PRESS RELEASE

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SNCF GROUP FINANCIAL INFORMATION

RESULTS FOR THE 1ST HALF OF 2013

SNCF Group revenue totalled **€16 billion in the first half of 2013**, on a par with the first half of 2013 at constant scope of consolidation and exchange rates.

Revenue from the SNCF Infra division (rail network management and maintenance) was up 3.1% reflecting a steep 17% increase in renovation works on the rail network.

Growth slowed for the SNCF Proximités division (local and regional passenger transport), up 0.6%, while at the SNCF Voyages division (long-distance high-speed passenger services) revenue declined 1.2% and at SNCF Geodis (freight transport and logistics) business fell 2.9% in French and European markets hit by recession.

In a severely challenged economy, SNCF Group reported EBITDA at €1.3 billion or 8.1% of sales, thanks to cost control, roll-out of the first stage of a performance plan targeting corporate functions across all divisions, and the positive impact of the CICE tax credit for competiveness and employment.

Recurring net profit came to €284 million.

Net profit was boosted by **€581 million in exceptional items booked during the period.**

With investments totalling over €1 billion for the first half of 2013–an increase of €140 million – free cash flow was positive at €118 million, and debt was under control.

- Revenue of €16.01 billion, on a par with the first half of 2012 at constant scope of consolidation and exchange rates
- EBITDA of €1.296 billion
- Recurring net profit of €284 million
- Net profit attributable to equity holders of the parent company of €865 million
- Self-financing capacity of €968 million
- Capital investment of €1.004 billion in the first six months of the year
- Free cash flow of €118 million
- Net financial debt of €8.010 billion at June 30, 2013

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KEY FIGURES AT 30 JUNE – SNCF GROUP

CONSOLIDATED DATA **€ MILLIONS**	H1 2012 pro forma (1)	H1 2013	Impact of changes in scope of consolidation & exchange rates (2)	Change at constant scope of consolidation and exchange rates (1)	
Revenue	16 007	**16 010**	5	-2	+0.0%
Gross profit (EBITDA) *EBITDA as% of revenue*	1 266 *7.9%*	**1 296** *8.1%*	-25	+55	
Current operating profit (loss) *as % of revenue*	606 *3.8%*	**501** *3.1%*	-30	-75	
Operating profit (loss) after share of net profit of companies consolidated under the equity method	583	**1 143**	-31	+591	
Financial profit (loss)	-237	**-144**	31	+62	
Recurring net profit *as % of revenue*	305 *1.9%*	**284** *1.8%*	0	-21	
Net profit (attributable to equity holders of the parent company) *as % of revenue*	249 *1.6%*	**865** *5.4%*	0	+615	

	H1 2012	H1 2013	Change (gross)
Self-financing capacity(4)	978	**968**	-10
SNCF capital investment	-864	**-1 004**	-140
Disposals	137	**154**	+16
Free cash flow	251	**118**	-132
Net debt	9 170	**8 010**	-1 106

(1) 2012 figures are pro forma, i.e., take into account the impact of the application of new IFRS standards 10, 11 and 12.
(2) Takes into account new agreement between Transilien and the local Transport Organizing Authority (STIF: Syndicat des Transports d'Ile de France), as well as assignment of debt incurred in financing rolling stock.
(3) Excludes impact of new agreement between Transilien and STIF, as well as assignment of debt incurred.
(4) Includes dividends from companies consolidated under the equity method.

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NOTE: CHANGE IN ACCOUNTING STANDARDS FOR CONSOLIDATION AND JOINT ARRANGEMENTS (IFRS 10, 11 AND 12)

SNCF has opted for early application of new IFRS standards for consolidation and introduced these in the first half of 2013.

Joint ventures previously consolidated under the proportionate method will henceforth be consolidated under the equity method:

- SNCF PROXIMITÉS: Keolis UK joint ventures (including London Midland, First, London South Eastern Railway and Southern Railway)

- SNCF VOYAGES: Eurostar, Westbahn

- SNCF Geodis: Chemfreight GmbH as part of Ermewa (Asset management)

In practical terms, these joint ventures' revenue and expenses will no longer appear in the consolidated income statement. Instead their net profit alone will be shown, on a line entitled "share of profit (loss) in companies consolidated under the equity method."

SNCF GROUP PERFORMANCE

- Revenue

Half-year consolidated revenue totalled €16,010 million, on a par with the first half of 2012.

At 30 June 2013, key changes from pro forma results for the first half of 2012 included:

- **a €51 million rise in revenue due to acquisitions** by the SNCF Proximités and SNCF Geodis divisions
- **a negative exchange-rate impact of €18 million** (rise in the euro, notably against the Australian dollar, the Japanese yen and the Brazilian real).

Consolidated revenue was unchanged at constant scope of consolidation and exchange rates, with falls at the SNCF Geodis (-2.9%) and SNCF Voyages (-1.2%) divisions, offset by growth at SNCF Infra (+3.1%) and a smaller rise at SNCF Proximités (+0,6%).

After entering a period of slowed growth in the second half of 2012, SNCF Voyages reported a 1.2% decline in the first half of 2013, primarily in its domestic market.

At 30 June 2013, markets outside France accounted for 20% of SNCF Group's revenue. This percentage is unchanged from 31 December 2012, when restated under new accounting standards (IFRS 10, 11 and 12).

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- Gross profit (EBITDA)

Gross profit (EBITDA) totalled €1,296 million at constant scope of consolidation and exchange rates. This represents a rise of €55 million over the first half of 2012 and corresponds to 8.1% of revenue.

The common rise in expenses and decline in revenues at the SNCF Voyages and SNCF Geodis divisions was offset in part by focused efforts to keep costs under control, plus the roll-out of the first stage of a performance plan targeting corporate functions common to all divisions. The latter is expected to generated €170 million in savings over the full year.

The slight rise in EBITDA in the first half reflects €61 million from France's new CICE tax credit programme.

All divisions reported a year-on-year rise in EBITDA, other than SNCF Voyages division.

- Operating profit

Current operating profit totalled €501 million, down €75 million from the first half of 2012 at constant scope of operations and exchange rates. First-half 2012 results were buoyed by the recovery of major provisions.

Operating profit including the share of net profit of companies consolidated under the equity method totalled €1,143 million, up €591 million from the first half of 2012 at constant scope of consolidation and exchange rates.

In the first half of 2013, this figure was buoyed by the positive impact of integrating impairment of SNCF INFRA assets into the accounts. Representing the loss in value of division assets since 2009, these totalled €546 million in the Group's half-year accounts.

- Financial profit (loss)

The Group recorded a financial loss of €144 million, €62 million lower than in the first six months of 2012 which had been impacted by the lower discount rate applied to the financial cost of commitments to employees.

- Recurring net profit

Exceptional items totalled €581 million in the first half of 2013, a €637 million improvement from the first half of 2012, and included:

- Change in impairment loss (+€599 million) of which €546 million was linked to the recovery in 2013 of the impairment loss of SNCF Infra for maintenance and works;
- Change in fair value of financial profit (+€25 million)
- Capital gain on property sales (+€15 million)

Before these exceptional items, **recurring net profit totalled €284 million** for the first half of 2013, down €21 million compared with the first half of 2012 at constant scope of consolidation & exchange rates.

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- **Net profit attributable to equity holders of the parent company**

Taken together, these trends put net profit attributable to equity holders of the parent company—including the book impact of value adjustments at the SNCF Infra division—at €865 million vs. €249 million in 2012.

INVESTMENTS

In the first half of 2013, SNCF's capital investment rose €140 million to €1,004 million, topped up by outlays financed by Transport Organizing Authorities. Gross investments thus totalled €1,344 million, including:

- 70% for rolling stock, including in particular:
- Francilien trains (for the Paris region's Transilien network) and tram trains
- TGV trainsets
- regular investments by Keolis, Geodis, STVA, Akiem and Ermewa to expand and replace their vehicle fleets and rolling stock.

- 30% for service and repair centres, refitting and upgrading stations, passenger information systems, equipment for track maintenance and engineering works, and information systems for rail operations.

EMPLOYMENT

In the first half of the year, SNCF Group hired over 5,800 new employees under permanent contracts, including over 2,900 at SNCF parent state owned company (EPIC SNCF).
In particular, several hundred youth employment contracts were signed under the French state's special Contrat Emplois d'Avenir programme.

FINANCIAL POSITION

Free cash flow stood at €118 million at 30 June 2013, down €132 million from the first half of 2012.

Net financial debt was €8,010 million at 30 June 2013 compared with €9,170 million at the end of June 2012. This was largely due to the sale of financial debt for rolling stock by SNCF at the end of 2012.

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PERFORMANCE BY DIVISION

Revenue by division to 30 June 2013

€ MILLIONS	H1 2012 Pro forma	H1 2013	Change	Change at constant scope of consolidation & exchange rates
SNCF Infra (infrastructure & engineering)	2,657	**2,657**	+0.0%	+3.1%*
SNCF Proximités (regional passenger transport)	5,941	**5,981**	+0.7%	+0.6%
SNCF Voyages (long-distance passenger services and distribution)	3,439	**3,399**	-1.2%	-1.2%
SNCF Geodis (freight transport & logistics)	4,694	**4,566**	-2.7%	-2.9%
Gares & Connexions (station management & development)	475	**566**	+19.0%	+8.0%*

- Restated for transfer of maintenance of SNCF buildings previously managed by the SNCF Infra division to the Gares & Connexions division with effect from January 1, 2013.

EBITDA by division to June 30, 2013

€ MILLIONS	H1 2012 Pro forma	H1 2013	Change	Change at constant scope of consolidation & exchange rates
SNCF INFRA	58	**68**	+11	**+11**
as % of revenue	*2.2%*	***2.6%***		
SNCF PROXIMITÉS	323	**313**	-10	**+16**
as % of revenue	*5.4%*	***5.2%***		
SNCF VOYAGES	434	**389**	-45	**-45**
as % of revenue	*12.6%*	***11.4%***		
SNCF Geodis	90	**147**	+57	**+55**
as % of revenue	*1.9%*	***3.2%***		
Gares & Connexions	92	**107**	+15	**+15**
as % of revenue	*19.3%*	***18.8%***		

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SNCF INFRA

- Highlights in H1 2013

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- **In preparation for the planned single infrastructure management entity (GIU), SNCF and RFF** (Réseau Ferré de France, current owner of the French rail network) **continued to move toward a combined workforce**, expanding their partnership through dialogue and shared projects to address new topics related to maintenance and renovation policies.
- **Intensive engineering works continued, modernizing the rail network**. In addition to work on the Le Mans-Rennes line in preparation for the future Brittany Loire Valley high-speed line, the programme focused particularly on the **Paris region** (including work on the western extension of the Eole line, the B, C and D RER regional express lines...
- The division launched a **multi-year efficiency plan for 2013-2016**.
- **Operational efficiency initiatives continued, with a special focus on the needs of customers in the Paris region**: the division launched a High Performance plan designed to streamline operations and improve network performance by creating control centres, adapting production methods to new constraints, designing innovative systems, and other measures.
- Following its acquisition of a 50% stake in the Dutch company **Eurailscout** in 2012, the division created **Eurailscout France**, a new rail service company that will use trains with on-board technology to measure track geometry.

- Revenue

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Revenue came to €2,657 million. Though apparently unchanged from the first half of 2012, this figure reflects **growth of 3.1%** when adjusted for SNCF building maintenance transferred from SNCF Infra division to the Gares & Connexions division on 1 January 2013.

This robust growth resulted largely from a 17% increase in renovation of the rail network, particularly in the Paris region, and the impact of network maintenance agreements between SNCF and Réseau Ferré de France (owner of the French rail network), which increased night and weekend work.

- EBITDA

EBITDA was €68 million, up €11 million from the first half of 2012, resulting in particular from additional volumes of renovation work.

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SNCF PROXIMITES

Note on accounting method for Transilien rolling stock under new agreement with STIF (Syndicat des Transports d'Ile de France, the Paris region local Transport Organizing Authority):

Financial statements for 2013 include the impact of accounting for the new agreement between Transilien and the local Transport Organizing Authority (Syndicat des Transports d'Ile de France, or STIF). In the first half of 2013, this trimmed revenue and EBITDA by €105 million (compared with -€76 million in the first half of 2012).

- **Highlights in H1 2013**

Transilien
- Presented 10 measures to make commuter transport in the Paris region more reliable and announced appointment of a joint Managing Director to represent both RFF and SNCF Infra in the Paris region.
- Continued to roll out the new Francilien multiple-unit trainset. With deployment around Paris-Nord station complete, the focus shifted to regions served by the Paris-Est and Paris-Saint-Lazare stations.
- Set up a joint SNCF/RATP operational management unit for RER line B

TER
- Signed a new agreement with the Franche-Comté region for the period 2013-2017.
- Was awarded "NF Services" certification for 8 TER lines in eastern France, a quality initiative that will improve customer satisfaction.

Intercités
- Continued to simplify fares and launched major promotional offers.
- Launched a complimentary new real-time information service for cardholders in the Paris region.

Keolis
- France: renewed four contracts to operate part of the Cars du Rhône intercity coach network, and to manage public transport for the Greater Châtellerault area and two public service networks in Greater Angers (urban transport and on-demand transport for people with limited mobility).

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- International

United States

- Keolis Transit America (KTA) won a contract for transport of people with limited mobility in Fresno, California, strengthening KTA's position in the western US.
- KTA was also selected to operate the majority of the urban network for the city of Las Vegas, which carries 30 million passengers annually.

Benelux:

- Acquisition of two companies specializing in school transport: Trimi and Autocars Saint-Christophe.

China:

- Inauguration of offices in Wuhan (Hubei province), enabling Keolis to participate in the city's intermodal transport projects and in designing the future intermodal hub in Wuhan airport's Terminal 3.
- Keolis signed a strategic cooperation agreement with Shanghai Shentong Metro Group. The two companies can now respond jointly to calls for tenders for urban metro systems, trams and regional trains in China, in Asia and around the world.

- Revenue

Revenue came to €5,981 million. At constant scope of consolidation and exchange rates, and excluding the negative €29 million impact of the accounting change and assignment of debt associated with Transilien rolling stock under the agreement with STIF, the division posted **growth of 0.6%**.

Revenue for TER regional trains remained largely unchanged, rising 0.3%.

Transilien, which handles passenger rail transport in the Greater Paris region, saw revenue rise 1.9% owing to indexing of payments made by STIF as the Transport Organizing Authority for the Paris region.

In terms of passenger traffic, however, TER and Transilien saw volume drop 0.6% in the first half of 2013, as the wider recession hampered growth in day-to-day transport, leaving TER traffic down 0.3% from the first half of 2012, and Transilien down 1.0%.

Revenue from Intercités business (under a contract with the French State for Trains d'Équilibre du Territoire regional trains) was down 1.7%, owing primarily to a 4.7% drop in ticket sales resulting from the difficult economy and partially offset by an increase in compensation paid by the French State as Transport Organizing Authority.

In terms of passenger traffic, Intercités saw volume decline 5.1% in the first half of 2013, due to the difficult economic climate and the impact of continuing engineering works on the rail infrastructure.

Keolis reported 0.7% growth, with a rise in revenue from major local networks in France offset by declining international business focusing on Sweden.

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- EBITDA

EBITDA was €313 million. At constant scope of consolidation and exchange rates, and excluding the impact of the accounting change and assignment of debt associated with Transilien rolling stock, EBITDA rose €16 million thanks to cost control initiatives in 2013.

SNCF VOYAGES

- Highlights in H1 2013

- The division expanded its transport offer with new services, including:
  - Ouigo, a new low-price and family-friendly high-speed offer linking Marne-la-Vallée east of Paris with Marseille and Montpellier;
  - New service for Quimper and southern Brittany, with iDTGV joining some 30 existing options;
  - new Eurostar service linking London to Lyon, Avignon and Aix-en-Provence;
  - new iDBUS connections between southern France and northern Italy.
- New iDTGV services were launched, including a "door-to-door" offer enabling customers to reserve a shuttle to the station.
- The division continued to expand its budget ticket offer (including €30 return tickets for Saturday travel to selected destinations).
- A new, enhanced Garantie Ponctualité service was offered to TGV cardholders.
- Voyages-SNCF.com became the sole brand for the division's on-line sales.

- Revenue

Revenue came to €3,399 million, down 1.2% from the first quarter of 2012 at constant scope of consolidation and exchange rates. Ticket sales fell 0.9% with TGV France (TGV and iDTGV) impacted by the decline in business travel. The downturn was partially offset by **increased European business following the launch of the division's Paris-Milan service and growth for Lyria (high-speed service to Switzerland) and Alleo (high-speed service to Germany).** TGV France traffic was down 1.0% (measured in passenger-km) in the first half of 2013 as compared with the same period in 2012.

- EBITDA

EBITDA was €389 million at 30 June 2013, down €45 million from the first half of 2012 at constant scope of consolidation and exchange rates. The decline resulted largely from declining ticket sales and a 5.1% increase in track access charges, including an additional €55 million for TGV traffic full-year in 2013.

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SNCF GEODIS

- Highlights in H1 2013

- The first half of 2013 brought continued recession in the freight transport sector, with the market deteriorating further in the second quarter.

- New business:
  - **Geodis Messagerie (parcel service) formed a new partnership with Liebherr** for delivery of the global construction equipment leader's spare parts via the France Express network;
  - **Geodis Wilson signed a contract with Delsey** for integrated global management of the luggage manufacturer's logistics operations**,** including transport, logistics and storage services from Asia to the rest of the world;
  - **Heineken France awarded a contract to Geodis Bourgey-Montreuil** to handle all of its logistics flows in France, confirming Geodis as a major player in the French beverage sector;
  - **Geodis and LG Electronics signed a three-year contract for distribution and transport in Italy**. The division will handle over 144,000 cu m of LG Electronics products at its 250,000 sq m logistics campus in Castel San Giovanni;
  - **Fret SNCF won a contract to transport heavy equipment for Caterpillar** as well as new business from Gefco, diverting the traffic from road to rail. Several other customers renewed their contracts, including Thevenin & Ducrot (petroleum products), Sitfa (transport of Toyota vehicles), Aperam (alloys), and Owens-Illinois (glass containers).

- **Transport Ferroviaire Holding (TFH) and the Spanish services group COMSA EMTE signed an agreement giving TFH a 25% stake in COMSA RAIL TRANSPORT (CRT).** The new partnership will allow both companies to expand in the Iberian market, particularly in freight transport to the rest of Europe. In addition, CRT, COMSA EMTE and Fret SNCF signed a partnership agreement aimed at increasing rail freight traffic between France, Central Europe and the entire Iberian Peninsula.

- **Naviland Cargo relaunches Cognac-Le Havre rail line.** Suspended since the summer of 2010 due to engineering works, service resumed in early June, and Naviland is now making two return journeys a week.

- Revenue

Revenue came to €4,566 million, down 2.7% from the first half of 2012 and down 2.9% at constant scope of consolidation and exchange rates.

As Western Europe continued to struggle with recession, business declined across the board:

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- The division's Global Freight Transport and Logistics Offering (Geodis and STVA) shrank by an additional 3.0%.
  The only gains came in the Freight Forwarding division (air and sea transport commissioning), where sales were up 2.2% thanks to a rise in freight rates in the first half of 2012 and sustained activity in industrial projects, which partially offset the slide in other areas. More specifically, parcel deliveries were down 7.4%, and STVA declined 11.0% as new-car registrations fell by 11% in France and 7% in the European Union).
- Revenue at rail and freight transport hub TFM shrank 5.4%, with French rail freight business down 5.9% and multimodal transport down 4.2%.
- Finally, asset management business (rental of rolling stock) was down 1.5% from the first half of 2012.

Organic growth in sales outside Europe came to 4%, versus a 4.2% decline in Europe at constant scope of consolidation and exchange rates.

At 30 June 2013, **markets outside France accounted for 46% of revenue reported by SNCF Geodis**.

- EBITDA

EBITDA was €147 million, a €57 million rise (€55 million at constant scope of consolidation and exchange rates) due primarily to efforts to limit operating losses at Fret SNCF (rail freight services in France).

GARES & CONNEXIONS

- Highlights in H1 2013

- Engineering works were launched at multimodal hub sites in Besançon-Viotte, Nice-Thiers, Agen and Guingamp, and work continued at Rennes, Quimper, La Rochelle, Nantes, Montpellier and Lyon's Part Dieu station.
- Dedicated teams undertaking SNCF and RFF building maintenance were transferred from the SNCF Infra division to the Gares & Connexions division at 1 January 2013.

- Revenue

Revenue came to €566 million, up 8.0% from the first half of 2012, excluding the impact of SNCF building maintenance transferred from SNCF Infra to Gares & Connexions on 1 January 2013. The increase resulted from higher station access charges paid by carriers (essential services provided at 2013 rates) and commercial revenues, particularly from Paris Saint-Lazare station.

- EBITDA

EBITDA was €107 million, up €15 million from the first half of 2012, reflecting a rise in revenue.

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OUTLOOK

The outlook for the second half of 2013 reflects economic conditions in Europe, which remain gloomy and uncertain. Current projections expect French GDP and consumer spending to remain largely unaltered, and the recession in freight transport continues to deepen.

At the same time, SNCF Group faces severe pressure on public finances.

The Group will nonetheless continue to make the heavy investments needed to deliver safe, high-quality service, including acquiring and renovating rolling stock and upgrading infrastructure and train stations in the Paris region.

SNCF is also continuing to prepare actively for the upcoming reform of the French rail system, working closely with network owner RFF to deploy key measures announced by Minister for Transport Frédéric Cuvillier, who has called for a single infrastructure management unit operating within an integrated public-sector entity to be defined in future legislation.

UPCOMING ANNOUNCEMENT

— **Revenue for the first nine months of 2013: 24 October 2013**

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Consolidated financial statements for the first half of 2013 are available on the SNCF Group website at www.sncf.com/finance/a-la-une

About SNCF Group

Present in 120 countries, SNCF is a world leader in mobility and logistics. Its total workforce of 250,000 generated revenue of €33.8 billion in 2012, with over 1/5 of sales from markets outside France. A public sector group dedicated to public service, SNCF builds on its foundations in rail to offer a broad range of services, delivering seamless door-to-door mobility for transport and logistics operators, passengers and the regional and local governments that are its organizing authorities. SNCF Group targets cross-border and international markets, and has five divisions: SNCF Infra manages, operates, maintains and develops rail and related infrastructure; SNCF Proximités operates local, urban and regional passenger services; SNCF Voyages operates long-distance passenger services and distribution; SNCF Geodis provides freight and logistics services; and Gares & Connexions manages and develops train stations. **www.sncf.com**

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