

FITCH DOWNGRADES 14 FRENCH CREDIT-LINKED PSES & 2 BOND ISSUES

Fitch Ratings-Paris/London-18 December 2014: Fitch Ratings has downgraded the Long-term Issuer Default Ratings (IDRs) of 14 French public sector entities (PSEs) and the Long-term ratings of two PSEs' bond issues. The agency has removed all the ratings from Rating Watch Negative (RWN) and assigned Stable Outlooks to the Long-term IDRs. A full list of rating actions is below.

The rating actions mirror that on France's sovereign Long-term IDR on 12 December (see 'Fitch Downgrades France to 'AA'; Outlook Stable' at www.fitchratings.com).

KEY RATING DRIVERS

The downgrade and the removal from RWN of the 14 French credit-linked PSEs owned by France's sovereign or subnational governments, the joint bond issue by 16 French hospitals (French Public Hospitals 3) and the bonds issue by Bpifrance Financement reflects the application of Fitch's "Rating of Public Sector Entities - Outside the United States" methodology according to which dependent entities cannot be rated above the owner (sponsor; French state).

The Stable Outlook on the 14 French credit-linked PSEs IDRs mirrors the Outlook on France's sovereign Long-term IDR. The ratings on the senior unsecured long-term issuance programmes and the respective long-term bond issues as well as the rating on one affected Commercial Paper Programme have also been downgraded.

RATING SENSITIVITIES

Any rating action taken on the French sovereign could be reflected on the ratings of the issuers and their respective issues.

The rating actions are as follows:

Agence Francaise de Developpement (AFD):

Long-term IDR downgraded to 'AA' from 'AA+', Rating Watch Negative (RWN) removed and assigned Stable Outlook

Short-term IDR affirmed at 'F1+'

EUR25bn Euro Medium Term Notes (EMTN) programme: Long-term rating downgraded to 'AA' from 'AA+' and RWN removed; Short-term rating IDR affirmed at 'F1+'

Senior unsecured notes: Long-term ratings downgraded to 'AA' from 'AA+' and RWN removed

Subordinated notes: Long-term ratings downgraded to 'AA-' from 'AA' and RWN removed

EUR2bn Certificate of Deposits (CD) programme: Short-term rating affirmed at 'F1+'

Assistance Publique - Hopitaux de Paris (APHP):

Long-term foreign and local currency IDRs downgraded to 'AA' from 'AA+', RWN removed and assigned Stable Outlook

Short-term IDR affirmed at 'F1+'

EUR2bn EMTN programme: Long-term rating downgraded to 'AA' from 'AA+', and RWN removed; Short-term rating affirmed at 'F1+'

Senior unsecured notes: Long-term ratings downgraded to 'AA' from 'AA+' and RWN removed

Caisse d'Amortissement de la Dette Sociale (CADES):

Long-term foreign and local currency IDRs downgraded to 'AA' from 'AA+', RWN removed and assigned Stable Outlook

Short-term IDR affirmed at 'F1+'

EUR65bn Global Medium Term Notes programme: Long-term ratings downgraded to 'AA' from 'AA+', RWN removed; Short-term rating affirmed at 'F1+'

EUR 130bn Debt Issuance programme: Long-term ratings downgraded to 'AA' from 'AA+', RWN removed; Short-term rating affirmed at 'F1+'

EUR5bn BMTN programme: Long-term ratings downgraded to 'AA' from 'AA+', RWN removed

Senior unsecured debt issuance programmes (Long-term): Long-term ratings downgraded to 'AA' from 'AA+', RWN removed

Senior unsecured debt issuance programmes (Short-term): Short-term ratings affirmed at 'F1+'

Caisse des Depots et Consignations (CDC):

Long-term IDR downgraded to 'AA' from 'AA+', RWN removed and assigned Stable Outlook

Short-term IDR affirmed at 'F1+'

EUR18.5bn EMTN programme: Long-term rating downgraded to 'AA' from 'AA+', RWN removed; Short-term rating affirmed at 'F1+'

Senior unsecured notes: Long-term ratings downgraded to 'AA' from 'AA+', RWN removed

EUR1bn BMTN programme: Short-term rating downgraded to 'AA' from 'AA+', RWN removed

EUR30bn Global CP programme: Short-term rating affirmed at 'F1+'

EUR20bn Certificate of Deposits (CD) programme: Short-term rating affirmed at 'F1+'

Caisse Nationale des Autoroutes (CNA):

Long-term foreign and local currency IDRs downgraded to 'AA' from 'AA+', RWN removed and assigned Stable Outlook

Short-term IDR affirmed at 'F1+'

Senior unsecured notes: Long-term ratings downgraded to 'AA' from 'AA+', RWN removed

Hospital Centre of Roubaix:

Long-term foreign and local currency IDRs downgraded to 'A' from 'A+', RWN removed and assigned Stable Outlook

Short-term IDR affirmed at 'F1'

EPIC BPI-Groupe:

Long-term foreign and local currency IDRs downgraded to 'AA' from 'AA+', RWN removed and assigned Stable Outlook

Short-term IDR affirmed at 'F1+'

Bpifrance Financement:

EUR4bn Certificate of deposits (CD) programme guaranteed by EPIC BPI-Groupe: Long-term rating downgraded to 'AA' from 'AA+', RWN removed; Short-term rating affirmed at 'F1+'

EUR20bn EMTN programme guaranteed by EPIC BPI-Groupe: Long-term rating downgraded to 'AA' from 'AA+', RWN removed; Short-term rating affirmed at 'F1+'

EUR4bn BMTN programme guaranteed by EPIC BPI-Groupe: Long-term rating downgraded to 'AA' from 'AA+', RWN removed; Short-term rating affirmed at 'F1+'

Senior unsecured notes guaranteed by EPIC BPI-Groupe: Long-term ratings downgraded to 'AA' from 'AA+', RWN removed.

'French Public Hospitals 3' Joint Bond Issue by 16 French Public Hospitals:

Long-term rating downgraded to 'A+' from 'AA-', RWN removed.

La Poste:

Long-term IDR downgraded to 'A+' from 'AA-', RWN removed and assigned Stable Outlook

Short-term IDR downgraded to 'F1' from 'F1+', RWN removed.

EUR1.5bn Billets de Tresorerie (BT) programme: Short-term rating downgraded to 'F1' from 'F1+', RWN removed

EUR500m Euro Commercial paper (ECP) programme: Short-term rating downgraded to 'F1' from 'F1+', RWN removed

EUR7bn EMTN programme: Long-term rating downgraded to 'A+' from 'AA-', RWN removed;
Short-term rating downgraded to 'F1' from 'F1+', RWN removed

Senior unsecured notes: Long-term ratings downgraded to 'A+' from 'AA-', RWN removed

Regie Autonome des Transports Parisiens (RATP):

Long-term IDR downgraded to 'AA' from 'AA+', RWN removed and assigned Stable Outlook

Short-term IDR affirmed at 'F1+'

EUR2bn Billets de Tresorerie (BT) programme: Short-term rating affirmed at 'F1+'

EUR5bn EMTN programme: Long-term rating downgraded to 'AA' from 'AA+', RWN removed;
Short-term rating affirmed at 'F1+'

Senior unsecured notes: Long-term ratings downgraded to 'AA' from 'AA+', RWN removed

Reseau Ferre de France (RFF):

Long-term IDR downgraded to 'AA' from 'AA+', RWN removed and assigned Stable Outlook

Short-term IDR affirmed at 'F1+'

EUR5bn Euro Commercial Paper (ECP) programme: Short-term rating affirmed at 'F1+'

EUR3bn Billets de Tresorerie (BT) programme: Short-term rating affirmed at 'F1+'

EUR40bn EMTN programme: Long-term rating downgraded to 'AA' from 'AA+', RWN removed;
Short-term rating affirmed at 'F1+'

Senior unsecured notes: Long-term ratings downgraded to 'AA' from 'AA+', RWN removed

Societe de Financement Local (SFIL):

Long-term foreign and local currency IDRs downgraded to 'AA-' from 'AA', RWN removed and
assigned Stable Outlook

Short-term IDR affirmed at 'F1+'

Societe Nationale des Chemins de Fer (SNCF):

Long-term IDR downgraded to 'AA' from 'AA+', RWN removed and assigned Stable Outlook

Short-term IDR affirmed at 'F1+'

EUR3.048bn Billets de Tresorerie (BT) programme: Short-term rating affirmed at 'F1+'

EUR2bn euro commercial paper (ECP) programme: Short-term rating affirmed at 'F1+'

EUR12bn EMTN programme: Long-term rating downgraded to 'AA' from 'AA+', RWN removed;
Short-term rating affirmed at 'F1+'

Senior unsecured notes: Long-term ratings downgraded to 'AA' from 'AA+', RWN removed

Societe Nationale Immobiliere (SNI):

Long-term foreign and local currency IDRs downgraded to 'A+' from 'AA-', RWN removed and
assigned Stable Outlook

Short-term IDR downgraded to 'F1' from 'F1+', RWN removed

Unedic:

Long-term foreign and local currency IDRs downgraded to 'AA' from 'AA+', RWN removed and
assigned Stable Outlook

Short-term IDR affirmed at 'F1+'

EUR12bn Billets de Tresorerie (BT) programme: Short-term rating affirmed at 'F1+'

EUR3bn BMTN programme: Long-term rating downgraded to 'AA' from 'AA+', RWN removed

EUR26bn EMTN programme: Long-term rating downgraded to 'AA' from 'AA+', RWN removed;
Short-term rating affirmed at 'F1+'

Senior unsecured notes: Long-term ratings downgraded to 'AA' from 'AA+', RWN removed

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Additional information is available at www.fitchratings.com.

Applicable criteria, "Tax-Supported Rating Criteria", dated 14 August 2012, "Ratings of Public-Sector Entities Outside the United States", dated 4 March 2014, are available at www.fitchratings.com.

Applicable Criteria and Related Research:

Tax-Supported Rating Criteria

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=686015

International Local and Regional Governments Rating Criteria - Outside the United States

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=719656

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