cause stipulating full reimbursement to the guarantor of all sums paid by the latter as a result of enforcement of the guarantee (as was the case in the one of the two instances mentioned above, a total cost of €18,911).

TAXATION

The text which follows is a summary limited to certain fiscal considerations in France regarding payments of interest or other income pertaining to the Notes which may be issued under the Programme. It contains certain information specific to taxation on income from securities at source in France. This general description is based on the laws in force in France on the date of this Base Prospectus and as applied and interpreted by the French tax authorities, it being understood that these laws are subject to change or different interpretation. The aim is not to give an exhaustive description of the tax elements to be considered in making the decision to acquire, own or transfer Securities. Investors in or recipients of Notes are invited to consult their own tax advisor on the tax consequences of any acquisition, ownership or transfer of the Notes in the light of their own fiscal situation.

1. EUROPEAN UNION DIRECTIVE ON TAXATION OF SAVINGS INCOME

The Directive on Taxation of Savings Income (2003/48/EC) adopted by the Council of the European Union on 3 June 2003 (the “**Savings Directive**”) requires each Member State to provide the tax authorities of another Member State with detailed information on any payment of interest or similar income within the meaning of the Savings Directive made by a paying agent within its jurisdiction to, or in certain circumstances, to a beneficiary of, a natural person (in the sense of the Savings Directive), residing in this other Member State.

However, during a transition period, certain Member States (Luxembourg and Austria) have decided, instead of exchanging the information above, to apply a deduction at source on any payment of interest within the meaning of the Savings Directive, unless the beneficiary of the interest paid opts for the exchange of information. The rate of this deduction at source is currently 35% until the end of the transition period. This must be completed by the end of the first fiscal year following the agreement of certain non-European countries to exchange information on these payments. In April 2013, the Government of Luxembourg announced its intention to abolish the system of deduction at source with effect from 1st January 2015, in favour of the automatic exchange of information under the Savings Directive.

If a payment pertaining to the Notes must be made or collected by a Member State which has opted for the deduction at source system and if such a payment is to be subject to a levy or deduction for any present or future tax or duty, neither the Issuer, the Paying Agent nor any other person would be obliged to pay additional amounts relating to the Notes due to such taxation.

In addition, since 1st July 2005, non-European countries and certain dependent territories of, or associated with some Member States, have agreed to adopt similar measures (either provision of information or withholding at the provisional source) with respect to payments made by a paying agent within its jurisdiction, or in certain circumstances in favour of a beneficiary (within the meaning of the Savings Directive) who is resident in a Member State. In addition, Member States have entered into reciprocal agreements regarding the provision of information or transitional withholding at source with some of those dependent or associated territories in respect of payments made by a paying agent in a Member State or in certain circumstances, in favour of a beneficiary (within the meaning of the Savings Directive) who is resident in one of these territories.

On 24 March 2014, the European Union Council adopted a directive amending the Savings Directive (the “**Amended Savings Directive**”) reinforcing the European rules on exchange of information on savings to enable Member States combat tax fraud and evasion. This Amended Savings Directive should modify and extend the scope of the obligations described above and, in particular, it should extend the scope of application of the Savings Directive to cover new categories of savings and products generating interest or similar income and the scope of obligations to make declarations to the tax administrations. The Member States have until 1st January 2016 to transpose the Amended Savings Directive in their domestic law.

2. TRANSPOSITION OF THE SAVINGS DIRECTIVE IN FRANCE

The Savings Directive was transposed into French law by Article 242b of the General Tax Code and Articles 49 I b to 49 I e of Annex III to the General Tax Code. Article 242 b of the General Tax Code requires paying agents located in France to provide French tax authorities with certain information relating to interest paid to effective beneficiaries domiciled in another Member State and, notably, the identity and address of the beneficiary of this interest and some detailed information on the nature of the revenue paid to these beneficiaries.

3. DEDUCTION AT SOURCE IN FRANCE

1. Payments of interest or other revenue made by the Issuer with respect to Notes issued from 1st March 2010 (other than Notes issued from 1st March 2010 but which may be consolidated with notes issued prior to 1st March 2010 and benefiting from the provisions of Article 131c of the French General Tax Code) shall not be subject to the withholding tax set out in Article 125 A III of the French General Tax Code unless such payments are made outside France in a non-cooperative State or territory within the meaning of Article 238-0 A of French General Tax Code (a “**Non-Cooperative State**”). In application of Article 125 A III of the French General Tax Code, if such payments pertaining to the Notes are made in a Non-Cooperative State, a seventy-five percent (75%) withholding tax is applicable (subject to certain exceptions and to the more favourable provisions of applicable tax agreements). The list of Non-Cooperative States is set by ministerial ruling and is updated each year.

Furthermore, by application of Article 238 A of the General Tax Code, interest and other revenues paid on Notes are not deductible from the taxable income of the Issuer if they are paid or owed to persons domiciled or established in a Non-Cooperative State or paid in Non-Cooperative State (the “**Non-Deductibility**”). Under certain conditions, the interest and other non-deductible revenues may be requalified as revenue deemed to be distributed in application of Article 109 and according to the French General Tax Code, and thus subject to deduction at source, at 30 % or 75 %, as stated in Article 119a no.2 of the General Tax Code (subject to the more favourable provisions of applicable tax agreements).

Notwithstanding the above, neither the seventy-five percent (75%) deduction at source set out under Article 125 A III of the General Tax Code, nor the non-deductibility or deduction at source under Article 119a no. 2 of the General Tax Code which results from this Non-Deductibility, provided that such interest and other revenues relate to real operations and are not for an abnormal or excessive amount, shall apply to an issue of Notes if the Issuer can prove that this issue has a main aim and effect other than to allow the location of interest and other revenue in a Non-Cooperative State (the “**Exception**”).

In accordance with administrative comments posted by the French tax administration in the Bulletin Officiel des Finances Publiques-Impôts under the references BOI-INT-DG-20-50-20140211 no. 990, and 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, the Exception applies without the Issuer having to provide proof relating to the aim and effect of a given bond issue, if the Securities in question are:

- (i) offered as part of a public offer of securities in the sense of Article L.411-1 of the Monetary and Financial Code or an equivalent offer in a State other than a Non-Cooperative State. An “equivalent offer” shall mean equivalent to one which makes it compulsory to register or file an information document with a foreign market authority; or
- (ii) admitted to trading on a regulated market or a multilateral negotiation system of French or foreign financial instruments, provided that this market or system is not located in a Non-Cooperative State and that the working of the market is guaranteed by a market undertaking or an investment service provider or any other similar foreign body, provided that this undertaking, service provider or body is not located in a Non-Cooperative State; or

- (iii) admitted, on issue, in the operations of a central custodian or those of a manager of settlement and delivery systems for financial instruments in the sense of Article L.561-2 of the Monetary and Financial Code or of one or more similar foreign custodians or managers, provided that the custodian or manager is not located in a Non-Cooperative State.

2. In application of Article 131c of the General Tax Code, interest and other proceeds paid on Notes which may be assimilated with Notes issued (or deemed to be issued) outside France in the sense of this Article prior to 1st March 2010, shall continue to be exempt from deduction at source as stated in Article 125 A III of the General Tax Code. Notes issued prior to 1st March 2010, whether in Euros or in any other currency, and constituting bonds under French law or tradable securities in the sense of the administrative comments published in the Bulletin Officiel des Finances Publiques-Impôts under reference BOI-RPPM-RCM-30-10-30-30 dated 11 February 2014, or any other tradable security issued under French or foreign law may be assimilated with them in terms of tax, are deemed to be issued outside France for the purposes of Article 131 c of the General Tax Code, in accordance the administrative comments published in the Bulletin Officiel des Finances Publiques-Impôts under the reference given above.

By assimilated Notes, it should be understood that according to comments published in the Bulletin Officiel des Finances Publiques-Impôts under reference BOI-INT-DG-20-50-20140211, no. 1040 dated 11 February 2014, Notes with characteristics (except if applicable those relating to the first interest payment or issue price) that are identical to those of debt securities which are already in circulation, are therefore considered equivalent to the initial issue to which they relate.

In addition, neither the non-deductibility of interest, provided that the Issuer can demonstrate that such interest and income relates to real operations and is not an abnormal or excessive amount, nor the deduction at source under Article 119a no.2 of the French General Tax Code, shall apply to interest and other income paid by the Issuer under the Notes issued after 1st March 2010 but comparable to securities issued before 1st March 2010, due to the sole fact that they are due or paid to persons domiciled or established in a Non-Cooperative State or they are paid in a Non-Cooperative State.

3. In application of Articles 125 A of the General Tax Code, and subject to certain exceptions, natural persons with their tax domicile in France and receiving interest and other similar income from Notes are subject to withholding at source at a rate of 24%. The amount is offset against the income tax due for the year in which it was withheld; if it should exceed the amount of tax due, the surplus is refunded. The social contributions (CSG, CRDS and similar) are also deducted at source, at the overall rate of 15.5% under current French legislation, from interest and any similar income paid to natural persons having their tax domicile in France.

SUBSCRIPTION AND SALE

Subject to the terms of an investment contract drawn up in French dated [●] October 2015 between the Issuer, the Permanent Dealers and the Arranger (the “**Investment Contract**”), the Issuer shall offer the Notes to the Permanent Dealers. However, the Issuer reserves the right to sell the Notes directly on his own account to Dealers who are not Permanent Dealers. The Notes may be sold at market price or at a similar price prevailing on the date of the resale and which will be determined by the Dealer concerned. The Notes may also be sold by the Issuer through Dealers acting as representatives of the Issuer. The Investment Contract also allows for the issue of syndicated Tranches subscribed to jointly by two or more Dealers.

The Issuer shall pay each Dealer involved a commission fixed by common agreement with the said Dealer relating to the Notes it has subscribed to. The Issuer has agreed to reimburse the Arrangers for the costs they incurred when the Programme was set up and to reimburse the Dealers for some of the costs linked to their involvement in this Programme. If necessary, commission relating to a syndicated issue of Notes shall be indicated in the relevant Final Terms.

The Issuer has undertaken to compensate the Dealers for certain liabilities incurred during the offer and sale of the Notes. The Dealers have undertaken to compensate the Issuer for certain liabilities incurred during the offer and sale of the Notes. The Investment Contract authorises the Dealers, in certain circumstances, to terminate any agreement they have concluded for the subscription of Notes prior to the payment to the Issuer of the funds relating to these Notes.

1. General

These restrictions on sale may be modified by common agreement between the Issuer and the Dealers, particularly following a modification to the legislation, regulations or an applicable Directive. Such a modification shall be mentioned in a supplement to this Base Prospectus.

No measures have been taken in any country which would allow a public offer of Notes, the holding or distribution of the Base Prospectus or any other offer document or any Definitive Conditions in a country or territory where measures are required to this effect.

Insofar as the information he has allows it, each Dealer has undertaken to respect the laws, regulations and Directives in each country in which it purchases, offers, sells or remits Notes or in which it holds or distributes the Base Prospectus, any other offer document or any Final Terms, and neither the Issuer nor any Dealer shall incur liability on this account.

2. European Economic Area

Each Dealer has declared and guaranteed that it has not and shall not make a public offer of the Notes covered by this Base Prospectus as completed by the Final Term concerned in a Member State of the EEA, provided that it may make a public offer of Notes in a Member State of the EEA:

(i) at any time to qualified investors as defined in the Prospectus Directive

- (ii) 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 appointed by the Issuer for the offer; or
- (iii) at any time in circumstances falling within the scope of application of Article 3(2) of the Prospectus Directive,

provided that none of the offers mentioned in paragraphs (i) to (iii) above requires publication by the Issuer or the Dealer(s) of a prospectus in accordance with the provisions of Article 3 of the Prospectus Directive or a supplement to the prospectus in accordance with the provisions of Article 16 of the Prospectus Directive.

For the purposes of this provision, (a) the expression an “offer of Notes to the public” pertaining to any Notes in any Member State of the EEA shall mean 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 allow an investor to decide to purchase or subscribe the Notes, as may be modified by the EEA Member State by any measure implementing the Prospectus Directive and (b) the expression “Prospectus Directive” shall mean Directive 2003/71/EC of the European Parliament and Council of 4 November 2003 (as amended and including any implementing measure in each EEA Member State.

3. United States of America

The Notes have not been and shall not be registered pursuant to the United States Securities Act. Subject to certain exceptions, the Notes may not be offered or sold on the territory of the United States of America. The Notes shall be offered and sold only outside the United States of America and in the context of offshore transactions, in accordance with Regulation S. The terms used in this paragraph have a meaning under Regulation S.

Each Dealer has given an undertaking, and each new Dealer shall be asked to give an undertaking, not to offer or sell the Notes or, in the case of Dematerialised Notes in bearer form, to remit the said Notes on the territory of the United States of America or to or on account or for the benefit of United States Persons only in compliance with the Investment Contract.

Materialised Notes in bearer form which have a maturity of more than one (1) year are subject to American tax rules and may not be offered, sold or remitted on the territory of the United States of America or of its possessions or to a U.S. Person, with the exception of certain transactions which are permitted by American tax rules. The terms used in this paragraph have the meaning given to them in the U.S. Internal Revenue Code of 1986, as amended, and its implementing provisions.

In addition, the offer or sale by any Dealer (whether participating in the offer or not) of any identified tranche of any Notes in the United States of America during the first forty (40) days following the commencement of the offer, may constitute a breach of registration obligations in the U.S. Securities Act.

4. United Kingdom

Each Dealer has declared and guaranteed, and each new Dealer appointed under the Programme shall be required to declare and guarantee that:

- (i) in the case of any Notes which have a maturity of less than one year, (a) it is a person whose ordinary activities consist in acquiring, holding, managing or disposing of financial products (as principal or agent) for the purposes of its business and (b) it has not offered or sold and shall not offer or sell any Notes other than to persons whose ordinary activities consist in acquiring, holding, managing or disposing of financial products (as principal or as agent) for the purposes of their businesses or to persons of whom it is reasonable to expect that they acquire, hold, manage or dispose of financial products (as principal or agent) for the purposes of their businesses, in circumstances in which the issue of Notes would otherwise constitute a breach of Section 19 of the Financial Services and Markets Act 2000 (the “FSMA”);
- (ii) it has only communicated or had communicated and will only communicate or have communicated an invitation or inducement to engage in investment activity (as defined in Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not and shall not apply to the Issuer; and
- (iii) 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.

5. Japan

The Notes have not been and shall not be registered by virtue of the Law on the Stock Exchange and Securities in force in Japan (Law n°25 of 1948, as amended, the “**Law on the Stock Exchange and Securities**”). Consequently, each Dealer has declared and guaranteed that it has not offered or sold and shall not offer or sell, directly or indirectly, Notes in Japan or to any Japanese resident, except in the case of an exemption from the registration obligations or otherwise in accordance with the Law on the Stock Exchange and Securities and any other Japanese legislation or regulations which may be applicable. In the present paragraph, the expression “Japanese resident” refers to any person residing in Japan, including any undertaking or other entity incorporated under Japanese law.

6. Netherlands

Each Dealer has declared and guaranteed that it has not, directly or indirectly, offered or sold and shall not directly or indirectly offer or sell Notes in the Netherlands other than to persons who trade or invest in securities in the context of their profession or business, which shall include banks, brokers, insurance companies, pension funds, other institutional investors and the treasury departments of large enterprises.

7. Spain

Each Investment Agent has declared and guaranteed that the Notes have not been offered or sold in Spain other than in accordance with the provisions of Spanish Law on Securities Markets (*Ley del Mercado de Valores*) of 28 July 1988, as modified, and any other applicable regulations.

8. Italy

The Issuer and Dealers have each declared and guaranteed, and any other Dealer appointed under the Programme shall be required to declare and guarantee that the present Base Prospectus has not been and shall not be published in the Republic of Italy in relation to the offer of Notes. The offer of Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* (“Consob”) in the Republic of Italy in accordance with

Legislative Decree n°58 of 24 February 1998 as amended (the "Law on Financial Services") and Consob Regulation n°11971 of 14 May 1999 as amended (the "Regulation on Issuers") and, as a result, Notes may not and shall not be offered, sold or remitted, directly or indirectly, in the Republic of Italy in the context of a public offer ("*offerta al pubblico*") and no copy of this Base Prospectus, the relevant Final Terms or any other document relating to the Notes may be or shall be distributed in the Republic of Italy, unless (a) to qualified investors ("*investitori qualificati*"), as defined in Article 34-b, paragraph1(b) of the Regulation on Issuers, or (b) in any other circumstances covered by an exemption from the rules applicable to public offers in accordance with the conditions indicated in Article 100 of the Law on Financial Services and its implementing regulations, including Article 34-b, paragraph1, of the Regulation on Issuers.

The Issuer and Dealers have each declared and guaranteed, and any other Dealer appointed under the Programme shall be required to declare and guarantee that any offer, sale or remittance of Notes and any distribution of this Base Prospectus, the relevant Final Terms or any other document relating to the Notes in the Republic of Italy in accordance with paragraphs (a) and (b) above must and shall be carried out in compliance with the laws currently in force in Italy, particularly those relating to securities, taxation and exchanges and any other laws and regulations application and in particular:

- (i) by an investment company, a bank or a financial intermediary authorised to carry out this activity in the Republic of Italy in accordance with the Law on Financial Services, Consob Regulation n°16190 of 29 October 2007 (as amended) and Legislative Decree n°385 of 1 September 1993 as modified; and
- (ii) in accordance with any other applicable notification and restriction condition that might be imposed by the Consob, the Bank of Italy and/or any other Italian authority.

Investors who subscribe to Notes during an offer to the public are solely responsible for ensuring that the offer or resale or the Notes subscribed to in the context of this offer is carried out in accordance with the applicable Italian laws and regulations. Article 100a of the Law on Financial Services affects the transferability of the Notes in the Republic of Italy, insofar as the Notes are placed exclusively with qualified investors and the Notes are, in this case, systematically resold to non-qualified investors on the secondary market at any time in the twelve (12) months following the placement. If this should occur without publication of a prospectus in accordance with the Prospectus Directive either in the Republic of Italy and not subject to one of the exceptions referred to below, subscribers to the Notes having acted outside the scope of their professional activity are entitled, subject to certain conditions, to apply for the cancellation of the subscription of their Notes and the payment of damages by any intermediary involved in the subscription of said Notes.

The Base Prospectus, the relevant Final Terms and any other document relating to the Notes, and the information they contain, are strictly reserved for their recipients and may not be distributed to any third party resident or located in the Republic of Italy for any reason whatsoever. No person resident or located in the Republic of Italy, who is not the original recipient of this Base Prospectus, may make use of this Base Prospectus, the relevant Final Terms or any other document relating to the Notes.

9. France

Each Dealer and the Issuer have declared and accepted that [during the initial investment of the Notes]:¹

(a) Offer to the public in France

it has only offered and shall only offer Notes to the public in France during the period beginning

(i) when a prospectus relating to the Notes has been approved by the Autorité des Marchés Financiers (“AMF”), on the date of its publication or (ii) when a prospectus has been approved by a competent authority in another Member State of the European Economic Area having transposed the Prospectus Directive 2003/71/EC, as modified, on the date of notification of this approval to the AMF in accordance with Articles L.412-1 and L.621-8 of the Monetary and Financial Code and the AMF General Regulation, and ending no later than twelve months after the approval of the Base Prospectus.

(b) Private investment in France

it has not offered or sold and shall not offer or sell, directly or indirectly, any Notes to the public in France and it has not distributed or had distributed and shall not distribute or have distributed to the public in France, the Base Prospectus, the relevant Final Terms or any other offering document relating to the Notes and any such offer, sale or distribution have been and shall be made in France only to (i) persons providing investment services relating to portfolio management for the account of third parties and/or (b) qualified investors as defined in and in accordance with Articles L.411-1, L.411-2 and D.411-1 to D.411-4 of the French Monetary and Financial Code.

FINAL TERMS TEMPLATE

The Final Terms template that shall be issued on the occasion of each Tranche is provided below:

Final Terms

[LOGO if the document is to be
printed]

CITY OF PARIS

Note Emission Programme (Euro Medium

Term Note Programme) of

€4,000,000,000

Minimum redemption date of one (1) month starting from the issue date

SERIES No.: [●]

TRANCHE No: [●]

[Brief description and amount of the Notes]

Issue Price [●] %

[Name of the Placing Agent(s)]

Dated [●]

PART A - CONTRACT CONDITIONS

The present document constitutes the Final Terms for the notes issue described below (the “Notes”) and contains the final terms of the Notes. The present Final Terms complete the Base Prospectus of [●] October 2015 (certified by the Autorité des marchés financiers (the “AMF”) under no. 15-[●] dated [●] October 2015) [and the Base Prospectus Supplement dated [●] (certified by the AMF under no. [●] dated [●])] relating to the Note Issue of the Issuer of €4,000,000,000, which form [together] a base prospectus (the “Base Prospectus”) for the purposes of Article 5.4 of Directive 2003/71/EC of the European Parliament and Council of 4 November 2003 (the “Prospectus Directive”) as amended. The Final Terms and the Base Prospectus together compose a prospectus (the “Prospectus”) for the purposes of Article 5.1 of the Prospectus Directive and must be read together with this document. The terms used below shall have the meaning given to them in the Base Prospectus. The Notes are issued according to the terms of the present Final Terms in association with the Base Prospectus. The Issuer accepts responsibility for the information contained in the present Final Terms that, in association with the Base Prospectus, contains all the significant information regarding the issue of the Notes. Full information on the Issuer and the offer of Notes is only available on the basis of the Prospectus formed by the present Final Terms and Base Prospectus. The present Final Terms, the Base Prospectus [and the Base Prospectus Supplement] are available on the web sites of (a) the AMF (www.amf-france.org) and (b) the Issuer (http://www.paris.fr/municipalite/l-hotel-de-ville/taxes-et-impots-2318#/programme-d-emissions-de-titres-emptn_10), [and] during normal office hours from the Issuer’s registered office and at the designated offices of the Paying Agent(s) from whom a copy may be obtained. [In addition,² the Base Prospectus [and the Base Prospectus Supplement] [is] [are] available from [●].]

[The following wording applies if the first Tranche of an issue of which the amount has been increased was issued for a Prospectus or Base Prospectus bearing an earlier date.]

The terms used below are considered to be final for the purposes of the Terms included in the base prospectus dated [initial date] certified by the Autorité des Marchés Financiers (“AMF”) under no. 15-[●] dated [●] October 2015 [and in the base prospectus supplement dated [●] certified by the AMF under no. [●] dated [●]] ([together] the “Initial Base Prospectus”) that [together] constitute a base prospectus according to Directive 2003/71/CE of the European Parliament and Council of the 4 November 2003 (the “Prospectus Directive”) as amended. The present document constitutes the Final terms of the issue of the Notes described below for the purposes of Article 5.4 of the Prospectus Directive and must be read together with the Base Prospectus dated [●] October 2014 (certified by the AMF under the n° 15-[●] dated [●] October 2015) [and the Base Prospectus Supplement dated [●] (certified by the AMF under the n° [●] dated [●])] ([together,] the “Current Base Prospectus”), except for the terms taken from the Initial Base Prospectus and included by reference in the Current Base Prospectus. Full information on the Issuer and the Notes offer is only available on the basis of the Prospectus composed of the present Final Terms, Initial Base Prospectus and Current Base Prospectus. The Final Terms, Terms and Conditions extracted from the Initial Base Prospectus and Current Base Prospectus are available on the web sites of (a) the AMF (www.amf-france.org) and (b) the Issuer (http://www.paris.fr/municipalite/l-hotel-de-ville/taxes-et-impots-2318#/programme-d-emissions-de-titres-emptn_10), [and] during normal office hours from the Issuer’s registered office and at the designated offices of the Paying Agent(s) from whom a copy may be obtained. [In addition,³ the Final Terms, the Initial Base Prospectus and the Current Base Prospectus are available [from] [●].]

¹ If the Notes are admitted to trading on a Regulated Market other than EuronextParis.

² If the Notes are admitted to trading on a Regulated Market other than EuronextParis.

[Complete all of the following sections or otherwise state “Not Applicable” (N/A). The numbering must remain identical to that below, including when “Not Applicable” is stated for a particular paragraph or sub-paragraph. The terms in italics provides indications for completing the Final Terms.]

[When Final Terms must be added, it must be determined whether or not they constitute important new factors and therefore require preparation of a supplement to the Base Prospectus by the terms of Article 16 of the Prospectus Directive. The publication of such a supplement before the date of admission to trading of the Notes shall give investors who have already agreed to buy or subscribe to the Notes the right to withdraw their acceptance during at least two (2) business days.]

1		Issuer:	City of Paris
2	(i) (ii)	Series No.: Tranche <i>(If the Series is fungible with an existing Series, state the characteristics of this Series including the date on which the Notes become fungible.)</i>	[●] [●]
3		Specified Currency(ies):	[●]
4	(i) (ii)	Aggregate Nominal Amount: Series: Tranche:	[●] [●]
5		Issue price:	[●] % of the Aggregate Nominal Amount [plus interest accrued since [insert date] (for the fungible issues or the first broken coupon, as applicable)]
6		Nominal value(s) indicated:	[●] <i>(a single nominal value for Dematerialised Notes)</i>
7	(i) (ii)	Issue Date: Interest Commencement Date:	[●] [●] [<i>Specify / Issue date / Not Applicable</i>]
8		Maturity Date:	<i>[specify the date or (for Floating-Rate Notes) the Payment Date of the Coupon of the month and year concerned or the date nearest to the Interest Payment Date of the month and year concerned]</i>
9		Interest Basis:	[Fixed rate of [●] %] [[LIBOR, LIBID, LIMEAN, EURIBOR, CMS, EONIA or other] +/- [●] % of the Floating Rate] (other details below)
10		Redemption/ Payment basis:	[Redemption at par] [●]
11		Options:	[Redemption Option at the choice of the Issuer] [Not applicable]

12	(i) (ii)	Status: Date of issue authorisation:	Senior [●]
13		Distribution method:	[Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST PAYABLE (IF ANY)			
14		Provisions relating to Fixed-Rate Notes:	[Applicable/Not Applicable] <i>(If this paragraph is not applicable, delete the other sub-paragraphs)</i>
	(i)	Interest Rate:	[●] % per annum [payable [annually/ half-yearly/ quarterly / monthly] on the maturity date]
	(ii)	Coupon Payment Dates:	[●] of each year [adjusted in accordance with [the specific Business Day Convention and all relevant Business Centre(s) concerned for definition of "Business Day"] / not adjusted
	(iii)	Fixed Coupon Amount[(s)]	[●] for [●] of the Indicated Nominal Value
	(iv)	Broken Coupon Amount[(s)]:	<i>[Add information concerning the initial or final Broken Coupon that does not correspond to the Fixed Coupon Amount(s) and to the Interest Payment Date(s) to which they refer]</i>
	(v)	Day Count Method (Article 4(a)):	[Actual/365 / Actual/Actual- ICMA / Actual/365 - FBF / Actual/Actual - ISDA/Actual/Actual - FBF/Actual/365(Fixed) / Actual/360/30/360/360/360/ Bond Base /30/360 - FBF / Actual30A/360 (American Bond Base) / 30E/360 / EuroBond Base/ 30E/360 - FBF]
	(vi)	Determination Date(s) (Article 4(a)):	[●] for each year (indicate the regular payment dates of the Coupon, excluding the Issue Date and the Redemption Date in the case of the first or last long or short. N.B.: only applicable when the Day Count Method is Base Actual/Actual (ICMA).
15		Provisions relating to Floating-Rate Notes	[Applicable/Not Applicable] <i>If this paragraph is not applicable, delete the other sub-paragraphs.</i>
	(i)	Interest Periods and Accrued Interest Period:	[●]
	(ii)	Coupon Payment Dates:	[●]

	(iii)	First Coupon Payment Date:	[●]
	(iv)	Business Day Convention and Business Day:	[Business Day Convention / "Following" Business Day Convention / "Modified Following" Business Day Convention / "Preceding" Business Day Convention / other (<i>specify</i>) and specify Business Day]
	(v)	Financial Centre(s) (Article 4(a)):	[●] (Specify applicable Financial Centre(s) accordance with Article4(a)) / [Not Applicable].
	(vi)	Interest rate determination method:	[Determination of Screen Page Rate / FBF Determination]
	(vii)	Accrued Interest Period Date:	[Not Applicable/ (<i>specify the dates</i>)]
	(viii)	Party responsible for calculating the Interest Rate(s) and Coupon Amount(s) (if not the Calculation Agent):	[●]/[Not Applicable]
	(ix)	Screen Rate determination (Article 4(c)(B)):	
		- Reference Rate - Screen Page - Reference Date - Reference Time: - Euro Zone	[●] [●] [●] [●] [●]
		Interest Determination Date:	[[● TARGET] Business Days in [specify city] for [specify currency] before [the first day of each Interest Period/each Interest Payment Date]]
		Main Source of Floating Rate:	[Specify the appropriate Page or "Reference Banks"]
		Reference Banks (if main source is "Reference Banks"):	[Specify four institutions]
		- Reference Financial Centre:	[The financial centre to which the Market Reference is nearest - specify if not Paris]
		- Market Reference:	[LIBOR, LIBID, LIMEAN, EURIBOR, CMS, EONIA, other]
		- Specified Amount:	[Specify whether or not the quotations published on the Page or the quotations of the Reference Bank must be given for an operation for a specified amount]
		- Value Date:	[Specify whether or not the quotations must be obtained with effect at the start of the Interest Period]
		- Specified Duration:	[Specify the quotation period if different from the duration of the Interest Period]

	(x)	FBF Determination (Article 4(c)(A))	[Applicable/Not Applicable]
		- Floating Rate	[●][LIBOR, LIBID, LIMEAN, EURIBOR, CMS, EONIA or other]
		- Floating Rate Determination Date:	[●]
	(xi)	Margin(s):	[+/-] [●] % per annum
	(xii)	Minimum Interest Rate:	[●] % per annum
	(xiii)	Maximum Interest Rate:	[●] % per annum
	(xiv)	Day Count Method (Article 4(a)):	[Actual/365 / Actual/Actual- ICMA / Actual/365 - FBF / Actual/Actual - ISDA/Actual/Actual - FBF/Actual/365(Fixed) / Actual/360/30/360/360/360/ Bond Base /30/360 - FBF / Actual30A/360 (American Bond Base) / 30E/360 / EuroBond Base/ 30E/360 - FBF]
	(xv)	Multiplier Coefficient:	[●]

PROVISIONS RELATING TO REDEMPTION			
16		Redemption at the option of the Issuer:	[Applicable/Not Applicable] <i>(If this paragraph is not applicable, delete the other sub-paragraphs)</i>
	(i)	Optional Redemption Date(s):	[●]
	(ii)	Optional Redemption Amount calculations for each:	Optional Redemption Amount: [●] Y = [●] %
	(iii)	If partially redeemable:	
		(a) Minimum nominal amount to be redeemed:	[[●]/[Not Applicable]]
		(b) Maximum nominal amount to be redeemed	[[●]/[Not Applicable]]
	(iv)	Advance notice:	[●]

17		Final Redemption Amount for each Note	[[●] per Note [of Specified Denomination of [*]] of [●] of (delete wording between brackets for Dematerialised Notes)
18		Early Redemption Amount	
	(i)	Amount(s) of Early Redemption for each Note paid on redemption for tax reasons (Article 5(d)) or in case of Early Redemption (Article 8):	[●] per Note [of Specified Nominal Value [●]] (delete wording between brackets for Dematerialised Notes)
	(ii)	Redemption for fiscal reasons on dates that do not correspond to Interest Payment Dates (Article 5(d)):	[Yes/No]
	(iii)	Unmatured coupons to be cancelled in early redemption (exclusively Materialised Notes) (Article 6(b)(ii)):	[Yes/No/Not Applicable]

GENERAL PROVISIONS RELATING TO THE NOTES			
19		Form of the Notes:	[Dematerialised notes/Materialised notes] (Materialised Notes are in bearer form only) [Delete as appropriate]
	(i)	Form of dematerialised Notes:	[Applicable/Not Applicable] [If applicable indicate whether in bearer form / registered form]
	(ii)	Registration Agent:	[Not Applicable/if applicable name and information] (Note that a Registration Agent may be appointed for Dematerialised Notes in fully-registered form only).
	(iii)	Temporary Global Certificate:	[Not Applicable / Temporary Global Certificate exchangeable against Materialised Notes on [●] (the "Date of Exchange"), corresponding to forty (40) days after the date of issue, subject to postponement, as indicated in the Temporary Global Certificate]

20		Financial Centre(s) (Article 6(g)):	[Specify] <i>(Note that this point refers to the date and place of payment and not the Coupon Maturity Dates, referred to in Paragraphs 15(ii) and 16(i))</i>
21		Talons for future Coupons to attach to Physical Securities (and dates on which the Talons reach maturity):	[Yes/No/Not Applicable]. <i>J. (If yes, specify) (Only applicable to Materialised Notes)</i>
22		Provisions relating to redenomination, changes in nominal value and convention:	[Applicable/Not Applicable]
23		Provisions relating to consolidation:	[Not Applicable/The provisions [of Article 1(e)] apply]
24		Buy-back in accordance with the provisions of Articles L.213-1 A and D.213-1 A of the Monetary and Financial Code:	[Applicable/Not Applicable] <i>(Indicate whether the Issuer may keep the Notes it has bought back in accordance with Article 5(e))</i>
25		Masse (Article 10):	[Applicable/Not Applicable] <i>(Insert information concerning the Representative and Deputy Representative together with their remuneration, as applicable)</i>

DISTRIBUTION			
26	(i)	If syndicated, names [and addresses] ⁴ of the Members of the Placement Syndicate:	[Not Applicable/give names]
	(ii)	Member responsible for Regularisation Operations (if necessary):	[Not Applicable/give names]
	(iii)	Dealer Commission:	[●] ⁵
	(iv)	Date of underwriting contract:	[●] ⁶
27		If not syndicated, name [and address] ⁷ of the Dealer:	[Not Applicable/give name]
28		Sales restrictions - United	[Regulation S Compliance Category 1; TEFRA C / TEFRA D rules / Not Applicable] <i>(The TEFRA rules are not</i>

³ The address must be indicated for issues of notes of less than €100,000 and when the Dealer is not a Permanent Dealer.

⁴ Information not required for issues of notes exceeding €100,000.

⁵ Information not required for issues of notes exceeding €100,000.

⁶ The address must be indicated for issues of notes of less than €100,000 and when the Dealer is not a Permanent Dealer.

		States of America:	<i>applicable to Dematerialised Notes)</i>
29		Non-exempt offer	[Not Applicable] / [An offer of the Notes may be made by [●] (<i>insert names of financial intermediaries who received consent</i>)] [and any other financial intermediary that has the consent of the Issuer for use in the Base Prospectus in the context of a Non-Exempt Offer and will be identified on the website of the Issuer, et- http://www.paris.fr/municipalite/L-hotel-de-ville/taxes-impots-2318#programme-d-emissions-de-titres-emtn_10 , as an Authorised Offeror (all persons who have obtained the consent of the Issuer, the "Authorised Offerors"). This is the case when other than pursuant to Article3(2) of the Directive Prospectus in (<i>specify relevant Member State - which must be a jurisdiction where the Prospectus and supplement(s) relating to this must be passported</i>) (the "Country of the Public Offer") during the period from [●] to [●] (<i>specify dates</i>) (the "Offer period"). For more details, see paragraph 10 of Part B below.
GENERAL			
30		The aggregate nominal amount of Notes issued has been converted into Euros at a rate of [●], making the sum of:	[Not Applicable/Euro [●]] (applicable only to Notes not in Euros)

[PURPOSE OF THE FINAL TERMS

The present Final Terms comprise the final terms required for issue and/or admission to trading of the Notes on [Euronext Paris / other (specify)] described in the Euro Medium Term Note Programme of [€4,000,000,000] of the City of Paris.]

INFORMATION FROM A THIRD PARTY

[(*Information coming from a third party*) comes from (*specify source*). The issuer hereby confirms that this information has been faithfully reproduced and that, as far as the issuer knows and is able to ascertain in the light of information published by (*specify source*), no facts have been omitted which would render the information reproduced inaccurate or false.]⁸

Signed on behalf of the Issuer:

By:

Duly authorised

⁷ To be included if information has been provided by third parties.

PART B - OTHER INFORMATION

1. Admission to trading

	(i)	Admission to trading:	<p>[A request for admission of the Notes to trading on [the Euronext Paris / other regulated market (<i>specify</i>)] from [●] has been made.]</p> <p>[A request for admission of the Notes to trading on [Euronext Paris / other (<i>specify</i>)] from [●] shall be made by the issuer (or on its behalf).]</p> <p>[Not Applicable]</p> <p><i>(in the case of an issue that may be assimilated, indicate that the original Notes have already been admitted to negotiations.)</i></p>
	(ii)	Estimation of total expenses related to admission to trading:	[[●]/[Not Applicable]]

2. Ratings

		Ratings:	<p>The Programme has been rated AA by Standard & Poor's Rating Services and AA by Fitch Ratings</p> <p>Both these ratings agencies are established in the European Union and registered in accordance with Regulation (EC) n° 1060/2009 of the European Parliament and Council of 16 September 2009 as amended by the (EU) Regulation no. 513/2011 (the “ANC Regulation” and included in the list of rating agencies publicly registered with the European Securities and Markets Authority as noted on its website (http://www.esma.europa.eu/page/List-registered-and-certified-CRAs)).</p> <p>[The notes to be issued have been given the following rating:</p> <p>[S&P: [●]] [Fitch: [●]] [[Other]: [●]]</p> <p><i>(The rating given to the notes issued under the Programme must be indicated above or, if an issue of notes has been given a specific rating, this specific rating must be indicated above.)</i></p>
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3. [Notification]

[The Autorité des Marchés Financiers has been asked to provide/The Autorité des Marchés Financiers has provided (insert the first alternative in the case of an issue contemporary with the updating of the Programme and the second alternative for later issues.)] to(insert the name of the competent authority of the host Member State)[a] certificate[s] of approval declaring that the prospectus and supplement[s] has [have] been drawn up in compliance with the Prospectus Directive.]]

4. [Interest of physical persons and legal entities persons participating in the issue]

The purpose of this section is to describe all interests, including conflicts of interest, that might materially influence the issue of Notes, identifying each of the persons concerned and indicating the nature of that interest. This could be satisfied by inserting the following declaration:

["Except as indicated in the section "Subscription and Sale", to the Issuer's knowledge, no person involved in the Offer has any significant interest. "]

5. Reasons for the offer and use of the product

The Issuer must indicate the reasons for the offer and, if applicable, indicate the total estimated cost of the issue/of the offer and the estimated net amount of its proceeds. This cost and these proceeds must be allocated according to the prescribed principles of use, by decreasing order of priority. If the Issuer is aware that the estimated proceeds shall not suffice to finance all the uses envisaged, it must indicate the amount and source of any additional sums that might be required.

6. [Fixed-Rate notes only - yield]

		Yield:	<p>[●]</p> <p>The yield is calculated at the Date of Issue on the basis of the Issue Price. This is not an indication of future yields.]</p>
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7. [Floating rate notes only - historic interest rates]

The rate history [LIBOR, LIBID, LIMEAN, EURIBOR, CMS, EONIA, other] may be obtained from [Reuters/other]

8. Other markets

		Mention all regulated markets or equivalent markets on which, to the knowledge of the Issuer, notes in the same category as those to be offered or admitted to trading, have already been traded.	[[●]/None]
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9. [TERMS AND CONDITIONS OF THE OFFER ⁸

		Aggregate amount of the issue / offer:	[●]
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		Provisional price at which the Notes shall be offered or price-fixing method and price publication procedure:	[●]
		Description of the subscription procedure (including the period during which the offer shall be open and the possible amendments):	[●]
		Information concerning the minimum amount and/or maximum amount of subscription (expressed either as a number of securities, or as a global sum to invest):	[●]
		Description of the possibility of reducing subscriptions and the way of refinancing any excess amounts paid:	[●]
		Information on the methods and date limits for paying up and delivering the Notes:	[●]

⁸ Applicable when the notes have a nominal value of less than €100,000

		Terms and dates on which the results of the offer are disclosed:	[●]
		Procedure relating to the exercise of any pre-emptive right, tradability of subscription rights and treatment of subscription rights that are not exercised:	[●]
		Category of potential investors to whom the Notes shall be offered and whether one or several Tranches have been reserved for certain countries:	[●]
		Procedure for the notice of the amount allocated and indication whether distribution may commence before notice has been served:	[●]
		Amount of any expense, tax or duty incurred specially by the subscriber or buyer:	[●]
		Name(s) and address(es), when they are known to the Issuer, of the dealers in the different countries in which the offer is made:	[●]
		Consent of the issuer for the use of the Prospectus during the Offer Period	[●]
		Dealer(s) in the countries where the offer is made:	[Not applicable / Name(s) and address(es) of the financial intermediaries named by the Issuer to act as Authorised Offeror(s) / Any financial intermediary who satisfies the conditions set out below " <i>Conditions of consent of the Issuer for use of the Prospectus</i> "]
		Conditions of consent of the Issuer for use of the Prospectus:	[●]

10. Operational information

	(i)	ISIN code:	[●]
	(ii)	Common code:	[●]

	(iii)	Depositar(y)(ies):	[[●]/[Not Applicable]]
		(a) Euroclear France acting as Central Depository:	[Yes/No]
		(b) Common Depository for Euroclear and Clearstream, Luxembourg:	[Yes/No]
	(iv)	Any system of compensation other than Euroclear France, Euroclear and Clearstream, Luxembourg and the corresponding identification number(s)	[Not Applicable/give the name(s) and number(s)]
	(v)	Names and addresses of initial Paying Agents appointed for the Notes:	<p style="text-align: center;">BNP Paribas Securities Services (Euroclear France Affiliate Number: 29106) Les Grands Moulins de Pantin 9, rue du Débarcadère 93500 Pantin France Attention: Corporate Trust Services</p> <p style="text-align: center;">For all operational notice:</p> <p style="text-align: center;">BNP Paribas Securities Services, Luxembourg Branch Corporate Trust Services 33, rue de Gasperich, Howald - Hesperange L - 2085 Luxembourg</p> <p style="text-align: center;">Tel: +352 26 96 20 00 Fax: +352 26 96 97 57 Attention: Lux Emetteurs / Lux GCT</p>
	(vi)	Names and addresses of additional Paying Agents appointed for the Notes:	[●]

11. [INVESTMENT AND UNDERWRITING⁹

	(i)	Name and address of the coordinator(s) of the offer as a whole and its different parts and, to the extent that this information is known to the Issuer and offeror, of the dealers in the different countries where the offer is made:	[●]
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⁹ Required when the notes have a nominal value of less than €100,000

	(ii)	Entities having agreed on underwriting and entities having agreed to deal in the Notes without underwriting or by the terms of a third-party investment contract. If the underwriting does not cover the whole of the issue, indicate the proportion covered:	[●]
	(iii)	Name and address of the entities that have a firm commitment to act as authorised intermediaries on the secondary market, by supplying liquidity at buy/sell prices and description of the main terms of their commitment:	[Not applicable / name, address and description]
	(iv)	Date on which the underwriting contract was or shall be honoured	[●]

[ANNEXE - SUMMARY OF THE ISSUE]

(The Issuer will insert the summary of the issue if applicable)

GENERAL INFORMATION

1. The Issuer has obtained all agreements, approvals and authorisations required in France within the framework of the updating of the Programme which was authorised by deliberation No. 2014 DFA 25-1 of 15, 16 and 17 December 2014 of the Municipal Council of the Issuer. All Note issues must be authorised by a decision of the Municipal Council of the Issue.
2. There has been no noteworthy change in the financial situation of the Issuer since 31 December 2014.
3. The present Base Prospectus will be published on the websites of (i) the AMF ([ww.amf-france.org](http://www.amf-france.org)) and (ii) the Issuer (http://www.paris.fr/municipalite/l-hotel-de-ville/taxes-et-impots-2318#/programme-d-emissions-de-titres-emptn_10) and (iii) any other relevant regulatory authority, and it shall be available for consultation and copy, free of charge, during the usual business hours on any day of the week (with the exception of Saturdays, Sundays and bank holidays) at the registered office of the Fiscal Agent or at that of the Paying Agent. The Final Terms of the Notes admitted to trading on a regulated market of the EEA or offered to the public in a Member State other than France, in each case in compliance with the Prospectus Directive, shall be published on the websites of (i) the AMF ([ww.amf-france.org](http://www.amf-france.org)) and (ii) the Issuer (http://www.paris.fr/municipalite/l-hotel-de-ville/taxes-et-impots-2318#/programme-d-emissions-de-titres-emptn_10) and (iii) any other relevant regulatory authority.
4. In the twelve (12) months preceding the date of the present Base Prospectus, the Issuer is not and has not been involved in any governmental, judicial or arbitration procedure and has no knowledge of any such procedure pending, or by which it is threatened, which could have or recently has had material effects on his financial situation.
5. A request for the admission of Notes to the clearing operations of the Euroclear France, Euroclear and Clearstream, Luxembourg systems may be filed. The Common Code and the ISIN (International identification number for notes) or the identification number of any other clearing system concerned by each Series of Notes shall be indicated in the relevant Final Terms.
6. For as long as the Notes issued under the present Base Prospectus are outstanding, the following documents shall be available, as soon as they are published, free of charge, at the usual office hours, any day of the week (except Saturdays and bank holidays) for consultation and, in the case of the documents mentioned in (iii), (iv), (v) and (vii), for copying free of charge in the office of the Fiscal Agent or the Paying Agents:
 - (i) the Financial Service Contract (which includes the model for the accounting letter, the Temporary Global Certificates, the Materialised Notes, Coupons and Talons);
 - (ii) the investment Contract;
 - (ii) the two most recent original budgets (modified if necessary by a supplementary budget) and administrative accounts published by the Issuer;
 - (iv) all the Final Terms relating to the Notes admitted to trading on Euronext Paris or any other regulated market;
 - (v) a copy of the present Base Prospectus together with any supplements to the Base Prospectus or any new Base Prospectus;
 - (vi) a copy of the Firm Underwriting Contract relating to the Notes issued within the scope of a syndicated issue admitted to trading on a regulated market; and

- (vii) all reports, correspondence and other documents, evaluations and declarations drawn up by an expert at the request of the Issuer of which any part might be extracted or to which reference may be made in the present Base Prospectus and relating to the issue of Notes.
7. For any Tranche of Fixed Rate Notes, an indication of performance under such Notes will be specified in the applicable Final Terms. The yield is calculated at the Issue Date of the Notes on the basis of the Issue Price. The specified performance is calculated as the yield to maturity at the Issue Date of the Notes and will not be an indication of future performances.
 8. The price and amount of the Notes issued within the scope of the Programme shall be determined by the Issuer and each of the Investment Agents concerned at the time of the issue according to the state of the market.

RESPONSIBILITY FOR THE BASE PROSPECTUS

Person taking responsibility for the present Base Prospectus

In the name of the issuer

The Issuer hereby certifies that, after taking all reasonable steps to this effect, all information included in this Base Prospectus is, to its knowledge, true to the facts and includes no omissions that are likely to alter the scope thereof.

Paris, 29 October 2015

CITY OF PARIS

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Represented by: Dominique FRENTZ
Sous-directeur du Budget, pour la Maire de Paris et par délégation



In application of articles L. 412-1 and L. 621-8 of the Monetary and Financial Code and of its General Regulation, and in particular Articles 212-31 to 212-33, the Autorité des Marché Financiers has placed its approval n° 15-550 dated 29 October 2015 on the present Base Prospectus. This prospectus has been drawn up by the issuer and binds the responsibility of the signatories.

Approval, in compliance with the provisions of Article L. 621-8-1-1 of the Monetary and Financial Code, was attributed after the AMF had checked "*whether the document is complete and comprehensible and whether the information that it contains is coherent*". It implies neither approval of the opportunity of the operation, nor authentication of the accounting and financial elements therein.

In compliance with Article 212-32 of the AMF General Regulations, any issue or admission of notes on the basis of this prospectus shall give rise to publication of the Final Terms.

Issuer

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Direction des Finances et des Achats
17, Boulevard Morland
75004 Paris - France**

Arranger

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75008 Paris - France**

Dealers

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Canary Wharf
London E14 5LB, United Kingdom**

**BNP PARIBAS
10 Harewood Avenue
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United Kingdom**

**Citigroup Global Markets Limited
Citigroup Centre
33 Canada Square
Canary Wharf
London E14 5LB - United
Kingdom**

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France**

**NATIXIS
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France**

Fiscal Agent, Principal Paying Agent and Calculating Agent

**BNP Paribas Securities Services
(Euroclear France Affiliate Number: 29106)
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of the Issuer

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of the Dealers

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