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## PRESS RELEASE

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23 March 2018

### RATP Group 2017 Annual Results

## A year of profitable growth and strengthening of the Group's financial structure

- Significantly improving economic and financial results
- High level of investment in Paris region
- Accelerated Group development in France and internationally
- Accelerated mobilisation by the Group in new, sustainable and connected forms of mobility

- Group **revenue** amounted to **5.486 billion euros** in 2017, an increase of 0.7% (1.2% excluding currency effects).
- **Subsidiaries' contribution** to Group revenue excluding currency effects remained stable in 2017 at **20.7%**
- RATP maintained a very high level of **investment in the Paris region at 1.56 billion euros, while consolidating its financial position: net debt levels contracted by 206 million euros to 5.2 billion euros with a gearing ratio of 1.13.**
- The **net result, Group share**, amounted to **339 million euros** (+168 million euros), **practically double that of 2016**. The improvement, which includes a non-recurring effect from the reassessment of 78 million euros in deferred tax assets for RATP, demonstrates the strengthening of the company's operating performance.

The RATP board of directors, chaired by RATP President and Chief Executive Catherine Guillaud, met on 23 March 2018 to review and draw up the consolidated financial statements for RATP Group and the company accounts for the EPIC entity at 31 December 2017.

**Catherine Guillaud stated** at the meeting: "The significant improvement in 2017 results, in line with the trajectory of the 2025 Challenge strategic plan, strengthens the Group's financial structure. It provides us with a solid basis to continue our ambitious investment policy in the Paris region. RATP Group is built on a model of profitable growth both in France and internationally and can contemplate its future with confidence and ambition."

### Trends in RATP Group key performance indicators

in euro millions	31 December 2016	31 December 2017	
Consolidated revenue*	5,448	5,486	+0.7%
Recurring EBIT	374	448	+19.8%
Net result, Group share	171	339	+98%
Cash flow	912	976	+7%

\* with IFRIC 12 accounting standard applied

### Solid consolidated results

Group consolidated revenue amounted to 5,486 million euros in 2017, an increase of 0.7% (1.2% excluding currency effects) compared to 31 December 2016.

- **The EPIC entity contribution amounted to 4,372 million euros, a 1.2% increase (+50 million euros).** Activity in the Paris region benefited from an increased offering decided upon by Ile-de-France Mobilités for the RATP network, in particular in buses (suburban and Noctilien), RER A and tramway services (bolstered T2 and extended T6 lines) and dynamic passenger traffic.
- **The contribution from subsidiaries amounted to 1,114 million euros, an increase of 1.3% excluding currency effects (-1% gross).** Subsidiaries' growth was ensured primarily by RATP Dev, which achieved strong organic growth (+3%) driven by expansion in France, Algeria, South Africa and the USA.

Operating performance continued to rise: recurrent EBIT rose by 74 million euros over 2016 to 448 million euros, a clear improvement by both RATP and RATP Dev. This amounts to 8.2% of revenue, compared to 6.9% in 2016.

**Net result, Group share, amounted to 339 million euros, compared to 171 million euros in 2016.** The strong improvement includes a non-recurring effect from the reassessment of 78 million euros in deferred tax assets for RATP following the transformation of the CICE as reduced charges starting in 2019.

#### The Group's financial solidity was strengthened in 2017:

- Cash flow excluding the reassessment of deferred tax assets amounted to 976 million euros, up by 64 million euros.
- Net debt contracted by 206 million euros to 5.2 billion euros at the end of 2017 thanks to improved cash flow and the drive to improve WCR in operations and investment.
- The gearing ratio of net debt to capital continued its trajectory of improvement at 1.13, compared to 1.3 at the end of 2016, which is very close to the ratio target of 1.1 set for 2020.

Also of note was the June 2017 launch of the first issue by RATP of ten-year Green bonds for 500 million euros at a rate of 0.875%. The company confirms with this issue its contribution to the energy transition by innovatively financing its investment in favour of sustainable mobility.

### Higher traffic in the Paris region

Passenger traffic recorded in the Paris region by the RATP EPIC entity rose by 1.3% in 2017 to 3,352 million journeys, with marked acceleration in the last four months (+2.6%). Growth, which concerned primarily rail modes, was driven by the economic recovery, the impact of the Navigo Toutes Zones flat rate and by the return of tourists and occasional customers:

- **Metro:** traffic rose by 1.3% (+ 20.2 million journeys – MJ), thanks to economic growth and a return of tourism customers.
- **RER:** traffic rose by 3% (+ 14.2 MJ) as a result of the economic recovery, urban development in the suburbs and the long-term appeal offered by the Toutes Zones (all zones) flat rate.
- **Bus:** traffic rose slightly by 0.2% (+ 2.4 MJ), but was adversely affected by road difficulties arising from works.
- **Tramway:** traffic rose by 2.7% (+ 7.5 MV) in part due to the increase in patronage on the T6 line (which was extended in mid-2016) and the appeal of this mode of transport.

## A very high-performance metro network and an RER network boasting significant improvements on Line A

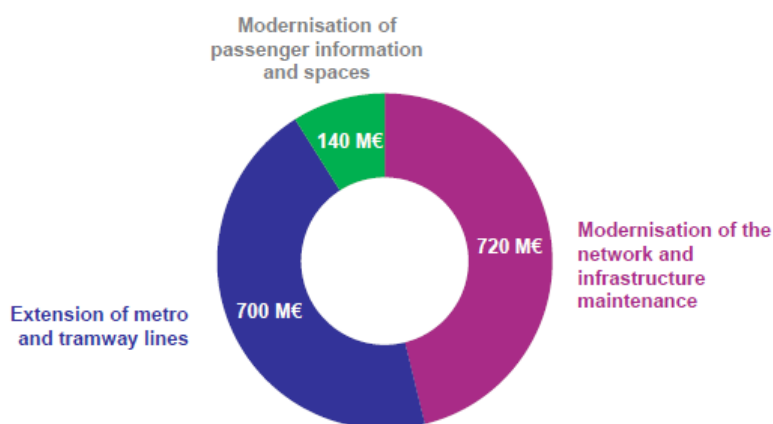
In 2017, the metro network posted a sharp rise in peak-hour production at 98.1% (+0.5 points over 2016) on average for all lines, which confirmed the sound results obtained in 2016. For example, lines 4 and 13 achieved 97.7% (96.7% in 2016) and 97.2% (96.3%) in peak-hour production.

On the RER network, Line A improved timeliness at 86.3% (83.9% in 2016), while RER B punctuality fell to 87% (vs. 88.5% in 2016) as a result of several incidents (many of which had outside causes), but also the station slipping works at Arcueil-Cachan which required slower speeds for several months.

As for RER A, the new timetable schedules implemented at the end of 2017 should further improve line punctuality.

## Investments at very high levels in the Paris region

Investment by RATP in the Paris region in 2017 with assistance from IDFM remained at very high levels at 1,560 million euros, as shown in the following breakdown\*:



In 2017, over 3,000 projects of all sizes were implemented to ensure passenger safety and service continuity at an exceptional volume.

\* See details in the appendices

## An exceptional year in terms of development in France and internationally for RATP Group through its RATP Dev subsidiary

In 2017, RATP Dev continued to expand in France and internationally. Development is driven by profitable growth, in particular thanks to contracts in the USA, Algeria, South Africa and France. RATP teams worked on major bids in 2017 in North Africa, the Middle East, Canada and France.

In France, RATP Dev won the bid in Lorient to operate the bus network and maritime shuttle service. Contracts were also renewed in Bourges, Charleville-Mézières and for the PAM 91 service, a transport service for reduced-mobility passengers in the Essonne department.

### Internationally, there were major business successes in 2017:

- **Morocco:** Casa Transports, the Casablanca transport authority, renewed its trust in RATP Dev to operate, maintain and develop the tramway network for the Casablanca conurbation for a twelve-year term.
- **Algeria:** the Sidi Bel Abbès tramway officially entered service on 25 July 2017, bringing the number of operating units operated by SETRAM (the joint venture established by RATP Dev, EMA and TRANSTEV) to four.
- **Qatar:** Qatar Rail, the national Qatar public transport operator, signed the operating and maintenance contract for the Doha automatic, driverless metro network with RKH Qitarat, the joint venture between RATP Dev/Keolis/Hamad Group. It also signed a contract for the Lusail tramway, the new town currently under construction north of the Qatar capital of Doha. This iconic agreement for a twenty-year term is estimated to be worth over three billion euros. The network should be launched in 2020.
- **United Kingdom:** in terms of a commitment to a more sustainable city, RATP Dev signed an agreement with Transport for London – the city’s authority – to convert two London bus lines (C1 and 70) into 100% electrically powered lines in 2018. The Shepherd’s Bush depot is currently being converted into one with a 100% electric fleet, which will make it one of the first zero emission bus garages in London.

RATP Dev won the contract to manage the transport network of Asheville, North Carolina, as well as the bus network operation contract for Lake County, Florida, which helps the Group continue its expansion in the USA.

## Continued strong business dynamic by other RATP Group subsidiaries

- **Ixxi**, the RATP Group subsidiary that specialises in developing new digital mobility solutions, continued its development trajectory in particular outside France. Ixxi signed a first ticketing assistance contract in Abidjan (Côte d’Ivoire) with Citrans, the new private lagoon transport company running 18 vessels, and has expanded in Mexico with the acquisition of Setim (a consultancy in smart transport system solutions).
- **Systra**, the subsidiary jointly owned by RATP and SNCF, confirmed its world leadership position in public transport infrastructure engineering with a sharp rise in new orders at 642 million euros in 2017 (an increase of +19%). Over 60% of SYSTRA revenue was generated internationally in 2017: Cairo metro line 4, Manila metro line 1, etc. The improvement can also be attributed to the full-year effect of the acquisition of the Brazilian company Vetec and of the American bridge specialist IBT.

In February 2017, RATP Group set up **RATP Capital Innovation**, its investment fund focusing on small businesses and start-ups. As part of its targeted investment policy, RATP Capital Innovation has already invested in several start-ups that epitomise new and shared individual forms of mobility: car-pooling with Communauto, commute car-sharing with Klaxit (previously known as WayzUp), transport services for fragile passengers with Citizen Mobility and a significant equity stake in Cityscoot, the leader in self-service scooters.

## 2018 outlook

**RATP Group intends to continue the same dynamic of investment and growth in 2018 in the Paris region, French provinces and internationally, keeping in mind the same three priorities: passenger service, innovation and sustainable city.**

**In the Paris region**, 2018 will see an acceleration in the 2025 Bus plan with the aim of converting two-thirds of bus depots to electrically-powered vehicles and one-third to bio-gas by 2025 and a clean fleet (electricity, biogas and hybrid). Extension works for the network will continue; the extension of T3 to Porte d'Asnières will enter service at the end of the year. As for the RER network, the automatic steering system will be deployed on all RER A trains. A tender will be issued to acquire new double-decker trains for RER B.

**2018 will also be a decisive year in amplifying innovation in the Group and accelerating the digital transformation plan.** The RATP board of directors decided on 23 March 2018 to invest **an additional 15 million euros in its RATP Capital Innovation subsidiary** for new equity stakes in innovative start-ups. At the same time, **a 330 million-euro investment is scheduled in digital** over the 2018-2020 period.

**In terms of development outside the Paris region**, RATP Dev is firmly positioned in bids with results expected in 2018 and 2019 for: Angers, Brest, CDG Express in partnership with another operator, Chambéry and Nîmes.

**Italy:** after successfully commissioning the first tramway line in Florence in 2010, RATP Dev is continuing its partnership with the city authorities in building and operating lines 2 and 3. The launch is scheduled for the summer of 2018.

**Middle East:** RATP Group is still in the running for the Riyadh metro bid, a major automatic metro project in Saudi Arabia. All of the know-how and expertise of the company, a world leader in automatic metro solutions, has been deployed for this major project.

**Algeria:** the development of regional mobility is continuing with highly-awaited service launches including the launch of the first tramway from the desert to Ouargla, the tramway in Sétif and the new extension phase of the Algiers metro.

**Morocco:** in 2018, RATP Dev will commission the second line of the tramway (T2) for Casablanca, the first key step in the most ambitious urban transport project on the African continent.

**Canada** remains a territory to be conquered for RATP Group with several large bids in progress. The same applies to Latin America, where RATP Dev will bid to run the Buenos Aires metro.

Thanks to this strong dynamic and the commitment of all its teams, RATP Group is in great shape to deploy its “2025 Challenge” strategic plan and fulfil its ambition to be a leader in urban, sustainable and connected mobility and to assert itself as a special partner for smart cities.

## APPENDICES

### Investment details in the Paris region in 2017

#### 1 / 720 million euros to modernise the network and maintain infrastructures

Reminder: RATP is the owner and long-term manager of its infrastructure and is a major contributor to the renewal of transport operator assets in the Paris region. Consequently, RATP results must be used to finance its network modernisation and renewal investments.

#### 1-1 RER: an absolute priority

The priority set for this mode of transport can be seen in the investment amount, which is three times higher than for the rest of the network in relation to the number of passengers.

##### ➔ RER A: visible modernisation for improvement in punctuality

- The entire line is now equipped with double-decker trains; ten additional trains for new offerings (implemented and forthcoming) entered service. This means an additional 30% capacity for the line.
- The first train with automatic steering for the central section entered service in April 2017; deployment achieved over 30% at the end of the year.
- Promise kept for the summer track and ballast renewal operation: the entire scheduled program was implemented (4.2 km of rails and four renewed track machines) in time and without incident on resumption of service.

##### ➔ RER B: modernisation is growing

- In progress: renewal of equipment, modernisation of Orsay, Massy and Saint-Rémy terminuses
- A major modernisation program in relation with the rolling stock renewal in the future.

#### 1-2 Continuation of metro modernisation programs

##### ➔ Line 4 actively preparing for automation

- The strengthening of docks to install future edge doors is 60% completed. The first edge doors will be installed in 2018.
- Although less visible, work on operating systems is also progressing: preparation for signalling, the new OCC building delivered in December, etc., with preliminary trials scheduled for 2018.

##### ➔ The modernisation program for the metro network is in progress

- 100% of trains on Line 13 have been equipped with new automatic steering since July. Modernisation of Line 6 – which will use the trains currently used on Line 4 - was launched in March.

##### ➔ And the next phase of modernisation concerning eight lines was launched in 2017

- The tender for new rolling stock was issued in spring 2017.
- The future “MF19” train will operate on metro lines 3, 3bis, 7, 7bis, 8, 10 and 13 starting in 2023.

#### 1-3 The bus is changing as part of the 2025 Bus plan

- Line 341 has been 100% electric since spring: autonomy and reliability are ensured. Lines 115 and 126 have been partially equipped with electric buses.
- Nearly 1,000 clean buses are already in service (hybrid, electric and bio gas models)
- Jourdan-Corentin-Issore workshops opened in November as an ambitious urban transformation plan in the heart of Paris, home to the bus depot, social housing, private and student residences, a crèche, nursery and garden. 20,000 sq. m focusing on functional, social and urban diversity.

## **2 / 700 million euros to extend the metro and tramway: an unprecedented volume of network extension works**

- Current extensions of metro lines 4, 11, 12, 14 north and south.
- 30 km of construction lines, eighteen stations, six tunnelling machines, levels which have not been matched since the 1930s.
- Work to prolong the T3 tramway to Porte d'Asnières are in full swing with service to commence at the end of 2018.
- Preliminary extension work on T1 tramway in Colombes was conducted in the summer of 2017 at the Les Courtilles station.
- Contract fulfilled for the spectacular program in Arcueil for the connection between RER B and line 15 in the Grand Paris Express program: slipping work conducted in six hours for a 3,000-tonne project between 1 and 5 November.

## **3/ 140 million euros to modernise spaces and passenger information**

- ➔ **Passenger information and services continue to expand**
  - 3,000 IMAGE screens deployed
  - 60 Zenway screens entered service
  - Nearly 130 stations covered by 3G/4G
- ➔ **Remote supervision of spaces for greater security and more services**
  - Metro fire and safety central command station entered service in June
  - Centralised remote supervision of station facilities for line 4 in service
- ➔ **Renovated and more welcoming spaces**
  - The Château Rouge station reopened on 1 August 2017 after comprehensive renovation and decoration work.
  - RER stations: work in the Châtelet-les-Halles hub was completed; work at Auber, Vincennes, Nogent-sur-Marne, Bussy-Saint-Georges and Croix-de-Berny stations was launched.