



SOCIETE NATIONALE DES CHEMINS DE FER FRANÇAIS
€12,000,000,000

Euro Medium Term Note Programme
Due from one day from the date of original issue

Under the Euro Medium Term Note Programme (the **Programme**) described in this Base Prospectus (the **Base Prospectus**), Société Nationale des Chemins de Fer Français (the **Issuer**), subject to compliance with all relevant laws, regulations and directives, may from time to time issue outside the Republic of France Euro Medium Term Notes (the **Notes**). The aggregate nominal amount of Notes outstanding will not at any time exceed €12,000,000,000 (or its equivalent in other currencies) subject to increase as described herein.

Any Notes issued under the Programme on or after the date of this Base Prospectus are issued subject to the provisions described herein.

Notes will be issued in one or more series (each a **Series**). Each Series shall be in bearer form or in registered form and may be issued in one or more tranches (each a **Tranche**) on different issue dates and on terms otherwise identical (except in relation to the interest commencement dates and matters related thereto). The Notes may be issued on a continuing basis to one or more of the Dealers specified under "*Summary of the Programme*" and any additional Dealer appointed under the Programme from time to time by the Issuer (each a **Dealer** and together the **Dealers**), which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the "relevant Dealer" shall be, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, to all Dealers agreeing to subscribe such Notes.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see "Risk Factors".

Application has been made to the *Commission de Surveillance du Secteur Financier* (the **CSSF**) in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 on prospectuses for securities to approve this document as a base prospectus. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under "*Terms and Conditions of the Notes*") of Notes will be set out in a final terms document (the **Final Terms**) which, with respect to Notes to be listed on the Luxembourg Stock Exchange will be filed with the CSSF. In relation to Notes listed on the Luxembourg Stock Exchange, this Base Prospectus is valid for a period of one year from the date hereof. However, unlisted Notes may be issued pursuant to the Programme. The applicable Final Terms in respect of the issue of any Notes will specify whether or not such Notes will be listed and, if so, the relevant stock exchange(s).

Notes of each Tranche of each Series of Notes in bearer form will initially be represented by a temporary global note in bearer form (each a **Temporary Global Note**) or a permanent global note in bearer form (each a **Permanent Global Note** and, collectively with any Temporary Global Note, the **Global Notes**), each without interest coupons. Global Notes may be deposited (a) in the case of a Tranche intended to be cleared through Euroclear (as defined below) and/or Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**), on the issue date of the relevant Tranche of each Series with a common depository on behalf of Euroclear Bank S.A./N.V., (**Euroclear**) and Clearstream, Luxembourg, (b) in the case of a Tranche intended to be cleared through Euroclear France and the *Intermédiaires financiers habilités*, authorised to maintain accounts therein (together, **Euroclear France**), on the issue date with Euroclear France, acting as central depository, and (c) in the case of a Tranche intended to be cleared through a clearing system other than or in addition to Euroclear, Clearstream, Luxembourg or Euroclear France or delivered outside a clearing system, as agreed between the Issuer and the relevant Dealer. The provisions governing the exchange of interests in Global Notes for other Global Notes and definitive Notes are described in "*Form of Notes and Transfer Restrictions*".

Notes of each Tranche of each Series of Notes in registered form (**Registered Notes** comprising a **Registered Series**) and which are sold in an "offshore transaction" within the meaning of Regulation S under the U.S. Securities Act of 1933, as amended (the **Securities Act**) will initially be represented by one or more global certificates (each an **Unrestricted Global Certificate**) in fully registered form without interest coupons which will be (a) in the case of a Tranche intended to be cleared through Euroclear and/or Clearstream, Luxembourg, deposited with, and registered in the name of a nominee of, a common depository for Euroclear and Clearstream, Luxembourg and (b) in the case of a Tranche intended to be cleared through Euroclear France, deposited with, and registered in the name of, Euroclear France or as otherwise agreed with Euroclear France, which may in each case be exchangeable under their terms for definitive Registered Notes. Notes of each Tranche of each Registered Series sold to a qualified institutional buyer within the meaning of Rule 144A under the Securities Act, as referred to in, and subject to the transfer restrictions described in, "*Form of Notes and Transfer Restrictions – Registered Notes*" and "*Subscription and Sale*", will initially be represented by one or more global certificates (each a **Restricted Global Certificate** and, together with the Unrestricted Global Certificates, **Global Certificates**) in fully registered form without interest coupons which will be deposited with a custodian for, and registered in the name of a nominee of, The Depository Trust Company (**DTC**) on its issue date. See "*Form of Notes and Transfer Restrictions – Registered Notes*". Individual definitive Registered Notes will only be available in certain limited circumstances as described herein.

Any person (an **Investor**) intending to acquire or acquiring any securities from any person (an **Offeror**) should be aware that, in the context of an offer to the public as defined in the Prospectus Directive, the Issuer may be responsible to the Investor for the Base Prospectus only if the Issuer is acting in association with that Offeror to make the offer to the Investor. Each Investor should therefore verify with the Offeror whether or not the Offeror is acting in association with the Issuer. If the Offeror is not acting in association with the Issuer, the Investor should check with the Offeror whether anyone is responsible for the Base Prospectus for the purposes of Article 6 of the Prospectus Directive as implemented by the national legislation of each EEA Member State in the context of the offer to the public, and, if so, who that person is. If the Investor is in any doubt about whether it can rely on the Base Prospectus and/or who is responsible for its contents it should take legal advice.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT, IN THE CASE OF REGISTERED NOTES, TO QUALIFIED INSTITUTIONAL BUYERS PURSUANT TO RULE 144A UNDER THE SECURITIES ACT. FOR CERTAIN RESTRICTIONS ON TRANSFER OF THE NOTES, SEE "FORM OF NOTES AND TRANSFER RESTRICTIONS".

Arranger for the Programme
The Royal Bank of Scotland
Dealers
The Royal Bank of Scotland

BNP PARIBAS
Deutsche Bank

HSBC
UBS Investment Bank

This Base Prospectus comprises a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (the Prospectus Directive).

The Issuer (the Responsible Person) accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Copies of Final Terms will be available from the office of the Issuer at 45, rue de Londres 75379 Paris Cedex 08 and the specified office set out below of each of the Paying Agents (as defined below).

Subject as provided in the applicable Final Terms, the only persons authorised to use this Base Prospectus in connection with an offer of Notes are the persons named in the applicable Final Terms as the relevant Dealer or the Managers and the persons named in or identifiable following the applicable Final Terms as the Financial Intermediaries, as the case may be.

AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY NOTES FROM AN OFFEROR WILL DO SO, AND OFFERS AND SALES OF THE NOTES TO AN INVESTOR BY AN OFFEROR WILL BE MADE, IN ACCORDANCE WITH ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN SUCH OFFEROR AND SUCH INVESTOR INCLUDING AS TO PRICE, ALLOCATIONS AND SETTLEMENT ARRANGEMENTS. THE ISSUER WILL NOT BE A PARTY TO ANY SUCH ARRANGEMENTS WITH INVESTORS (OTHER THAN THE DEALERS) IN CONNECTION WITH THE OFFER OR SALE OF THE NOTES AND, ACCORDINGLY, THIS OFFERING CIRCULAR AND ANY FINAL TERMS WILL NOT CONTAIN SUCH INFORMATION. THE INVESTOR MUST LOOK TO THE OFFEROR AT THE TIME OF SUCH OFFER FOR THE PROVISION OF SUCH INFORMATION. THE ISSUER HAS NO RESPONSIBILITY TO AN INVESTOR IN RESPECT OF SUCH INFORMATION

This Base Prospectus is to be read in conjunction with any supplement hereto and all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*"). This Base Prospectus shall be read and construed on the basis that such documents are incorporated and form part of this Base Prospectus.

The Issuer having made all reasonable enquiries confirms that this document contains or incorporates all information with respect to the Issuer, the Issuer and its consolidated subsidiaries taken as a whole (the SNCF Group or the Group) and the Notes that is material in the context of the issue and offering of the Notes, the statements contained in it relating to the Issuer and the Group are in every material particular true and accurate and not misleading, the opinions and intentions expressed in this Base Prospectus with regard to the Issuer and the Group are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and to the best of its knowledge and belief there are no other facts in relation to the Issuer, the Group or the Notes the omission of which would, in the context of the issue and offering of the Notes, make any statement in this Base Prospectus misleading in any material respect and all reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements. The Issuer accepts responsibility accordingly.

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers or the Arranger (as defined in "*Summary of the Programme*"). Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Notes shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Group since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented

or that there has been no adverse change in the financial position of the Issuer or the Group since the date hereof or the date upon which this Base Prospectus has been 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 the same. The distribution of this Base Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by the Issuer, the Dealers and the Arranger to inform themselves about and to observe any such restrictions. The Notes have not been and will not be registered under the Securities Act and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or for the account or benefit of U.S. persons. For a description of certain restrictions on offers and sales of Notes and on distribution of this Base Prospectus, see "*Subscription and Sale*".

Prospective purchasers are hereby notified that a seller of the Notes may be relying on the exemption from the registration requirements of Section 5 of the Securities Act provided by Rule 144A thereunder (Rule 144A).

Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of the Notes constitutes an offer of, or an invitation by or on behalf of the Issuer or the Dealers to subscribe for, or purchase, any Notes.

Neither the Dealers nor the Arranger have independently verified the information contained in this Base Prospectus. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Arranger or the Dealers as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by the Issuer in connection with the Programme. Neither the Arranger nor any Dealer accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with the Programme. Neither this Base Prospectus nor any document incorporated by reference nor any other financial statements nor any other information supplied in connection with the Programme or any Notes (a) are intended to provide the basis of any credit or other evaluation and (b) should be considered as a recommendation by any of the Issuer, the Arranger or the Dealers that any recipient of this Base Prospectus or any other financial statements or any document incorporated by reference or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial conditions and affairs, and its own appraisal of the creditworthiness, of the Issuer. None of the Dealers or the Arranger undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, unless specifically indicated to the contrary in the applicable Final Terms, no action has been taken by the Issuer or the Dealers which is intended to permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Notes may come must inform themselves

about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the European Economic Area (including the United Kingdom, France, Germany and the Netherlands) and Japan. For further information, see "*Subscription and Sale*".

This Base Prospectus has been prepared on the basis that, except to the extent sub-paragraph (ii) below may apply, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Base Prospectus as completed by final terms in relation to the offer of those Notes may only do so (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer, or (ii) if a prospectus for such offer has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State and (in either case) published, all in accordance with the Prospectus Directive, provided that any such prospectus has subsequently been completed by final terms which specify that offers may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State and such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or final terms, as applicable. Except to the extent sub-paragraph (ii) above may apply, neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

NOTICE TO NEW HAMPSHIRE RESIDENTS: NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENCE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA CHAPTER 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT, ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to €, EUR and euro are to the lawful currency of the Member States of the European Union (as defined in Condition 7(e)) that adopt the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union and as amended by the Treaty of Amsterdam. References to U.S. dollars, US\$ and \$ are to the lawful currency of the United States of America and to Sterling and £ are to the lawful currency of the United Kingdom.

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IN CONNECTION WITH THE ISSUE OF ANY TRANCHE OF NOTES, THE DEALER OR DEALERS (IF ANY) NAMED AS THE STABILISING MANAGER(S) (OR PERSONS ACTING ON BEHALF OF ANY STABILISING MANAGER(S)) IN THE APPLICABLE FINAL TERMS MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILISING MANAGER(S) (OR PERSONS ACTING ON BEHALF OF A STABILISING MANAGER) WILL UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE RELEVANT TRANCHE OF NOTES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE RELEVANT TRANCHE OF NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE RELEVANT TRANCHE OF NOTES.

ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE RELEVANT STABILISING MANAGER(S) (OR PERSONS ACTING ON BEHALF OF ANY STABILISING MANAGER(S)) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

THE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF NOTES OR THE ACCURACY OR THE ADEQUACY OF THIS BASE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

AVAILABLE INFORMATION

For as long as any of the Notes remain outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer will, during any period in which it is not subject to and in compliance with Section 13 or 15(d) under the U.S. Securities Exchange Act of 1934, as amended (the **Exchange Act**) nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, make available, upon request, to any person in whose name a Global Certificate is registered, to any owner of a beneficial interest in a Global Certificate, to a prospective purchaser of a Registered Note (as defined below) or beneficial interest therein who is a qualified institutional buyer within the meaning of Rule 144A designated by any such person or beneficial owner, or to Deutsche Bank AG, London Branch as fiscal agent (the **Fiscal Agent**) for delivery to any such person, beneficial owner or prospective purchaser, as the case may be, in connection with the resale of a beneficial interest in a Global Certificate by such person or beneficial owner, the information specified in Rule 144A(d)(4) under the Securities Act. In addition, the Issuer will furnish the Fiscal Agent, the Paying Agent and the Luxembourg Stock Exchange with copies of its audited annual accounts and unaudited semi-annual accounts, in each case prepared in accordance with accounting principles generally accepted in the Republic of France.

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

The Issuer is a corporation organised under the laws of the Republic of France. All of the officers and directors named herein reside outside the United States and all or a substantial portion of the assets of the Issuer and of such officers and directors are located outside the United States. As a result, it may not be possible for investors to effect service of process outside the Republic of France upon the Issuer or such persons, or to enforce judgments against them obtained in courts outside the Republic of France predicated upon civil liabilities of the Issuer or such directors and officers under laws other than French law, including any judgment predicated upon United States federal securities laws.

SUMMARY OF THE PROGRAMME

This summary must be read as an introduction to this Base Prospectus and any decision to invest in any Notes should be based on a consideration of this Base Prospectus as a whole, including the documents incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive in each Member State of the European Economic Area no civil liability will attach to the Responsible Persons in any such Member State in respect of this Summary, including any translation hereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus. Where a claim relating to information contained in this Base Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.

Words and expressions defined in "*Form of Notes and Transfer Restrictions*" and "*Terms and Conditions of the Notes*" shall have the same meanings in this summary.

Issuer:

Société Nationale des Chemins de Fer Français (SNCF) is a French public entity of an industrial and commercial character (*établissement public à caractère industriel et commercial* - EPIC) with autonomous management created under Act N°. 82-1153 dated 30 December 1982 and modified by the Reform Law of 13 February 1997 as Act N°. 97-135. Its duration is unlimited. As from 1 January 1983, SNCF became the successor of the corporation created pursuant to the Laws of 31 August 1937 and took over the name Société Nationale des Chemins de Fer Français. The registered office of SNCF is currently at 34, rue du Commandant Mouchotte, 75014 Paris. The telephone number of SNCF's registered office is (+33) (0)1 53 25 60 00. SNCF is registered with the *Registre du commerce et des sociétés de Paris* under the registration number 552 049 447.

The Reform Law modifies Act N°. 82-1153 dated 30 December 1982 (the **Act of 1982**) which, *inter alia*, sets out SNCF's objectives. SNCF's current objectives are to operate railway services over the national railway network and to manage the railway infrastructure on behalf of Réseau Ferré de France (RFF), each in accordance with the principles applicable to public services. SNCF is empowered to carry out all activities directly or indirectly connected with such objectives. The management of the railway infrastructure involves responsibility for traffic regulation, the security of the network and the good state of repair and maintenance of the infrastructure. SNCF may create subsidiaries or take shareholdings in companies, group or other entities, the purpose of which is related, or complementary to SNCF's purpose.

SNCF's capital is totally owned by the French State. SNCF has no shares. A dividend amounting to €183,300,000 was paid by SNCF to the French State on July 2009 (see the Management Report relating to the 2009 consolidated unaudited semi-annual Financial Statements, page 5 (*Evènements postérieurs à la clôture*)).

Risk Factors:

There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. These are set out in the section entitled "*Risk Factors*" below. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. (These are set out under "*Risk Factors*" and include the fact that the Notes may not be a suitable investment for all investors, certain risks relating to the structure of particular Series of Notes and certain market risks).

The risk factors relating to the Issuer include the following:

- Legal risks, operational and economic risks

The Issuer is a State-owned company (*établissement public à caractère industriel et commercial*) with autonomous management created under Act No. 82-1153 dated 30 December 1982 and modified by the Reform Law on 13 February 1997 as Act No. 97-135. Pursuant to Article 25 of the Act No. 82-1153, the Issuer is subject to the financial management and accounting rules applicable to commercial companies. The Issuer keeps its accounting books and records in accordance with prevailing legislation and regulations in France.

Its constitutional documents were established by decree No. 83-109, dated 18 February 1983.

As a public services company, the Issuer is obliged to carry out certain activities which may have a negative impact on its results as they are not necessarily profitable.

Changes in legislation, government regulation or policy may have a material impact on the Issuer.

The Issuer is exposed to other legislative, regulatory or political developments producing social instability or legal uncertainty which could affect the demands for the Issuer's products and services and have an adverse effect on the Issuer.

The Issuer will have to confront changes at the European and national level, which will encourage the opening of rail markets.

Since 31 March 2006, the French domestic rail freight market has been completely open to competition. From 13 December 2009 in France, international passenger traffic with "*cabotage*" (i.e. ability to pick up and drop passengers on domestic portions of the international railway line) is available, provided that international rail services remain the main purpose of the railway line. Criteria to assess the main objectives of international railway lines are being set up by the French transport administration and will be overseen by the new French rail regulator. For regional public services, the OSP European regulation came into force on 3 December 2009. The French Government has set up a stakeholders' Commission to assess the possibilities of a trial programme opening up regional transport, to be subsidised by French regions.

- Financial risks

Interest rate risk management, foreign currency risk management, commodity risk management and counterparty risk management are explained in detail in the *Risk Factors* Section.

- Insurance policy

Historically the Issuer had been self-insured, until 11 years ago when it was decided to place a number of insurance covers on the market.

Currently its insurance programme includes four major contracts:

- Motor Fleet

- Liability (public and professional)
- Construction liability
- Property Damages and Consequential Loss

Rating Risks

Any downgrading of the Republic of France or any reduction in its direct or indirect ownership of the Issuer (even if it is not currently under discussion or expected in the short or medium term) and any downgrading of the Issuer may adversely affect the marketability of the Notes issued under this Programme in the secondary market.

Description: Euro Medium Term Note Programme (the **Programme**).

Arranger: The Royal Bank of Scotland plc

Dealers: The Royal Bank of Scotland plc
 BNP Paribas
 Deutsche Bank AG, London Branch
 HSBC Bank plc
 UBS Limited

The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Base Prospectus to **Permanent Dealers** are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to **Dealers** are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.

Fiscal Agent and Principal Paying Agent: Deutsche Bank AG, London Branch.

Paying Agent: Deutsche Bank Luxembourg S.A.

Registrar: Deutsche Bank Trust Company Americas.

Transfer Agents: Deutsche Bank AG, London Branch, Deutsche Bank Luxembourg S.A. and Deutsche Bank Trust Company Americas.

Certain Restrictions: Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale*") including the following restriction applicable at the date of this Base Prospectus.

Notes having a maturity of less than one year

Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purpose of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional

investors and have a denomination of at least £100,000 or its equivalent. See "*Subscription and Sale*".

Under the Luxembourg Act dated 10 July 2005 on prospectuses for securities, which implements the Prospectus Directive, prospectuses for the listing of money market instruments having a maturity at issue of less than 12 months and complying also with the definition of securities are not subject to the approval provisions of such Act and do not need to be approved by the CSSF.

Programme Size: Up to €12,000,000,000 (or its equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time. The Issuer may increase the amount of the Programme in accordance with the terms of the Amended and Restated Dealer Agreement dated 25 January 2010 (as further amended or supplemented as at the date of issue of the Notes (the **Issue Date**) between the Issuer, the Arranger and the Dealers (the **Dealer Agreement**)).

Method of Issue: The Notes will be issued in one or more Series having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in Tranches on the same or different issue dates with no minimum issue size. Further Notes may be issued as part of an existing Series. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in a final terms supplement to this Base Prospectus (the **Final Terms**).

Distribution: Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.

Redenomination: The applicable Final Terms may provide that certain Notes may be redenominated in euro. The relevant provisions applicable to any such redenomination are contained in "*Terms and Conditions of the Notes – Form, Denomination, Title, Currency and Redenomination*" below (see also "*Consolidation*" below).

Currencies: Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer and the relevant Dealer(s).

Maturities: Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any maturity greater than one day.

Issue Price: Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. Partly-paid Notes may be issued, the issue price of which will be payable in two or more instalments.

Form of Notes: The Notes will be issued in bearer form or in registered form as described in "*Form of Notes and Transfer Restrictions*".

The Notes may be issued in bearer form (**Bearer Notes**), in bearer form exchangeable for Registered Notes (**Exchangeable Bearer Notes**) or in registered form (**Registered Notes**).

Each Tranche of Bearer Notes and Exchangeable Bearer Notes will initially be

represented by interests in a Temporary Global Note in bearer form, without interest coupons, if (i) definitive Notes are to be made available to Noteholders following the expiry of 40 days after their issue date or (ii) such Notes have an initial maturity of more than one year and are being issued in compliance with the D Rules (as defined in "*Summary of the Programme – Selling Restrictions*"), otherwise such Tranche will be represented by interests in a Permanent Global Note in bearer form without interest coupons.

Registered Notes offered and sold outside the United States in reliance on Regulation S under the Securities Act (**Regulation S**) will be represented by an Unrestricted Global Certificate, in registered form, without interest coupons attached, which will be deposited on or about the Issue Date (i) in the case of a Tranche intended to be cleared through Euroclear S.A./N.V. (**Euroclear**) and/or Clearstream Banking *société anonyme* (**Clearstream, Luxembourg**), with Deutsche Bank AG, London Branch, as common depositary for, and registered in the name of BT Globenet Nominees Limited as nominee for such common depositary in respect of interests held through, Euroclear and Clearstream, Luxembourg and (ii) in the case of a Tranche intended to be cleared through Euroclear France, with, and registered in the name of, Euroclear France or as otherwise agreed with Euroclear France in respect of interests held through Approved Intermediaries (as defined below). A beneficial interest in the Unrestricted Global Certificate may at all times be held only through Euroclear and Clearstream, Luxembourg or Euroclear France, as the case may be.

Registered Notes offered and sold in reliance on Rule 144A will be represented by a Restricted Global Certificate, in registered form, without interest coupons attached, which will be deposited on or about the Issue Date with Deutsche Bank Trust Company Americas, as custodian for, and registered in the name of Cede & Co. as nominee for, DTC. The Restricted Global Certificate (and any definitive Registered Notes issued in exchange therefor) will be subject to certain restrictions on transfer contained in a legend appearing on the face of such Certificate.

Clearing Systems: Clearstream, Luxembourg, Euroclear and Euroclear France for Bearer Notes and Clearstream, Luxembourg, Euroclear, Euroclear France and DTC for Registered Notes. Application will be made for trading of Registered Notes in The Portal Market (**Portal**) of The Nasdaq Stock Market, Inc., as specified in the applicable Final Terms. In relation to any Tranche, Notes may be cleared through such other clearing system or systems as may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer.

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

Floating Rate Notes: Floating Rate Notes will bear interest determined separately for each Series as follows:

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency (as defined in Condition 5(j)) governed by an agreement incorporating the 2006 ISDA Definitions published by the International Swaps and Derivatives Association Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series; or
- (ii) by reference to LIBOR, LIBID, LIMEAN or EURIBOR (or such other

benchmark as may be specified in the applicable Final Terms), as adjusted for any applicable margin; or

- (iii) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or
- (iv) on such other basis as may be agreed between the Issuer and the relevant Dealer.

The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.

Interest periods will be defined in the applicable Final Terms.

Zero Coupon Notes: Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest other than in the case of late payment.

Dual Currency Notes: Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the Issuer and the relevant Dealer may agree.

Index Linked Notes: Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as may be specified in the applicable Final Terms.

Variable Coupon Amount Notes: The Final Terms issued in respect of each issue of Variable Coupon Amount Notes will specify the basis for calculating the amounts of interest payable, which may be by reference to a stock index or formula or as otherwise provided in the applicable Final Terms.

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

Redemption: The applicable Final Terms will specify the basis for calculating the redemption amounts payable.

Notes having a maturity of less than one year from the date of issue may be subject to restrictions on their denomination and distribution, see "*Certain Restrictions – Notes having a maturity of less than one year*" above.

Redemption by Instalments: The Final Terms issued in respect of each issue of Notes that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed. See "*Certain Restrictions – Notes having a maturity of less than one year*" above.

Other Notes: Terms applicable to high interest Notes, low interest Notes, step-up Notes, step-down Notes, dual currency Notes, reverse dual currency Notes, optional dual currency Notes, partly-paid Notes and any other type of Note that the Issuer and any Dealer or Dealers may agree to issue under the Programme will be set out in the applicable Final Terms.

- Optional Redemption: The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the holders, and if so the terms applicable to such redemption.
- Early Redemption: Except as provided in "*Optional Redemption*" above, Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons. See "*Terms and Conditions of the Notes – Redemption Purchase and Options*".
- Denomination of Notes: Notes will be in such denominations as may be agreed by the Issuer and the relevant Dealer(s) and specified in the applicable Final Terms, subject to applicable laws and regulations and save that the minimum denomination of each Note admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive will be €1,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).
- Furthermore, unless otherwise permitted by then current laws, regulations and directives, Registered Notes resold pursuant to Rule 144A shall be in denominations of US\$500,000 (or its equivalent rounded upwards as agreed between the Issuer and the relevant Dealer(s)) and higher integral multiples of US\$1,000 (or its equivalent rounded as aforesaid).
- Taxation: All payments in respect of the Notes issued before 1 March 2010 (or Notes which are fungible (*assimilables*) with Notes issued before 1 March 2010) will be made without deduction for or on account of withholding taxes imposed by the Republic of France or any political subdivision or any authority thereof or therein having power to tax, as provided in Condition 8 (*Taxation*).
- Payments of interest and other revenues which respect to Notes issued from 1 March 2010 will be made without withholding or deduction for, or on account of, the withholding tax set out under Article 125 A III of the French *Code Général des Impôts* unless such payments are made outside France in a non-cooperative State (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French *Code Général des Impôts*.
- In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 8 (*Taxation*), be required to pay additional amounts to cover the amounts so deducted.
- Negative Pledge: There will be a negative pledge as set out in Condition 4 (*Negative Pledge*) – see "*Terms and Conditions of the Notes – Negative Pledge*".
- Cross Default: There will be a cross default as set out in Condition 10(c) – see "*Terms and Conditions of the Notes – Events of Default*".
- Status of the Notes: Subject to "*Terms and Conditions of the Notes – Negative Pledge*", the Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank and will rank *pari passu* without any preference among themselves, all as described in "*Terms and Conditions of the Notes – Status*".
- Rating: The Issuer's long-term debt has been rated AAA by Standard & Poor's, Aaa by Moody's Italia S.r.l and AAA by Fitch Ratings Ltd. and its short-term debt has

been rated A-1+ by Standard & Poor's, P-1 by Moody's Italia S.r.l and F1+ by Fitch Ratings Ltd.

Withholding Tax: Subject as set out below and unless otherwise provided in the applicable Final Terms, payments in respect of the Notes will be made without withholding or deduction for, or on account of, taxes imposed by or on behalf of the Republic of France as provided by article 131 *quater* of the *Code général des impôts* (French General Tax Code).

Under the current practice of the French tax authorities (Circular of the *Direction générale des impôts* dated 30 September 1998 as amended and supplemented by the rulings (*rescrits*) of the French tax authorities 2007/59 (FP) dated 8 January 2008 and 2009/23(FP) dated 7 April 2009), bonds (including medium term notes) which constitute *obligations* under French law or *titres de créances négociables* under French tax law or other debt securities considered by the French tax authorities as falling into similar categories are deemed to have been issued outside France for the purposes of article 131 *quater* of the French *Code général des impôts*. This exempts the proceeds of such issues from the withholding tax provided for in Article 125 A III of the *Code général des impôts*.

The tax regime applicable to Notes which do not constitute *obligations* under French law or *titres de créances négociables* under French tax law or other debt securities considered by the French tax authorities as falling into similar categories will be set out in the applicable Final Terms.

Consolidation: Notes of one Series may be consolidated with those of another Series, all as described in "*Terms and Conditions of the Notes – Further Issues and Consolidation*".

Listing and admission to trading: Application has been made to the CSSF to approve this document as a base prospectus. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the official list of the Luxembourg Stock Exchange.

Notes may be listed or admitted to trading, as the case may be, on other or additional stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued.

Notes listed on Euronext Paris will be issued in compliance with the *Règlement Général de l'Autorité des Marchés Financiers* published from time to time.

The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

Governing Law: The Notes will be governed by, and construed in accordance with, English law.

Selling Restrictions: There are restrictions on the sale of Notes and the distribution of offering material in various jurisdictions. See "*Subscription and Sale*".

The Issuer is Category 2 for the purposes of Regulation S.

The Notes will be issued in compliance with U.S. Treas. Reg. §1.163-

5(c)(2)(i)(D) (the **D Rules**) unless (i) the applicable Final Terms states that Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (the **C Rules**) or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute "registration required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 (**TEFRA**), which circumstances will be referred to in the applicable Final Terms as a transaction to which TEFRA is not applicable.

United States Selling Restrictions: Regulation S, Category 2. TEFRA D, unless otherwise specified in the applicable Final Terms.

Transfer Restrictions: There are restrictions on the transfer of Registered Notes sold pursuant to Rule 144A under the Securities Act. See "*Form of Notes and Transfer Restrictions*".

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. All of 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 contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.

Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme

1. Legal, operational and economic risks

The Issuer is a State-owned company (*établissement public à caractère industriel et commercial*) with autonomous management created under Act N°. 82-1153 dated 30 December 1982 and modified by the Reform Law on 13 February 1997 as Act N°.97-135. Pursuant to Article 25 of the Act N°82-1153, the Issuer is subject to the financial management and accounting rules applicable to commercial companies. The Issuer keeps its accounting books and records in accordance with prevailing legislation and regulations in France.

Its constitutional documents were established by the decree N°83-109 dated 18 February 1983.

The first two decrees (N°.83-3 dated 5 January 1983, and N°.83-38 dated 24 January 1983) provide for the method of designation of the members of the Board of Directors of the Issuer, as representatives of the employees or as representatives of the French State. The Issuer is administered by a Board of Directors (*Conseil d'administration*) consisting of 18 members. Seven of these are representatives of the State and appointed by the Government, five (including two representing users) are appointed by the Government for their relevant expertise and six (of whom one represents senior management) are appointed by the employees of the Issuer. All the Directors are appointed for five years and reside in Paris or in the Paris metropolitan area. The Chairman of the Board of Directors, selected from among the Directors and on their recommendation, is appointed for a term of five years by Decree of the Council of Ministers. He is the chief executive officer of the Issuer.

The third decree (N°.83-110 dated 18 February 1983) deals with the economic and financial control to be exercised by the State on the Issuer.

As a public services company, the Issuer is subject to the supervision of the *Cour des Comptes* (French national audit office) *a posteriori*. The State has also organised an economic and financial control *a priori*. This is carried out by the railway's economic and financial control Commission, a permanent body in the Issuer's head office. The members formulate written advice on all questions submitted to the Board of Directors and on any question or decision-making project impacting the Issuer's financial stability.

An operating agreement entered into between the Republic of France and the Issuer, was approved by Decree N°. 83-817 dated 13 September 1983 as modified by Decree N°.99-11 dated 7 January 1999. It notably defines the diverse financial support offered to the Issuer by the French State and

sets out the conditions and general principles under which the Issuer shall provide its services to the public and the basis of the contractual relationship of the Issuer with both the French State and Local Authorities.

As a public services company, the Issuer is obliged to carry out certain activities which may have a negative impact on its results as they are not necessarily profitable.

Change in legislation, government regulation or policy may have a material impact on the Issuer.

The Issuer is exposed to other legislative, regulatory or political developments producing social instability or legal uncertainty which could affect the demands for the Issuer's products and services and have an adverse effect on the Issuer.

Since 31 March 2006, the French domestic rail freight market has been completely open to competition. From 13 December 2009 in France, international passenger traffic with "*cabotage*" (i.e. ability to pick up and drop passengers on domestic portions of the international railway line) is available, provided that international rail services remain the main purpose of the railway line. Criteria to assess the main objectives of international railway lines are being set up by the French transport administration and will be overseen by the new French rail regulator. For regional public services, the OSP European regulation came into force on 3 December 2009. The French Government has set up a stakeholders' Commission to assess the possibilities of a trial programme opening up regional transport, to be subsidised by French regions.

The opening of a purely domestic passenger traffic railway line is planned to be addressed under a new "Railway Package", the planning of which will depend on the new strategic work programme of the European Commission after its renewal.

2. Financial risks

The management of market risks is governed by a general framework, approved by the Issuer's Board of Directors, setting out the management principles for parent company risks that may be hedged by financial instruments.

This general framework defines the principles governing the selection of financial products, counterparties and underlyings for derivative products.

More specifically, the general framework defines risk limits for the management of euro and foreign currency cash balances and long term net indebtedness. In addition, it details the delegation and decision-making system and its frequency (daily, twice-monthly, monthly and annually).

Interest rate risk management

The cost of long-term net indebtedness is optimised, with regard to interest rates, by managing the mix of fixed and floating rate borrowings. The Issuer uses firm and optional interest rate swap instrument within the limits defined, for the parent company, by the aforementioned general framework.

Foreign currency risk management

The commercial activities of the Issuer do not expose it to material currency risk.

Except for subsidiaries operating in their own country, the Issuer indebtedness denominated in currencies other than euro is managed in line with the acceptable risk limit defined, for the parent company, in the same general framework. The Issuer uses currency swaps for this purpose, generally set-up when the borrowing is issued.

Given the small percentage of unhedged foreign currency-denominated borrowings, net profit or loss is not, in the Issuer's opinion, sensitive to foreign currency risk.

Commodity risk management

The Issuer's production requirements exposes it to the risk of fluctuations in the price of petroleum products. This risk is managed using firm and optional derivatives (swaps, options, caps, floors).

Counterparty risk management

The main transactions which could generate counterparty risk are: financial investments which are diversified (certificates of deposit, commercial paper, note repos and UCITS) and transactions on derivatives.

The aforementioned general framework defines, for the parent company, the counterparty approval procedure, which is based on a quantitative and qualitative analysis of counterparties. Investments volume and term limits are also defined for each counterparty. The counterparty approval procedure for derivatives also involves a signature of a framework agreement. A collateral agreement is also signed with certain counterparties in order to limit counterparty risk.

3. Insurance policy

Historically the Issuer was self insured, until some 11 years ago when it was decided to place a number of covers on the Market.

Currently the Issuer's insurance programme includes 4 major contracts:

Motor Fleet

Liability (public and professional)

Construction liability

Property and Consequential Loss

These contracts mainly protect the parent Company.

Liability cover was taken out effective 1 October 2009 for the subsidiaries on a voluntary basis. From 1 January 2010, Property and Consequential Loss cover are available to the subsidiaries, also on a voluntary basis.

The Motor Fleet cover, renewed 1 January 2010, are subject to specific terms and conditions to permit the inclusion of more subsidiaries in the future.

This Group approach aims not only to achieve better rates, but also to minimise the risk for the subsidiaries to have their claims rejected by their insurers, should their claims experience deteriorate.

The Issuer has opted for high deductibles, in order to optimise insurance costs and is also looking at Alternative Risk Transfer, as a means to improve insurance and risk management in the future.

4. Rating risks

Any downgrading of the Republic of France or any reduction in its direct or indirect ownership of the Issuer (even if it is not currently under discussion or expected in the short or medium term) and any downgrading of the Issuer (the Issuer's long term debt has been rated AAA by Standard & Poor's, Aaa by Moody's Italia S.r.l and AAA by Fitch Ratings Ltd and its short term debt has been rated A-1+ by Standard & Poor's, P-1 by Moody's Italia S.r.l and F1+ by Fitch Ratings) may adversely affect the marketability of the Notes issued under this programme in the secondary market.

Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Risks related to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

Notes subject to optional redemption by the Issuer

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Index Linked Notes and Dual Currency Notes

The Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or to other factors (each, a **Relevant Factor**). In addition, the Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- (i) the market price of such Notes may be volatile;
- (ii) they may receive no interest;
- (iii) payment of principal or interest may occur at a different time or in a different currency than expected;
- (iv) they may lose all or a substantial portion of their principal;
- (v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (vi) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable will likely be magnified; and
- (vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical experience of an index should not be viewed as an indication of the future performance of such index during the term of any Index Linked Notes. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Index Linked Notes and the suitability of such Notes in light of its particular circumstances.

Partly-paid Notes

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of his investment.

Variable rate Notes with a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Inverse Floating Rate Notes

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Risks related to Notes generally

Set out below is a brief description of certain risks relating to the Notes generally:

Modification and waivers

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within their jurisdictions to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise, which Belgium has done with effect as from 1 January 2010) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories, including Switzerland, have adopted similar measures (a withholding system in the case of Switzerland) with effect from the same date.

On 15 September 2008 the European Commission issued a report to the Council of the European Union on the operation of the Directive, which included the Commission's advice on the need for changes to the Directive. On 13 November 2008 the European Commission published a more detailed proposal for amendments to the Directive, which included a number of suggested changes. The European Parliament approved an amended version of this proposal on 24 April 2009. If any of those proposed changes are made in relation to the Directive, they may amend or broaden the scope of the requirements described above.

If, a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Directive.

Changes to French interest withholding tax rules

The Amended Finance Law for 2009 dated 30 December 2009 has significantly amended the French interest withholding tax rules. Under the new legislation, a 50 per cent. interest withholding tax will be imposed (subject to certain exemptions) on payments of interest made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif* (as defined in Article 238-0 A of the French *Code Général des Impôts*)) included in a list to be updated each year by the French authorities. This new legislation will apply from (and including) 1 March 2010 (except that Notes issued before 1 March 2010 and which are issued or deemed to be issued outside the Republic of France, as provided for in Article 131 *quater* of the French *Code Général des Impôts*, will remain exempt from any French withholding tax). See also "Taxation – France" ..

If an amount of, or in respect of, such new tax were to be withheld from payments under the Notes, the Issuer would be obliged under Condition 8 (Taxation) and to the fullest extent permitted by French law to pay additional amounts in respect of such new tax, except as provided in the Terms and Conditions. However, in such circumstances, the Issuer will have the option to redeem all (but not some only) of the outstanding Notes on any Interest Payment Date, or, if so specified in the applicable Final Terms, at any time.

Change of law

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

Notes where denominations involve integral multiples: definitive Notes

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investor. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

Exchange rate risks and exchange controls

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

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

Interest rate risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or to review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

GENERAL DESCRIPTION OF THE PROGRAMME

The following general description does not purport to be complete and is taken from, and is qualified in its entirety by, the Summary and the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. The Issuer and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, in the case of listed Notes only and if appropriate, a supplemental Base Prospectus will be published.

This constitutes a general description of the Programme for the purposes of Article 22.5(3) of Commission Regulation (EC) No 809/2004 implementing the Prospectus Directive.

Words and expressions defined in "*Form of the Notes*" and "*Terms and Conditions of the Notes*" shall have the same meanings in this General Description.

Issuer:

Société Nationale des Chemins de Fer Français (SNCF) is a French public entity of an industrial and commercial character (*établissement public industriel et commercial—EPIC*) with autonomous management created under Act N°. 82-1153 dated 30 December 1982 and modified by the Reform Law of 13 February 1997 as Act N°.97-135.

Its duration is unlimited. As from 1 January 1983, SNCF became the successor of the corporation created pursuant to the Laws of 31 August 1937 and took over the name Société Nationale des Chemins de Fer Français. The registered office of SNCF is currently at 34, rue du Commandant Mouchotte, 75014 Paris. The telephone number of SNCF's registered office is (+33) (0)1 53 25 60 00. SNCF is registered with the *Registre du commerce et des sociétés de Paris* under the registration number 552 049 447.

The Reform Law modifies Act N°. 82-1153 dated 30 December 1982 (the **Act of 1982**) which, *inter alia*, sets out SNCF's objectives. SNCF's current objectives are to operate railway services over the national railway network and to manage the railway infrastructure on behalf of Réseau Ferré de France (**RFF**), each in accordance with the principles applicable to public services. SNCF is empowered to carry out all activities directly or indirectly connected with such objectives. The management of the railway infrastructure involves responsibility for traffic regulation, the security of the network and the good state of repair and maintenance of the infrastructure. SNCF may create subsidiaries or take shareholdings in companies, group or other entities, the purpose of which is related, or complementary to SNCF's purpose.

SNCF's capital is totally owned by the French State. SNCF has no shares. A dividend amounting to €183,300,000 was paid by SNCF to the French State on July 2009 (see the Management Report relating to the 2009 consolidated unaudited semi-annual Financial Statements, page 5 (*Evènements postérieurs à la clôture*)).

Risk Factors:	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. These are set out in the section entitled " <i>Risk Factors</i> " above. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme (these are set out under " <i>Risk Factors</i> " and include the fact that the Notes may not be a suitable investment for all investors, certain risks relating to the structure of particular series of Notes and certain market risks).
Description:	Euro Medium Term Note Programme (the Programme).
Arranger:	The Royal Bank of Scotland plc
Dealers:	The Royal Bank of Scotland plc BNP Paribas Deutsche Bank AG, London Branch HSBC Bank plc UBS Limited
	The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Base Prospectus to Permanent Dealers are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to Dealers are to all Permanent Dealers and to all persons appointed as dealers in respect of one or more Tranches.
Fiscal Agent and Principal Paying Agent:	Deutsche Bank AG, London Branch is the initial Fiscal Agent and Principal Paying Agent.
Paying Agent:	Deutsche Bank Luxembourg S.A.
Registrar:	Deutsche Bank Trust Company Americas.
Transfer Agents:	Deutsche Bank AG, London Branch, Deutsche Bank Luxembourg S.A. and Deutsche Bank Trust Company Americas.
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see " <i>Subscription and Sale</i> "), including the following restrictions applicable at the date of this Base Prospectus.
Programme Size:	Up to €12,000,000,000 (or its equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time. The Issuer may increase the amount of the Programme in accordance with the terms of the

Amended and Restated Dealer Agreement dated 25 January 2010 (as further amended or supplemented as at the date of issue of the Notes (the **Issue Date**) between the Issuer, the Arranger and the Dealers (the **Dealer Agreement**)).

Method of Issue:	The Notes will be issued in one or more Series having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in Tranches on the same or different issue dates with no minimum issue size. Further Notes may be issued as part of an existing Series. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in the final terms supplement to this Base Prospectus (the Final Terms).
Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Redenomination:	The applicable Final Terms may provide that certain Notes may be redenominated in euro. The relevant provisions applicable to any such redenomination are contained in " <i>Terms and Conditions of the Notes – Form, Denomination, Title, Currency and Redenomination</i> " below (see also " <i>Consolidation</i> " below).
Currencies:	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer and the relevant Dealer(s).
	Notes having a maturity of less than one year
	Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see " <i>Subscription and Sale</i> ".
Maturities:	Subject to compliance with all relevant laws, regulations and directives, any maturity greater than one day.
Issue Price:	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. Partly-paid Notes may be issued, the issue price of which will be payable in two or more instalments.
Form of Notes:	The Notes will be issued in bearer or in registered form as described in " <i>Form of Notes and Transfer Restrictions</i> ".

The Notes may be issued in bearer form (**Bearer Notes**), in bearer form exchangeable for Registered Notes (**Exchangeable Bearer Notes**) or in registered form (**Registered Notes**).

Each Tranche of Bearer Notes and Exchangeable Bearer Notes will initially be represented by interests in a Temporary Global Note in bearer form, without interest coupons, if (i) definitive Notes are to be made available to Noteholders following the expiry of 40 days after their issue date or (ii) such Notes have an initial maturity of more than one year and are being issued in compliance with the D Rules (as defined in "*Summary of the Programme – Selling Restrictions*"), otherwise such Tranche will be represented by interests in a Permanent Global Note in bearer form without interest coupons.

Registered Notes offered and sold outside the United States in reliance on Regulation S under the Securities Act (**Regulation S**) will be represented by an Unrestricted Global Certificate, in registered form, without interest coupons attached, which will be deposited on or about the Issue Date (i) in the case of a Tranche intended to be cleared through Euroclear and/or Clearstream, Luxembourg, with Deutsche Bank AG, London Branch, as common depositary for, and registered in the name of, BT Globenet Nominees Limited as nominee for such common depositary in respect of interests held through, Euroclear and Clearstream, Luxembourg and (ii) in the case of a Tranche intended to be cleared through Euroclear France, with, and registered in the name of, Euroclear France or as otherwise agreed with Euroclear France in respect of interests held through Approved Intermediaries (as defined below). A beneficial interest in the Unrestricted Global Certificate may at all times be held only through Euroclear and Clearstream, Luxembourg or Euroclear France, as the case may be.

Registered Notes offered and sold in reliance on Rule 144A will be represented by a Restricted Global Certificate, in registered form, without interest coupons attached, which will be deposited on or about the Issue Date with Deutsche Bank Trust Company Americas, as custodian for, and registered in the name of Cede & Co. as nominee for, DTC. The Restricted Global Certificate (and any definitive Registered Notes issued in exchange therefor) will be subject to certain restrictions on transfer contained in a legend appearing on the face of such Certificate.

Clearing Systems:

Clearstream, Luxembourg, Euroclear and Euroclear France for Bearer Notes and Clearstream, Luxembourg, Euroclear, Euroclear France and DTC for Registered Notes. Application will be made for trading of Registered Notes in The Portal Market (**Portal**) of The Nasdaq Stock Market, Inc., as specified in the applicable Final Terms. In relation to any Tranche, Notes may be cleared through such other clearing system or systems as may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer.

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

Floating Rate Notes: Floating Rate Notes will bear interest determined separately for each Series as follows:

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions published by the International Swaps and Derivatives Association Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series; or
- (ii) by reference to LIBOR, LIBID, LIMEAN or EURIBOR (or such other benchmark as may be specified in the applicable Final Terms) as adjusted for any applicable margin; or
- (iii) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or
- (iv) on such other basis as may be agreed between the Issuer and the relevant Dealer.

The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.

Interest periods will be defined in the applicable Final Terms.

Zero Coupon Notes: Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest other than in the case of late payment.

Dual Currency Notes: Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the Issuer and the relevant Dealer may agree.

Index Linked Notes: Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as may be specified in the applicable Final Terms.

Variable Coupon Amount Notes: The Final Terms issued in respect of each issue of Variable Coupon Amount Notes will specify the basis for calculating the amounts of interest payable, which may be by reference to a stock index or formula or as otherwise provided in the applicable Final Terms.

Interest Periods and Interest Rates: The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ

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

Redemption: The applicable Final Terms will specify the basis for calculating the redemption amounts payable.

Notes having a maturity of less than one year from the date of issue may be subject to restrictions on their denomination and distribution, see "*Certain Restrictions – Notes having a maturity of less than one year*" above.

Redemption by Instalments: The Final Terms issued in respect of each issue of Notes that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed, see "*Certain Restrictions – Notes having a maturity of less than one year*" above.

Other Notes: Terms applicable to high interest Notes, low interest Notes, step-up Notes, step-down Notes, dual currency Notes, reverse dual currency Notes, optional dual currency Notes, partly-paid Notes and any other type of Note that the Issuer, and any Dealer or Dealers, may agree to issue under the Programme will be set out in the applicable Final Terms.

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

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

Denomination of Notes: Notes will be in such denominations as may be agreed by the Issuer and the relevant Dealer(s) and as specified in the applicable Final Terms, subject to applicable laws and regulations and save that the minimum denomination of each Note admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area, in circumstances which require the publication of a prospectus under the Prospectus Directive, will be €1,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

Furthermore, unless otherwise permitted by then current laws, regulations and directives, Registered Notes resold pursuant to Rule 144A shall be in denominations of US\$500,000 (or its equivalent rounded upwards as agreed between the Issuer and the relevant Dealer(s)) and higher integral multiples of

US\$1,000 (or its equivalent rounded as aforesaid).

Taxation:	All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by the Republic of France or any political subdivision or any authority thereof or therein having power to tax, as provided in Condition 8 (<i>Taxation</i>). In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 8 (<i>Taxation</i>), be required to pay additional amounts to cover the amounts so deducted.
Negative Pledge:	There will be a negative pledge as set out in Condition 4 (<i>Negative Pledge</i>) – see " <i>Terms and Conditions of the Notes – Negative Pledge</i> ".
Cross Default:	There will be a cross default as set out in Condition 10(c) – see " <i>Terms and Conditions of the Notes – Events of Default</i> ".
Status of the Notes:	Subject to " <i>Terms and Conditions of the Notes – Negative Pledge</i> ", the Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank and will rank <i>pari passu</i> without any preference among themselves, all as described in " <i>Terms and Conditions of the Notes – Status</i> ".
Rating:	The Issuer's long term debt has been rated AAA by Standard & Poor's, Aaa by Moody's Italia S.r.l and AAA by Fitch Ratings Ltd. and its short term debt has been rated A-1+ by Standard & Poor's, P-1 by Moody's Italia S.r.l and F1+ by Fitch Ratings Ltd.
Withholding Tax:	<p>Subject as set out below and unless otherwise provided in the applicable Final Terms, payments in respect of the Notes will be made without withholding or deduction for, or on account of, taxes imposed by or on behalf of the Republic of France as provided by article 131 <i>quater</i> of the <i>Code général des impôts</i> (French General Tax Code).</p> <p>Under the current practice of the French tax authorities (Circular of the <i>Direction générale des impôts</i> dated 30 September 1998 as amended and supplemented by the rulings (<i>rescrits</i>) of the French tax authorities 2007/59 (FP) dated 8 January 2008 and 2009/23 (FP) dated 7 April 2009), bonds (including medium term notes) which constitute <i>obligations</i> under French law or <i>titres de créances négociables</i> under French tax law or other debt securities considered by the French tax authorities as falling into similar categories are deemed to have been issued outside France for the purposes of article 131 <i>quater</i> of the French <i>Code général des impôts</i>. This exempts the proceeds of such issues from the withholding tax provided for in Article 125 A III of the <i>Code général des impôts</i>.</p> <p>The tax regime applicable to Notes which do not constitute <i>obligations</i> under French law or <i>titres de créances négociables</i></p>

under French tax law or other debt securities considered by the French tax authorities as falling into similar categories will be set out in the applicable Final Terms.

Consolidation: Notes of one Series may be consolidated with those of another Series, all as described in "*Terms and Conditions of the Notes – Further Issues and Consolidation*".

Listing and admission to trading: Application has been made to the CSSF to approve this document as a base prospectus. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange.

Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued.

Notes listed on Euronext Paris will be issued in compliance with the *Règlement Général de l'Autorité des Marchés Financiers* published from time to time.

The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

Governing Law: The Notes will be governed by, and construed in accordance with, English law.

Selling Restrictions: There are restrictions on the sale of Notes and the distribution of offering material in various jurisdictions. See "*Subscription and Sale*".

The Issuer is Category 2 for the purposes of Regulation S.

The Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (the **D Rules**) unless (i) the applicable Final Terms state that Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (the **C Rules**) or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute "registration required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 (**TEFRA**), which circumstances will be referred to in the applicable Final Terms as a transaction to which TEFRA is not applicable.

United States Selling Restrictions: Regulation S, Category 2. TEFRA D, unless otherwise specified in the applicable Final Terms.

Transfer Restrictions: There are restrictions on the transfer of Registered Notes sold pursuant to Rule 144A under the Securities Act. See "*Form of*

Notes and Transfer Restrictions".

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published and have been filed with the CSSF shall be incorporated in, and form part of, this Base Prospectus:

- (a) the 2007 Annual and Ecomobility Report (in English) and the Financial Report 2007 of the SNCF Group (in English);
- (b) the SNCF's non consolidated audited annual financial statements as at and for the period ended 31 December 2007 (in French);
- (c) the 2008 Annual and Ecomobility Report (in English) and the Financial Report 2008 of the SNCF Group (in English),
- (d) the SNCF's non consolidated audited annual financial statements as at and for the period ended 31 December 2008 (in French);
- (e) the auditors' report relating to the 2008 Non-Consolidated Financial Statements;
- (f) the SNCF's consolidated unaudited semi-annual financial statements as at and for the period ended 30 June 2009 ("*Comptes consolidés semestriels résumés*") (in French);
- (g) The auditors' review report relating to the 2009 Semi-Annual Consolidated Financial Statements (in French); and
- (h) The Issuer's semi-annual management report ("*Rapport semestriel d'activité*") as at and for the period ended 30 June 2009 (in French).

Following the publication of this Base Prospectus a supplement may be prepared by the Issuer and approved by the CSSF in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Copies of documents incorporated by reference in this Base Prospectus can be obtained from the registered office of the Issuer and from the specified offices of the Paying Agent for the time being in London and Luxembourg. This Base Prospectus (together with any Final Terms relating to Notes admitted to trading on the Luxembourg Stock Exchange's regulated market and the documents incorporated by reference herein) will also be published on the Luxembourg Stock Exchange's website (being www.bourse.lu).

THE ISSUER WILL, IN THE EVENT OF ANY SIGNIFICANT NEW FACTOR, MATERIAL MISTAKE OR INACCURACY RELATING TO INFORMATION INCLUDED IN THIS BASE PROSPECTUS WHICH IS CAPABLE OF AFFECTING THE ASSESSMENT OF ANY NOTES, PREPARE A SUPPLEMENT TO THIS BASE PROSPECTUS OR PUBLISH A NEW BASE PROSPECTUS FOR USE IN CONNECTION WITH ANY SUBSEQUENT ISSUE OF NOTES. THE ISSUER HAS UNDERTAKEN TO THE ARRANGER AND DEALERS IN THE DEALER AGREEMENT (AS DEFINED IN "*SUBSCRIPTION AND SALE*") THAT THEY WILL COMPLY WITH SECTION 87G OF THE FINANCIAL SERVICES AND MARKETS ACT 2000.

CROSS-REFERENCE LIST RELATING TO THE ANNUAL REPORT AND ECOMOBILITY REPORT FOR 2007 (AR 2007), THE NON CONSOLIDATED AUDITED ANNUAL FINANCIAL STATEMENTS FOR 2007 (NCFS 2007), THE FINANCIAL REPORT FOR 2007 (FR 2007), THE ANNUAL AND ECOMOBILITY REPORT FOR 2008 (AR 2008), THE NON CONSOLIDATED AUDITED ANNUAL FINANCIAL STATEMENTS FOR 2008 (NCFS 2008), THE AUDITORS' REPORT RELATING TO THE 2008 NON CONSOLIDATED FINANCIAL STATEMENTS (NCAR 2008), THE FINANCIAL REPORT FOR 2008 (FR 2008), THE ISSUER'S CONSOLIDATED UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 30 JUNE 2009 (CFS 2009), THE AUDITORS REVIEW REPORT RELATING TO THE 2009 CONSOLIDATED SEMI-ANNUAL FINANCIAL STATEMENTS (CAR 2009) AND THE MANAGEMENT REPORT RELATING TO THE 2009 CONSOLIDATED SEMI-ANNUAL FINANCIAL STATEMENTS (SAMR 2009)

I. SELECTED FINANCIAL INFORMATION	
Selected historical financial information regarding the Issuer.	Pages 16 – 19 AR 2008 Pages 14 – 16 AR 2007
Selected figures from the Interim Consolidated Financial Statements for the six months ended 30 June 2009	<i>Chiffres clés</i> (Key Figures) pages 5 SAMR 2009
II. BUSINESS OVERVIEW	
<u>PRINCIPAL ACTIVITIES</u>	
A description of the Issuer's principal activities stating the main categories of products sold and/or services performed.	Pages 22-27, 32-37, 42-47, 52-59 "One Company, 4 branches" AR 2008
An indication of any significant new products and/or activities.	Pages 22-27, 32-37, 42-47, 52-59 "One Company, 4 branches" AR 2008
<u>PRINCIPAL MARKETS</u>	
A brief description of the principal markets in which the Issuer competes.	Pages 22-27, 32-37, 42-47, 52-59 "One Company, 4 branches" AR 2008
The basis for any statements made by the Issuer regarding its competitive position.	Pages 22-27, 32-37, 42-47, 52-59 "One Company, 4 branches" AR 2008
III. ORGANISATIONAL STRUCTURE	
If the Issuer is part of a group, a brief description of the group and of the Issuer's position within it.	Page 11 FR 2008
IV. TREND INFORMATION	
Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a	Pages 28-30, 38-40, 48-50, 60-61 "One Company, 4

material effect on the Issuer's prospects for at least the current financial year.	branches" AR 2008 Page 13 "perspectives SNCF Infra"; Page 15 "Perspectives SNCF Proximités"; Page 19 "Perspectives SNCF Voyages"; Page 21 "Perspectives SNCF Geodis" SAMR 2009
V. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES	
Names, business addresses and functions in the Issuer of the members of the administrative, management, and supervisory bodies, and an indication of the principal activities performed by them outside the Issuer where these are significant with respect to that Issuer:	Page 32 "Corporate Governance" FR 2008
VI. BOARD PRACTICES	
Details relating to the Issuer's audit committee, including the names of committee members and a summary of the terms of reference under which the committee operates.	Page 32 "Corporate Governance" FR 2008
A statement as to whether or not the Issuer complies with its country's of incorporation corporate governance regime(s). In the event that the Issuer does not comply with such a regime, a statement to that effect must be included together with an explanation regarding why the Issuer does not comply with such a regime.	Page 158 "Audit and Risk Development" FR 2008
VII. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES	
Audited historical financial information covering the latest two financial years (and any subsequent interim financial period) and the audit report in respect of each year.	
(a) balance sheet;	Page 40-41 FR 2007 Pages 36-37 FR 2008
(b) income statement;	Page 42 FR 2007 Page 38 FR 2008
(c) cash flow statement; and	Page 44 FR 2007 Pages 40-41 FR 2008

(d) accounting policies and explanatory notes.	Page 46-157 FR 2007 Pages 42-147 FR 2008
<u>FINANCIAL STATEMENTS</u>	
If the Issuer prepares both own and consolidated financial statements, include at least the consolidated financial statements in the registration document.	Both consolidated (pages 36-147 FR 2008) and Non-consolidated audited financial statements 2008 (NCFS 2008)
<u>AUDITING OF HISTORICAL ANNUAL FINANCIAL INFORMATION</u>	
A statement that the historical financial information has been audited. If audit reports on the historical financial information have been refused by the statutory auditors or if they contain qualifications or disclaimers, such refusal or such qualifications or disclaimers must be reproduced in full and the reasons given.	2007: Page 158 (consolidated financial statements FR 2007) and Non-consolidated audited financial statements 2007, page 3 NCFS 2007 2008: Pages 148-149 (consolidated financial statements) and Non-consolidated audited financial statements 2008, NCAR 2008
<u>INTERIM FINANCIAL INFORMATION</u>	
Unaudited semi-annual financial information since the date of the last audited financial statements	First semester 2009: interim accounts SAMR 2009 and CFS 2009
(a) balance sheet;	Pages 4-5 CFS 2009
(b) income statement;	Page 6 CFS 2009
(c) cash flow statement; and	Page 9 CFS 2009
(d) accounting policies and explanatory notes.	Pages 10-36 CFS 2009
(e) Auditor's review report	CAR 2009
<u>VIII. SHARE CAPITAL</u>	
The amount of the issued capital, the number and classes of the shares of which it is composed with details of their principal characteristics, the part of the issued capital still to be paid up, with an indication of the number, or total nominal value, and the type of the shares not yet fully paid up, broken down where applicable according to the extent to which they have been paid up.	Page 8 "tableau de variation des capitaux propres consolidés" CFS 2009

Any other information not listed above but contained in such documents is incorporated by reference for information purposes only.

TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the applicable Final Terms, shall be applicable to the Notes, in definitive form (if any) issued in exchange for the Global Note(s) and the Global Certificates representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Final Terms or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the applicable Final Terms. Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be. References in the Conditions to **Notes** are to the Notes of one Series only, not to all Notes that may be issued under the Programme.*

The Notes are issued (or deemed to be issued) outside the Republic of France by Société Nationale des Chemins de fer Français (the **Issuer**) pursuant to an amended and restated Agency Agreement dated 25 January 2010 (as further amended or supplemented as at the date of issue of the Notes (the **Issue Date**) between the Issuer, Deutsche Bank AG, London Branch, as successor to Bankers' Trust Company, London Branch, as *inter alia* fiscal agent and principal paying agent and the other agents named in it, (the **Agency Agreement**)) with the benefit of a deed of covenant (as amended or supplemented at the Issue Date, the **Deed of Covenant**) dated 25 January 2010 and executed by the Issuer in relation to the Notes. The fiscal agent, the paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the **Fiscal Agent**, the **Paying Agents** (which expression shall include the Fiscal Agent), the **Registrar**, the **Transfer Agents** and the **Calculation Agent(s)**. The Noteholders (as defined below), the holders of the interest coupons (the **Coupons**) relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the **Talons**) (the **Couponholders**) and the holders of the receipts for the payment of instalments of principal (the **Receipts**) relating to Notes in bearer form of which the principal is payable in instalments are deemed to have notice of all of the provisions of the Agency Agreement applicable to them.

Copies of the Agency Agreement and the Deed of Covenant are available for inspection at the specified offices of each of the Paying Agents, the Registrar and the Transfer Agents.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

1. **Form, Denomination, Title, Currency and Redenomination**

(a) *Form, Denomination and Title:*

The Notes are issued in bearer form (**Bearer Notes**, which expression includes Notes that are specified to be Exchangeable Bearer Notes), in registered form (**Registered Notes**) or in bearer form exchangeable for Registered Notes (**Exchangeable Bearer Notes**) in each case in the Specified Denomination(s) shown in the applicable Final Terms.

All Registered Notes shall have the same Specified Denomination. Where Exchangeable Bearer Notes are issued, the Registered Notes for which they are exchangeable shall have the same Specified Denomination as the lowest denomination of Exchangeable Bearer Notes.

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, an Index Linked Redemption Note, an Instalment Note, a Dual Currency Note or a Partly Paid

Note, a combination of any of the foregoing or any other kind of Note, depending upon the Interest and Redemption/Payment Basis shown in the applicable Final Terms.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes, in which case references to interest (other than in the case of late payment), Coupons and Talons in these Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.

Registered Notes are represented by registered certificates (**Certificates**) and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes and the Receipts, Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the **Register**). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

Bearer Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be.

In these Conditions, **Noteholder** means the bearer of any Bearer Note and the Receipts relating to it or the person in whose name a Registered Note is registered (as the case may be), **holder** (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be), **Series** means a series of Notes comprising one or more Tranches (as defined below), whether or not issued on the same date, that except in respect of the first payment of interest and their issue price, have identical terms on issue and are expressed to have the same series number, **Tranche** means, in relation to a Series, those Notes of that Series that are issued on the same date at the same issue price and in respect of which the first payment of interest is identical, and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

(b) *Redenomination:*

The Issuer may (if so specified in the applicable Final Terms) without the consent of the holder of any Note, Receipt, Coupon or Talon, redenominate all, but not some only, of the Notes of any Series on or after the date on which the Member State of the European Union in whose national currency such Notes are denominated has become a participating Member State in the third stage of the European economic and monetary union (**EMU**), all as more fully provided in the applicable Final Terms.

2. **Exchanges of Exchangeable Bearer Notes and Transfers of Registered Notes**

(a) *Exchange of Exchangeable Bearer Notes:*

Subject as provided in Condition 2(f), Exchangeable Bearer Notes may be exchanged for the same aggregate nominal amount of Registered Notes at the request in writing of the relevant Noteholder and upon surrender of each Exchangeable Bearer Note to be exchanged, together with all unmaturing Receipts, Coupons and Talons relating to it, at the specified office of any Transfer Agent; provided, however, that where an Exchangeable Bearer Note is surrendered for exchange after the Record Date

(as defined in Condition 7(b)) for any payment of interest, the Coupon in respect of that payment of interest need not be surrendered with it. Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes that are not Exchangeable Bearer Notes may not be exchanged for Registered Notes.

(b) *Transfer of Registered Notes:*

One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor.

(c) *Exercise of Options or Partial Redemption in Respect of Registered Notes:*

In the case of an exercise of an Issuer's or Noteholder's option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(d) *Delivery of New Certificates:*

Each new Certificate to be issued pursuant to Conditions 2(a), (b) or (c) shall be available for delivery within three business days of receipt of the request for exchange, form of transfer or Exercise Notice (as defined in Condition 6(e)) and/or surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such request for exchange, form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant request for exchange, form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Agent (as defined in the Agency Agreement) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), **business day** means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(e) *Exchange Free of Charge:*

Exchange and transfer of Notes and Certificates on registration, transfer, partial redemption or exercise of an option shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).

(f) *Closed Periods:*

No Noteholder may require the transfer of a Registered Note to be registered or an Exchangeable Bearer Note to be exchanged for one or more Registered Note(s) (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 15 days before any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(d), (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date. An Exchangeable Bearer Note called for redemption may, however, be exchanged for one or more Registered Note(s) in respect of which the Certificate is simultaneously surrendered not later than the relevant Record Date.

3. Status

The Notes and the Receipts and Coupons relating to them constitute direct, unconditional, unsubordinated and (subject to Condition 4 (*Negative Pledge*)) unsecured obligations of the Issuer and rank and will rank *pari passu* without any preference among themselves and, save for statutorily preferred exceptions, equally with all its other obligations which are unsecured and unsubordinated, from time to time outstanding.

4. Negative Pledge

So long as any of the Notes, Receipts or Coupons remain outstanding (as defined in the Agency Agreement) the Issuer will not secure or allow to be secured any loan, debt, guarantee or other obligation, now or hereafter existing, by any mortgage, lien (other than liens arising by operation of law), pledge or other charge upon any of the present or future revenues or assets of the Issuer (except for any mortgage, lien, pledge or other charge on property purchased by the Issuer as security for all or part of the purchase price thereof) without at the same time according to the Notes the same or equivalent security.

5. Interest and other Calculations

(a) *Interest on Fixed Rate Notes:*

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrears on the Interest Payment Date(s) (specified in the applicable Final Terms) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect or any period by applying the Rate of Interest to:

- (A) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (B) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

(b) *Interest on Floating Rate Notes and Index Linked Interest Notes:*

(i) *Interest Payment Dates:*

Each Floating Rate Note and Index Linked Interest Note bears interest from (and including) the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. Such Interest Payment Date(s) is/are either shown in the applicable Final Terms as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown in the applicable Final Terms, **Interest Payment Date** shall mean each date which falls the number of months or other period shown in the applicable Final Terms as the Specified Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) *Business Day Convention:*

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

(iii) *Rate of Interest for Floating Rate Notes:*

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

(A) *ISDA Determination for Floating Rate Notes*

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

determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (x) the Floating Rate Option is as specified in the applicable Final Terms;
- (y) the Designated Maturity is a period specified in the applicable Final Terms; and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified in the applicable Final Terms.

For the purposes of this sub-paragraph (A), **Floating Rate, Calculation Agent, Floating Rate Option, Designated Maturity, Reset Date, and Swap Transaction** have the meanings given to those terms in the ISDA Definitions.

(B) *Screen Rate Determination for Floating Rate Notes*

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

- (x) if the Primary Source for the Floating Rate is a Page, subject as provided below, the Rate of Interest shall be:
 - I. the Relevant Rate (where such Relevant Rate on such Page is a composite quotation or is customarily supplied by one entity); or
 - II. the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Page, in each case appearing on such Page at the Relevant Time on the Interest Determination Date;
- (y) if the Primary Source for the Floating Rate is Reference Banks or if sub-paragraph (x)(I) above applies and no Relevant Rate appears on the Page at the Relevant Time on the Interest Determination Date or if sub-paragraph (x)(II) above applies and fewer than two Relevant Rates appear on the Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the arithmetic mean of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent;
- (z) if sub-paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Benchmark) in respect of a Representative Amount of the Specified Currency that at least two out of five leading banks selected by the Calculation Agent in the principal financial centre of the country of the Specified Currency or, if the Specified Currency is euro, in the Euro-zone as selected by the Calculation Agent, (the **Principal Financial Centre**) are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the Effective Date for a period

equivalent to the Specified Duration (I) to leading banks carrying on business in Europe, or (if the Calculation Agent determines that fewer than two of such banks are so quoting to leading banks in Europe) (II) to leading banks carrying on business in the Principal Financial Centre; except that, if fewer than two of such banks are so quoting to leading banks in the Principal Financial Centre, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date (after readjustment for any difference between any Margin, Rate Multiplier or Maximum or Minimum Rate of Interest applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period);

(iv) *Rate of Interest for Index Linked Notes:*

The Rate of Interest in respect of Index Linked Notes for each Interest Accrual Period shall be determined in the manner specified in the applicable Final Terms and interest will accrue by reference to an Index or Formula as specified in the applicable Final Terms.

(c) *Zero Coupon Notes:*

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as defined in Condition 6(b)).

(d) *Dual Currency Notes:*

In the case of Dual Currency Notes, if the rate or amount of interest fails to be determined by reference to a Rate of Exchange or to a method of calculating a Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified in the applicable Final Terms.

(e) *Partly Paid Notes:*

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Final Terms.

(f) *Accrual of Interest:*

Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (after as well as before judgment) at the Rate of Interest in the manner provided in this Condition 5 (*Interest and other Calculations*), to the Relevant Date (as defined in Condition 8 (*Taxation*)).

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

(i) If any Margin or Rate Multiplier is specified in the applicable Final Terms (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 55(b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin or multiplying by such Rate Multiplier, subject always to the next paragraph.

- (ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified in the applicable Final Terms, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes **unit** means the lowest amount of such currency that is available as legal tender in the country or countries of such currency.

(h) *Calculations:*

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

(i) *Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts:*

As soon as practicable after the Relevant Time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, it shall determine such rate and calculate the Interest Amounts in respect of each Specified Denomination of the Notes for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange so require, such exchange as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10 (*Events of Default*), the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

- (j) *Definitions: In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:*

Benchmark means the benchmark source specified in the applicable Final Terms for the purposes of calculating the Relevant Rate in respect of Floating Rate Notes;

Business Day means:

- (i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; and/or
- (ii) in the case of euro, a day on which the TARGET2 System is operating (a **TARGET2 Business Day**); and/or
- (iii) in the case of a currency and/or one or more additional Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the additional Business Centre(s) or, if no currency is indicated, generally in each of the additional Business Centres;

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

- (i) if "Actual/Actual" or "Actual/Actual (ISDA)" is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365;
- (iii) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 360;
- (iv) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Interest period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (v) if "30E/360" or "Eurobond Basis" is specified in the applicable Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Interest period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 in which case D₂ will be 30;

- (vi) If "30E/360 (ISDA)" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30.

- (vii) (I) if "Actual/Actual-ICMA" is specified in the applicable Final Terms:
- (a) in the case of Notes where the number of days in the relevant period from and including the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
 - (b) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - 1. the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and
 - 2. the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year.

Determination Period means each period from (and including) a Determination Date to but excluding the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date prior to, and ending on the first Determination Date falling after, such date);

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

Euro-zone means the region comprised of Member States of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community as amended by the Treaty on European Union and by the Treaty of Amsterdam;

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

Interest Amount means the amount of interest payable, and in the case of Fixed Rate Notes means the Fixed Coupon Amount or Broken Amount;

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

Interest Determination Date means, with respect to Rate of Interest and Interest Accrual Period, the date specified as such in the applicable Final Terms or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro or (iii) the day falling two TARGET2 Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro;

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

Interest Period Date means each Interest Payment Date unless otherwise specified in the applicable Final Terms;

ISDA Definitions means the 2006 ISDA Definitions (as amended and updated as at the Issue Date of the first Tranche of the Notes) published by the International Swaps and Derivatives Association, Inc., unless otherwise specified in the applicable Final Terms;

Rate of Interest means the rate of interest payable from time to time in respect of this Note and that is either specified in the applicable Final Terms or calculated in accordance with the provisions hereon;

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

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

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

Relevant Screen Page means such page, section, caption, column or other part of a particular information service (including, but not limited to, the Reuter Markets 3000 (**Reuters**) and Bridge Telerate (**Telerate**)) as may be specified in the applicable Final Terms for the purpose of providing a Relevant Rate, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Relevant Rate;

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

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

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

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

TARGET2 System means the Trans-European Real-Time Gross-Settlement Express Transfer (TARGET2) System or any successor thereto.

(k) *Calculation Agent and Reference Banks:*

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

6. Redemption, Purchase and Options

(a) *Redemption by Instalments and Final Redemption:*

(i) Unless previously redeemed, purchased and cancelled as provided in this Condition 6 (*Redemption, Purchase and Options*) or unless the relevant Instalment Date (being one of the dates so specified in the applicable Final Terms) is extended pursuant to any Issuer's or Noteholder's option in accordance with Condition 6(d) or 6(e), each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified in the applicable Final Terms. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused on presentation of the related Receipt, in which case such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.

- (ii) Unless previously redeemed, purchased and cancelled as provided below or unless its maturity is extended pursuant to any Issuer's or Noteholder's option in accordance with Condition 6(d) or 6(e), each Note shall be finally redeemed on the Maturity Date specified in the applicable Final Terms at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount) or, in the case of a Note falling within sub-paragraph (i) above, its final Instalment Amount.

(b) *Early Redemption:*

(i) *Zero Coupon Notes:*

- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 (*Events of Default*), shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified in the applicable Final Terms.
- (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown in the applicable Final Terms, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 (*Events of Default*) is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the reference therein to the date on which the Note becomes due and payable were replaced by a reference to the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(c).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction specified in the applicable Final Terms.

(ii) *Other Notes:*

The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 (*Events of Default*), shall be the Final Redemption Amount unless otherwise specified in the applicable Final Terms.

(c) *Redemption for Taxation Reasons:*

- (i) If by reason of any change in, or amendment to, the laws and regulations of the Republic of France or any political subdivision or any authority therein or thereof having power to tax,

or any change in the official application or interpretation thereof, becoming effective after the Issue Date, the Issuer would become obliged to pay additional amounts as provided or referred to in Condition 8 (*Taxation*), the Issuer may (having given not more than 60 nor less than 30 days' notice to the Noteholders, which notice shall be irrevocable) redeem at their Early Redemption Amount (as described in Condition 6(b) above) together with interest accrued (if any) to the date fixed for redemption all (but not some only) of the Notes on any Interest Payment Date, or, if so specified in the applicable Final Terms, at any time, at their Early Redemption Amount (together with interest accrued to the date fixed for redemption), provided that the due date for redemption of which notice hereunder shall be given shall be the latest practicable date at which the Issuer could make payment of principal and interest without withholding for French taxes.

- (ii) If, on the occasion of the next payment due in respect of the Notes, the Issuer would be prevented by French law from making payment to the Noteholders and the Couponholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts as provided in Condition 8(b), then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and shall redeem all, but not some only, of the Notes then outstanding at their Early Redemption Amount, together with interest accrued (if any) to the date of such redemption on (A) the latest practicable Interest Payment Date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes, provided that if such notice would expire after such Interest Payment Date the date for redemption pursuant to such notice of Noteholders shall be the later of (i) the latest practicable date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes and (ii) 14 days after giving notice to the Fiscal Agent as aforesaid or (B) if so specified on this Note, at any time, provided that the due date for redemption of which notice hereunder shall be given shall be the latest practicable date on which the Issuer could make payment of the full amount payable in respect of the Notes, Receipts or Coupons or, if that date is passed, as soon as practicable thereafter.

(d) *Redemption at the Option of the Issuer and Exercise of Issuer's Options:*

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

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

In the case of a partial redemption or a partial exercise of an Issuer's option, the notice to Noteholders shall also contain the certificate numbers of the Notes to be redeemed or in respect of which such option has been exercised, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange requirements. So long as the Notes are listed on the Luxembourg Stock Exchange and the rules of that Stock Exchange so require, the Issuer shall, once in each year in which there has been a partial redemption of the Notes, cause to be published in a leading newspaper of general circulation in Luxembourg a notice specifying the aggregate nominal amount of Notes outstanding and a list of the Notes drawn for redemption but not surrendered.

(e) *Redemption at the Option of Noteholders and Exercise of Noteholders' Options:*

If Investor Put is specified in the applicable Final Terms, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified in the applicable Final Terms) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption. It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Final Terms.

To exercise such option or any other Noteholders' option that may be set out in the applicable Final Terms (which must be exercised on an Option Exercise Date) the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice (**Exercise Notice**) in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(f) *Partly Paid Notes:*

Partly Paid Notes will be redeemed whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the provisions specified in the applicable Final Terms.

(g) *Purchases:*

The Issuer may at any time purchase Notes (provided that all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or by tender or by private treaty or otherwise at any price.

(h) *Cancellation:*

All Notes purchased by or on behalf of the Issuer will be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Fiscal Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

7. Payments and Talons

(a) *Bearer Notes:*

Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 7(f)(vi)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a bank in the

principal financial centre for such currency, or, in the case of euro, in a city in which banks have access to the TARGET2 System.

(b) *Registered Notes:*

- (i) Payments of principal (which for the purposes of this Condition 7(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in Condition 7(b)(ii) below.
- (ii) Interest (which for the purpose of this Condition 7(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business on the 15th day before the due date for payment thereof (the **Record Date**). Payments of interest on each Registered Note shall be made in the relevant currency by cheque drawn on a bank in the principal financial centre of the country of the currency concerned, subject as provided in Condition 7(a) above, and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, and, subject as provided in paragraph (a) above, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a bank in the principal financial centre of the country of that currency.

(c) *Payments in the United States:*

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

(d) *Payments Subject to Fiscal Laws:*

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

(e) *Appointment of Agents:*

The Fiscal Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents, the Registrar, Transfer Agents and the Calculation Agent(s), act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and/or approve any change in the specified office through which any Paying Agent acts and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) one or more Calculation Agent(s) where the Conditions so require, (v) a Redenomination Agent and a Consolidation Agent where the

Conditions so require (and further provided that on a redenomination of the Notes pursuant to Condition 1(b) and a consolidation of the Notes with a further issue of Notes pursuant to Condition 12 (*Further Issues and Consolidation*), the Issuer shall procure that the same entity shall be appointed as the Redenomination Agent and the Consolidation Agent in respect of both the Notes and such other issues of notes, (vi) at least one Paying Agent having a specified office in a continental European city other than the jurisdiction of incorporation of the Issuer and provided further that, so long as the Notes are listed on the Luxembourg Stock Exchange, the Issuer will maintain a Paying Agent and Transfer Agent in Luxembourg, (vii) the Issuer will maintain such other agents as may be required by the rules of any other stock exchange on which the Notes may be listed (or any other relevant authority) and (viii) a Paying Agent in a Member State of the European Union (a **Member State**) that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC, or any law implementing or complying with, or introduced in order to conform to, such Directive (any such Directive or law, an **EU Savings Directive Tax Law**) to the extent that any Member State does not maintain any obligation to so withhold or deduct pursuant to any EU Savings Directive Tax Law.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in Condition 7(c) above.

Notice of any such change or of any change of any specified office shall promptly be given to the Noteholders.

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

- (i) Unless the Notes provide that the relative Coupons are to become void upon the due date for redemption of those Notes, Bearer Notes should be surrendered for payment together with all unexpired Coupons (if any) appertaining thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9 (*Prescription*)).
- (ii) If the Notes so provide, upon the due date for redemption of any Bearer Note, unexpired Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Note, any unexpired Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Upon the due date for redemption of any Bearer Note that is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
- (v) Where any Bearer Note that provides that the relative unexpired Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unexpired Coupons, and where any Bearer Note is presented for redemption without any unexpired Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

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

(g) *Talons:*

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9 (*Prescription*)).

(h) *Non-Business Days:*

If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, **business day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as "Additional Financial Centres" in the applicable Final Terms and:

- (i) in the case of a payment in a currency other than euro, where payment is to be made by transfer to an account maintained with a bank in the relevant currency, a day on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or
- (ii) in the case of a payment in euro, a day which is a TARGET2 Business Day.

8. **Taxation**

(a) *Tax Regime:*

The Notes being issued outside the Republic of France, interest and other revenues with respect to the Notes benefit from the exemption provided for in article 131 *quater* of the *Code Général des impôts* (French General Tax Code) from deduction of tax at source. Accordingly, such payments do not give the right to any tax credit from any French source.

(b) *Additional Amounts:*

If French law should require that payments of principal or interest in respect of any Note be subject to withholding or deduction with respect to any taxes or duties whatsoever, the Issuer will, to the fullest extent then permitted by French law, pay such additional amounts as may be necessary in order that the net amounts received by the holders of Notes, Receipts and Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would have been receivable in respect of the Notes, Receipts or Coupons, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

- (i) presented for payment by or on behalf of a holder who is liable to such taxes or duties in respect of such Note or Coupon by reason of his having some connection with the Republic of France other than the mere holding of the Note, Receipt or Coupon; or

- (ii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to the new European Council Directive 2003/48/EC on the taxation of savings income, or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (iii) presented for payment by or on behalf of a holder who would be able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union; or
- (iv) presented for payment more than 30 days after the Relevant Date, except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days.

As used in these Conditions, **Relevant Date** in respect of any Note, Receipt or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate), Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) **principal** shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 (*Redemption, Purchase and Options*) or any amendment or supplement to it, (ii) **interest** shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 (*Interest and other Calculations*) or any amendment or supplement to it and (iii) **principal** and/or **interest** shall be deemed to include any additional amounts that may be payable under this Condition.

9. Prescription

Claims against the Issuer for payment in respect of the Notes, Receipts and Coupons (which for this purpose shall not include Talons) shall become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

10. Events of Default

Upon any of the following events (each an **Event of Default**) taking place, the holder of any Note may give written notice to the Issuer through the Fiscal Agent at its specified office that such Note is immediately due and payable, whereupon the Early Redemption Amount of such Note together with accrued interest to the date of payment shall become immediately due and payable, unless such Event of Default shall have been remedied prior to the receipt of such notice by the Fiscal Agent:

- (a) default is made for more than 15 days in the payment of any principal and interest due in respect of the Notes; or
- (b) default by the Issuer in the performance or observance of any other obligation on its part under the Notes and such default continues for 30 days after written notice requiring such default to be remedied has been given by the holder of any Note through the Fiscal Agent to the Issuer; or
- (c) any other indebtedness for money borrowed by the Issuer becoming prematurely repayable following a default, or steps being taken to enforce any security in respect thereof, or the

Issuer defaulting in the repayment of any such indebtedness at the maturity thereof as extended by any applicable grace period, or any guarantee of any indebtedness for money borrowed given by the Issuer not being honoured when due and called upon; or

- (d) the Issuer being dissolved or merged into a company, unless in such event the obligations of the Issuer pursuant to the Notes are assumed by such company either expressly by contract or by virtue of applicable law.

11. Replacement of Bearer Notes, Certificates, Receipts, Coupons and Talons

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

12. Further Issues and Consolidation

(a) Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes ranking *pari passu* with the Notes and having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them). References in these Conditions to **Notes** shall be construed accordingly.

(b) Consolidation

The Issuer may also from time to time upon not less than 30 days' prior notice to Noteholders, without the consent of the holders of the Notes or Coupons of any Series, consolidate the Notes with notes of one or more other Series issued by it provided that, in respect of all periods subsequent to such consolidation, the notes of all such other Series are denominated in the same currency as such Notes (irrespective of the currency in which any notes of such other Series were originally issued) and otherwise have the same terms and conditions as such Notes. Notice of any such consolidation will be given to the Noteholders in accordance with Condition 14 (*Notices*). The Fiscal Agent shall act as the consolidation agent (in such capacity, the **Consolidation Agent**).

With effect from their consolidation, the Notes and the notes of such other Series will (if listed prior to such consolidation) be listed on at least one European stock exchange on which either such Notes or the notes of such other Series were listed immediately prior to consolidation.

The Issuer shall in dealing with the holders of such Notes following a consolidation pursuant to this Condition 12 (*Further Issues and Consolidation*) have regard to the interests of the holders of such Notes and the holders of the notes of such other Series, taken together as a class, and shall treat them alike.

13. Meetings of Noteholders and Modifications

(a) *Meetings of Noteholders:*

The Agency Agreement contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Agency Agreement) of a modification of any of these Conditions. Such a meeting may be convened by Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia* (other than as specifically provided in these Conditions) (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal amount of, or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum and/or a Maximum Rate of Interest, Instalment Amount or Redemption Amount is shown in the applicable Final Terms, to reduce any such Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, (vii) to take any steps that are specified in the applicable Final Terms may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply or (viii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

(b) *Modification of Agency Agreement:*

The Issuer shall only permit any modification (including for the purposes of giving effect to the provisions of Conditions 1(b) and 12 (*Further Issues and Consolidation*)) of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the Noteholders.

14. Notices

Notices to the holders of Registered Notes will be valid (i) if sent by mail to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing and (ii) in addition, so long as the Notes are admitted to trading on, and listed on the Official List of the Luxembourg Stock Exchange and the rules of that exchange so require, if published in a daily newspaper with general circulation in Luxembourg (which is expected to be the *Luxemburger Wort* or the *Tageblatt*) or on the internet site of the Luxembourg Stock Exchange (www.bourse.lu). Notices to the holders of Bearer Notes shall be valid if published (i) in a daily newspaper of general circulation in London (which is expected to be the *Financial Times*), and (ii) so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of that exchange so require, in a daily newspaper with general circulation in Luxembourg, (which is expected to be the *Luxemburger Wort* or the *Tageblatt*) or on the internet site of the Luxembourg Stock Exchange (www.bourse.lu). If any such publication is not practicable,

notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition 14 (*Notices*). The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any other stock exchange (or other relevant authority) on which the Notes are for the time being listed. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in each such newspaper.

Except in the case of Notes listed on the Luxembourg Stock Exchange, until such time as any definitive Notes are issued, there may (provided that in the case of Notes listed on any stock exchange, the rules of such stock exchange (or other relevant authority) so permit), so long as the global Note(s) is or are held in its/their entirety on behalf of Euroclear and Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and Clearstream, Luxembourg for communication by them to the Noteholders. Any such notice shall be deemed to have been given to the holders of the Notes on the seventh day after the day on which the said notice was given to Euroclear and Clearstream, Luxembourg.

Notices to be given by any holder of the Notes shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Agent. Whilst any of the Notes are represented by a global Note, such notice may be given by any holder of a Note to the Agent via Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

15. Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999 except and to the extent (if any) that the Notes expressly provide for such Act to apply to any of their terms.

16. Governing Law and Jurisdiction

(a) *Governing Law:*

The Notes, the Receipts, the Coupons, the Talons and the Agency Agreement (including a dispute relating to any non-contractual obligations arising out of or in connection with the Notes, the Receipts, the Coupons, the Talons and/or the Agency Agreement) are governed by, and shall be construed in accordance with, English law.

(b) *Jurisdiction:*

The courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Receipts, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons or Talons (**Proceedings**) (including a dispute relating to any non-contractual obligations arising out of or in connection with the Notes, the Receipts, the Coupons and/or the Talons) may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the holders of the Notes, Receipts, Coupons and Talons (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the Notes, the Receipts, the Coupons and/or the Talons), and shall not affect the right of any of them to take Proceedings in any other court of

competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

(c) *Service of Process:*

The Issuer irrevocably appoints Rail Europe Limited of 34 Tower View, West Malling, Kent ME19 4ED, its authorised agent in England, to receive, for it and on its behalf, service of process in any Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by the Issuer). If for any reason such process agent ceases to be able to act as such or no longer has an address in London, the Issuer irrevocably agrees to appoint a substitute process agent and shall immediately notify Noteholders of such appointment in accordance with Condition 14 (*Notices*). Nothing shall affect the right to serve process in any manner permitted by law.

(d) *Immunity from Attachment:*

The assets and properties of the Issuer cannot be subject to any attachment or other enforcement proceedings in the Republic of France.

USE OF PROCEEDS

The net proceeds of each issue of Notes will be applied by the Issuer in refinancing existing debt and financing its operations.

FORM OF NOTES AND TRANSFER RESTRICTIONS

The Notes of each Series will be in either bearer form, with or without coupons attached, or registered form, without interest coupons attached. Bearer Notes will be issued outside the United States in reliance on Regulation S under the Securities Act (**Regulation S**) and Registered Notes will be issued both outside the United States in reliance on the exemption from registration provided by Regulation S and within the United States in reliance on Rule 144A.

Initial Issue of Notes

Each Tranche of Bearer Notes will be initially issued in the form of a temporary global note (a **Temporary Global Note**) or, if so specified in the applicable Final Terms, a permanent global note (a **Permanent Global Note**) which, in either case, will:

- (i) if the Global Notes are intended to be issued in new global note (**NGN**) form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the **Common Safekeeper**) for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking, société anonyme (**Clearstream, Luxembourg**); and
- (ii) if the Global Notes are not intended to be issued in NGN Form, be delivered on or prior to the original issue date of the Tranche to a common depositary (the **Common Depositary**) for, Euroclear and Clearstream Luxembourg.

Upon the initial deposit of a Bearer Global Note with the Common Depositary or Common Safekeeper, as the case may be, or registration of Registered Notes in the name of any nominee for Euroclear and Clearstream, Luxembourg and/or DTC and delivery of a Registered Global Certificate to the Common Depositary and/or a custodian for DTC (the **Custodian**), Euroclear, Clearstream, Luxembourg or DTC (as the case may be), the Common Depositary, the Common Safekeeper or the Custodian will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

Upon the initial deposit of a Bearer Global Note with, or registration of Registered Notes in the name of, or any nominee for, and delivery of a Registered Global Certificate to, Euroclear France (including where Euroclear France is acting as central depositary), the *intermédiaires financiers habilités* (French banks or brokers authorised to maintain securities accounts on behalf of their clients (each an **Approved Intermediary**)) who are entitled to such Notes according to the records of Euroclear France will credit each subscriber with a principal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

Notes that are initially deposited with the Common Depositary (or Common Safekeeper, as the case may be) or the Custodian may also be credited to the accounts of subscribers with Approved Intermediaries or (if indicated in the applicable Final Terms) other clearing systems through direct or indirect accounts with Euroclear, Clearstream, Luxembourg and DTC held by Euroclear France or other clearing systems. Conversely, Notes that are initially deposited with Euroclear France or any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg, DTC or other clearing systems.

Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg, an Approved Intermediary, DTC or any other clearing system (an **Alternative Clearing System**) as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg, DTC, such Approved Intermediary or such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note or the holder of the

underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, DTC, Euroclear France or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

Exchange of Interests in Global Notes

1. Temporary Global Notes

Each Temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date (as defined below):

- (i) if the applicable Final Terms indicates that such Global Note is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see "Summary of the Programme-Selling Restrictions"), in whole, but not in part, for the Definitive Notes defined and described below; and
- (ii) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a Permanent Global Note or, if so provided in the applicable Final Terms, for Definitive Notes, provided that purchasers in the United States and certain U.S. persons will not be able to receive Definitive Notes in bearer form.

Each Temporary Global Note that is also an Exchangeable Bearer Note will be exchangeable for Registered Notes in accordance with the Conditions in addition to any Permanent Global Note or Definitive Notes for which it may be exchangeable and, before its Exchange Date, will also be exchangeable in whole or in part for Registered Notes only.

2. Permanent Global Notes

Each Permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under "Partial Exchange of Permanent Global Notes", in part for Definitive Notes or, in the case of (iii) below, Registered Notes:

- (i) unless principal in respect of any Notes is not paid when due, by the Issuer giving notice to the Noteholders and the Fiscal Agent of its intention to effect such exchange;
- (ii) if the applicable Final Terms provides that such Global Note is exchangeable at the request of the holder, by the holder giving notice to the Fiscal Agent of its election for such exchange;
- (iii) if the Permanent Global Note is an Exchangeable Bearer Note, by the holder giving notice to the Fiscal Agent of its election to exchange the whole or a part of such Global Note for Registered Notes; and
- (iv) otherwise, (1) if the Permanent Global Note is held on behalf of Euroclear, Clearstream, Luxembourg, Euroclear France or an Alternative Clearing System, and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so or (2) if principal in respect of any Notes is not paid when due, by the holder giving notice to the Fiscal Agent of its election for such exchange.

3. **Partial Exchange of Permanent Global Notes**

For so long as a Permanent Global Note is held on behalf of a clearing system and that clearing system so permits, such Permanent Global Note will be exchangeable in part on one or more occasions (1) for Registered Notes if the Permanent Global Note is an Exchangeable Bearer Note and the part submitted for exchange is to be exchanged for Registered Notes, or (2) for Definitive Notes (i) if principal in respect of any Notes is not paid when due or (ii) if so provided in, and in accordance with, the Conditions (which will be set out in the applicable Final Terms) relating to Partly-paid Notes.

4. **Delivery of Notes**

On or after any due date for exchange the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Fiscal Agent. In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a Temporary Global Note exchangeable for a Permanent Global Note, deliver, or procure the delivery of, a Permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a Temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a Permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes or Registered Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes and/or Certificates, as the case may be. In this Base Prospectus, **Definitive Notes** means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Agency Agreement. On exchange in full of each Permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

5. **Exchange Date**

Exchange Date means, in relation to a Temporary Global Note, the day falling after the expiry of 40 days after its issue and, in relation to a Permanent Global Note, a day falling not less than 60 days, or in the case of failure to pay principal in respect of any Notes when due, 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Fiscal Agent is located and in the city in which the relevant clearing system is located.

Modification of the Conditions of the Notes while in Global Form

The Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the terms and conditions of the Notes set out in this Base Prospectus. The following is a summary of certain of those provisions:

1. **Payments**

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a Permanent Global Note or for Definitive Notes or Registered Notes is improperly withheld or refused. Payments on any Temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the

order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be endorsed on each Global Note, which endorsement will be prima facie evidence that such payment has been made in respect of the Notes.

2. Prescription

Claims against the Issuer in respect of principal and interest in respect of Notes that are represented by a Global Note will become void unless it is presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 8 (*Taxation*)).

3. Meetings

The holder of a Permanent Global Note or of the Notes represented by a Global Certificate shall (unless such Permanent Global Note or Global Certificate represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and at any such meeting, as having one vote in respect of each minimum Specified Denomination of Notes for which such Global Note may be exchanged. (All holders of Registered Notes are entitled to one vote in respect of each Note comprising such Noteholder's holding, whether or not represented by a Global Certificate.)

4. Cancellation

Cancellation of any Note represented by a Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant Global Note.

5. Purchase

Notes represented by a Permanent Global Note may only be purchased by the Issuer if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.

6. Events of Default

Each Global Note and Global Certificate provides that the holder may cause such Global Note, or a portion of it, or Registered Notes represented by such Global Certificate, as the case may be, to become due and repayable in the circumstances described in Condition 10 (*Events of Default*) by stating in the notice to the Fiscal Agent the nominal amount of such Global Note or Registered Notes which is becoming due and repayable. If principal in respect of any Note is not paid when due, the holder of a Global Note or Registered Notes represented by a Global Certificate may elect for direct enforcement rights against the Issuer under the terms of a Deed of Covenant executed as a deed by the Issuer on 25 January 2010 (as supplemented from time to time) to come into effect in relation to the whole or a part of such Global.

Note or such Registered Notes, as the case may be, as accountholders with a clearing system. Following any such acquisition of direct rights, the Global Note or, as the case may be, the Global Certificate and the corresponding entry in the register kept by the Registrar will become void as to the specified portion or Registered Notes, as the case may be. However, no such election may be made in respect of Notes represented by a Global Certificate unless the transfer of the whole or a part of the holding of Notes represented by that Global Certificate shall have been improperly withheld or refused.

7. Issuer's Option

Any option of the Issuer provided for in the Conditions of any Notes while such Notes are represented by a Permanent Global Note shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. If any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system or an Approved Intermediary in respect of the Notes will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg, Euroclear France or other relevant clearing system (as the case may be). In the case of a Permanent Global Note in NGN form, such a redemption will be reflected in the records of the ICSDs as either a nominal reduction or as a pool factor, at the discretion of the ICSDs.

8. Noteholders' Options

Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a Permanent Global Note and such Global Note is held on behalf of Euroclear and/or Clearstream, Luxembourg, may be exercised by the holder of the Global Note giving a notice of exercise in relation to the principal amount of the Notes in respect of which such option is exercised within the time limits set forth in that Condition and/or as required by the relevant clearing system and at the same time presenting or procuring the presentation of the Global Note to the Principal Paying Agent for notation accordingly. Whilst all of the Notes are represented by a Permanent Global Note and such Global Note is held on behalf of Euroclear and/or Clearstream, Luxembourg, notices of exercise shall be given in accordance with the standard procedures of Euroclear and/or Clearstream, Luxembourg (which may include notice being given on the instruction of the relevant holder by the relevant clearing system or any common depository therefor to the Principal Paying Agent by electronic means) in a form acceptable to the relevant clearing system from time to time.

9. Notices

Notices to the holders of Registered Notes will be valid (i) if sent by mail to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing and (ii) in addition, so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of that exchange so require, if published in a daily newspaper with general circulation in Luxembourg (which is expected to be the *Luxemburger Wort* or the *Tageblatt*). Notices to the holders of Bearer Notes shall be valid if published (i) in a daily newspaper of general circulation in London (which is expected to be the *Financial Times*), and (ii) so long as the Notes are admitted to trading on, and listed on the Official List of the Luxembourg Stock Exchange and the rules of that exchange so require, in a daily newspaper with general circulation in Luxembourg (which is expected to be the *Luxemburger Wort* or the *Tageblatt*) and/or the Luxembourg Stock Exchange's website www.bourse.lu. If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with Condition 14 (*Notices*). The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any other stock exchange (or other relevant authority) on which the Notes are for the time being listed. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in each such newspaper.

Except in the case of Notes listed on the Luxembourg Stock Exchange, until such time as any definitive Notes are issued, there may (provided that in the case of Notes listed on any stock

exchange, the rules of such stock exchange (or other relevant authority) so permit), so long as the global Note(s) is or are held in its/their entirety on behalf of Euroclear and Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and Clearstream, Luxembourg for communication by them to the Noteholders. Any such notice shall be deemed to have been given to the holders of the Notes on the seventh day after the day on which the said notice was given to Euroclear and Clearstream, Luxembourg.

Notices to be given by any holder of the Notes shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Fiscal Agent. Whilst any of the Notes are represented by a global Note, such notice may be given by any holder of a Note to the Fiscal Agent via Euroclear and/ or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

10. Partly-Paid Notes

The provisions relating to Partly-Paid Notes are not set out in this Base Prospectus, but will be contained in the applicable Final Terms and thereby in the Global Notes. While any instalments of the subscription moneys due from the holder of Partly-Paid Notes are overdue, no interest in a Global Note representing such Notes may be exchanged for an interest in a Permanent Global Note or for Definitive Notes (as the case may be). If any Noteholder fails to pay any instalment due on any Partly-Paid Notes within the time specified, the Issuer may forfeit such Notes and shall have no further obligation to their holder in respect of them.

11. Redenomination and Consolidation

A Global Note or Global Certificate may be amended or replaced by the Issuer (in such manner as it considers necessary after consultation with the Redenomination Agent and/or the Consolidation Agent, as the case may be) for the purposes of taking account of the redenomination and/or consolidation of the Notes pursuant to Conditions 1(b) and 12 (*Further Issues and Consolidation*). Any consolidation may, in such circumstances, require a change in the relevant common depository or central depository or custodian or nominee, as the case may be.

Form of Registered Notes

Registered Notes offered and sold outside the United States in reliance on Regulation S under the Securities Act will be represented by interests in an Unrestricted Global Certificate, in registered form, without interest coupons attached, which will be deposited on or about the Issue Date (i) in the case of a Tranche intended to be cleared through Euroclear and/or Clearstream, Luxembourg with, and registered in the name of, BT Globenet Nominees Limited, as nominee for, the Common Depository and (ii) in the case of a Tranche intended to be cleared through Euroclear France, with, and registered in the name of Euroclear France or as otherwise agreed with Euroclear France. A beneficial interest in the Unrestricted Global Certificate may at all times be held only through Euroclear and Clearstream, Luxembourg or the Approved Intermediaries.

Registered Notes offered and sold to qualified institutional buyers as defined in, and in reliance on, Rule 144A will be represented by interests in a Restricted Global Certificate, in registered form, without interest coupons attached, which will be registered in the name of Cede & Co., as nominee for, and which will be deposited on or about the Issue Date with Deutsche Bank Trust Company Americas as custodian (the **Custodian**) for, DTC. The Restricted Global Certificate (and any definitive Registered Notes issued in exchange therefor) will be subject to certain restrictions on transfer contained in a legend appearing on the face of such Note described under "Transfer Restrictions in respect of Registered Notes".

Each Unrestricted Global Certificate will have an ISIN and each Restricted Global Certificate will have a CUSIP number.

Transfer Restrictions in respect of Registered Notes

On or prior to the expiry of the distribution compliance period applicable to each Tranche of Notes, a beneficial interest in the Unrestricted Global Certificate may be transferred to a person who wishes to take delivery of such beneficial interest through the Restricted Global Certificate only upon receipt by the Registrar of a written certification from the transferor (in the applicable form provided in the Agency Agreement) to the effect that such transfer is being made to a person who the transferor reasonably believes is a qualified institutional buyer within the meaning of Rule 144A, in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. After the expiry of the distribution compliance period, such certification requirements will no longer apply to such transfers, but such transfers will continue to be subject to the transfer restrictions contained in the legend appearing on the face of such Notes, as set out below.

Distribution compliance period shall mean the period that ends (40) forty days after the completion of the distribution of each Tranche of Notes, as certified by the relevant Dealer (in the case of a non-syndicated issue) or the relevant Lead Manager (in the case of a syndicated issue).

A beneficial interest in the Restricted Global Certificate may also be transferred to a person who wishes to take delivery of such beneficial interest through the Unrestricted Global Certificate only upon receipt by the Registrar of a written certification from the transferor (in the applicable form provided in the Agency Agreement) to the effect that such transfer is being made in accordance with Regulation S or Rule 144 (if available) under the Securities Act.

Any beneficial interest in either the Restricted Global Certificate or the Unrestricted Global Certificate that is transferred to a person who takes delivery in the form of a beneficial interest in the other Global Certificate will, upon transfer, cease to be a beneficial interest in such Global Certificate and become a beneficial interest in the other Global Certificate and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to a beneficial interest in such other Global Certificate for so long as such person retains such an interest.

Each person purchasing Notes from a Dealer or its affiliate (the **Vendor**) pursuant to Rule 144A acknowledges that (i) it has not relied on the Vendor in connection with its investigation of the accuracy of the information contained in this Base Prospectus or its investment decision and (ii) no person has been authorised to give any information or to make any representation concerning the Issuer or the Notes other than those contained in this Base Prospectus and Final Terms, and, if given or made, such other information or representation should not be relied upon as having been authorised by the Issuer or the Vendor. This Base Prospectus has been prepared by the Issuer solely for use in connection with the offer and sale of the Notes outside the United States to non-U.S. persons and for resales of the Notes to qualified institutional buyers in the United States and for the listing of the Notes on the Luxembourg Stock Exchange. The Issuer and the Vendor reserve the right to reject any offer to purchase, in whole or in part, for any reason, or to sell less than the number of Notes which may be offered pursuant to Rule 144A. This Base Prospectus does not constitute an offer to any person in the United States or to any U.S. person other than a qualified institutional buyer within the meaning of Rule 144A to whom an offer has been made directly by the Vendor.

Each prospective purchaser of Notes offered in reliance on Rule 144A (a **144A Offeree**), by accepting delivery of this Base Prospectus, will be deemed to have represented and agreed with respect to such Notes as follows:

1. such 144A Offeree acknowledges that this Base Prospectus and any Final Terms are personal to such 144A Offeree and do not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Notes other than pursuant to Rule 144A or in offshore transactions in accordance with Rule 903 or 904 of Regulation S. Distribution of this Base Prospectus, or disclosure of any of its contents, to any person other than such 144A Offeree and those persons, if any, retained to advise such 144A Offeree with respect thereto and other persons

meeting the requirements of Rule 144A or Rule 903 or 904 of Regulation S is unauthorised, and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited; and

2. such 144A Offeree agrees to make no photocopies of this Base Prospectus or any documents referred to therein and, if such 144A Offeree does not purchase Notes or the offering is terminated, to return this Base Prospectus and all documents referred to herein to the Vendor.

Because of the following restrictions, purchasers of Notes offered in the United States in reliance on Rule 144A are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of such Notes.

Each purchaser of Registered Notes or person wishing to transfer an interest from one Registered Global Note to another or from global to definitive form or vice versa, will be required to represent, agree and acknowledge as follows (terms used herein that are defined in Rule 144A or Regulation S are used herein as defined therein):

1. It is either (X) (A) a qualified institutional buyer within the meaning of Rule 144A, (B) acquiring the Notes for its own account or for the account of such a qualified institutional buyer and (C) aware, and each beneficial owner of such Notes has been advised, that the sale of the Notes to it is being made in reliance on Rule 144A, or (Y) outside the United States and is not a U.S. person.
2. It understands that the Notes are being offered and sold only in a transaction not involving any public offering in the United States within the meaning of the Securities Act, and the Notes offered hereby have not been and will not be registered under the Securities Act or other applicable securities laws of any state of the United States and may not be reoffered, resold, pledged or otherwise transferred within the United States or to, or for the account or benefit of U.S. persons except in accordance with the applicable legend set forth below.
3. It understands that the Restricted Global Certificate and any Definitive Notes issued in exchange for an interest in any Restricted Global Certificate, unless the Issuer determines otherwise in compliance with applicable law, will bear a legend to the following effect:

"THE NOTES IN RESPECT OF WHICH THIS CERTIFICATE HAS BEEN ISSUED HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A (RULE 144A) UNDER THE SECURITIES ACT TO A PERSON THAT THE HOLDER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT, (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (4) TO THE ISSUER, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATIONS CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR REALES OF THE NOTES IN RESPECT OF WHICH THIS CERTIFICATE HAS BEEN ISSUED."

4. It understands that the Unrestricted Global Certificate and any Definitive Notes issued in exchange for an interest in any Unrestricted Global Certificate, unless the Issuer determines otherwise in compliance with applicable law, will bear a legend to the following effect:

"THE NOTES IN RESPECT OF WHICH THIS CERTIFICATE HAS BEEN ISSUED HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, RESOLD PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE NOTES OF THE TRANCHE OF WHICH THIS NOTE FORMS PART."

5. The Issuer, the Registrar, and the Dealers and their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. If any purchaser of Notes offered in reliance on Rule 144A is acquiring any Restricted Notes for the account of one or more qualified institutional buyers it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.
6. It will, and will require each subsequent holder to, notify any purchaser of the Notes from it of the resale restrictions referred to in the applicable legend above, if then applicable.
7. It understands that the Restricted Notes offered in reliance on Rule 144A will be represented by a Restricted Global Certificate and the Unrestricted Notes offered outside the United States in reliance on Regulation S will be represented by one or more Unrestricted Global Certificates. Before any interest in a Restricted Global Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in an Unrestricted Global Certificate, it will be required to provide the Issuer and the Registrar with a written certification (in the form provided in the Agency Agreement) as to compliance with applicable securities laws.

Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

Exchange of Interests in Global Certificates

Registration of title to Notes initially represented by a Restricted Global Certificate in a name other than DTC or a successor depository or one of their respective nominees will not be permitted unless (i) DTC or such successor depository notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depository with respect to the Restricted Global Certificate or ceases to be a "clearing agency" registered under the Exchange Act, or is at any time no longer eligible to act as such, and the Issuer is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of such depository, (ii) principal in respect of any Notes is not paid when due (provided that the rules of DTC so permit) or (iii) the applicable Final Terms specifies that the Restricted Global Certificate is exchangeable for definitive Registered Notes, and in any such case the Fiscal Agent has received a notice from the registered holder of the Restricted Global Certificate requesting exchange of the Restricted Global Certificate in full for individual definitive certificates (the **Certificates**).

Registration of title to Notes initially represented by an Unrestricted Global Certificate in a name other than the nominee of the Common Depository or the name of Euroclear France (or its nominee), as the case may be, will not be permitted unless (i) Euroclear, Clearstream, Luxembourg or Euroclear France, as the case may be, is closed for business for a continuous period of 14 days (other than by reason of holidays statutory or otherwise) or announces an intention permanently to cease business or in fact does so, (ii) principal in respect of any Notes is not paid when due (provided that the rules of Euroclear, Clearstream, Luxembourg or Euroclear France, as the case may be, so permit) or (iii) the applicable Final Terms specifies that the

Unrestricted Global Certificate is exchangeable for definitive Registered Notes, and in any such case the Registrar or any Transfer Agent has received a notice from the registered holder of a specified amount of the Unrestricted Global Certificate requesting exchange of the Unrestricted Global Certificate for individual Certificates.

In such circumstances, the relevant Global Certificate shall be exchanged in full or in part, as the case may be, for Certificates and the Issuer will, at the cost of the Issuer (but against such indemnity as the Registrar or any relevant Transfer Agent may require in respect of any tax or other duty of whatever nature which may be levied or imposed in connection with such exchange), cause sufficient Certificates to be executed and delivered to the Registrar for completion, authentication and dispatch to the relevant Noteholders. A person having an interest in a Global Certificate must provide the Registrar with (i) a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such Certificates and (ii) in the case of the Restricted Global Certificate only, a fully completed, signed certificate substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange or, in the case of simultaneous sale pursuant to Rule 144A, that the transfer is being made in compliance with the provisions of Rule 144A. Certificates issued in exchange for a beneficial interest in the Restricted Global Certificate shall bear the legends applicable to transfers pursuant to Rule 144A, as set out under "Transfer Restrictions".

The holder of a Registered Note may transfer such Registered Note in accordance with the provisions of Condition 2 (*Exchanges of Exchangeable Bearer Notes and Transfers of Registered Notes*). Certificates may not be eligible for trading in the clearing systems.

Upon the transfer, exchange or replacement of a Certificate bearing the Rule 144A legend referred to under "Transfer Restrictions", or upon specific request for removal of the Rule 144A legend on a Certificate, the Issuer will deliver only Certificates that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the Issuer and the Registrar such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by the Issuer to ensure that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

The Registrar will not register the transfer of or exchange of interests in a Global Certificate for Certificates for a period of three business days ending on the due date for any payment of principal. For the purposes hereof and for payment of interest, **business day** means a day on which commercial banks and foreign exchange markets are open for business in London and New York City.

Euroclear, Clearstream, Luxembourg, Euroclear France and DTC Arrangements for Registered Notes

So long as DTC or its nominee or Euroclear, Clearstream, Luxembourg or the nominee of the Common Depositary or Euroclear France (or its nominees) is the registered holder of a Global Certificate, DTC, Euroclear, Clearstream, Luxembourg, Euroclear France or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Global Certificate for all purposes under the Agency Agreement and the Notes. Payments of principal, interest and additional amounts, if any, in respect of the Global Certificates will be made to DTC, Euroclear, Clearstream, Luxembourg, Euroclear France or such nominee, as the case may be, as the registered holder thereof. None of the Issuer, any Agent or any Dealer or any affiliate of any of the above or any person by whom any of the above is controlled for the purposes of the Securities Act will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the Global Certificates or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Distributions of principal and interest with respect to book-entry interests in the Notes held through Euroclear, Clearstream, Luxembourg or Euroclear France, as the case may be, will be credited, to the extent received by, or on behalf of, Euroclear, Clearstream, Luxembourg or Euroclear France, as the case may be, from the Fiscal Agent, to the cash accounts of Euroclear or Clearstream, Luxembourg customers or the

accounts of Approved Intermediaries, as the case may be, in accordance with the relevant clearing system's rules and procedures.

Holders of book-entry interests in the Notes through DTC will receive, to the extent received by DTC from the Fiscal Agent, all distributions of principal and interest with respect to book-entry interests in the Notes from the Fiscal Agent through DTC. Distributions in the United States will be subject to relevant U.S. tax laws and regulations.

Interest on the Notes (other than interest payable on redemption) will be paid to the holder shown on the Register on the third business day before the due date for such payment so long as the Notes are represented by a Global Certificate, instead of on the fifteenth day before the due date for such payment (as provided by Condition 2(f)) so long as the Notes are in definitive form (the **Record Date**). Trading between a Restricted Global Certificate and a related Unrestricted Global Certificate will therefore be net of accrued interest from the relevant Record Date to the relevant Interest Payment Date.

The laws of some states of the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer interests in a Global Certificate to such persons will be limited. Because DTC, Euroclear, Clearstream, Luxembourg and Euroclear France (or Approved Intermediaries) can only act on behalf of participants, who in turn act on behalf of indirect participants, the ability of a person having an interest in a Global Certificate to pledge such interest to persons or entities which do not participate in the relevant clearing system, or otherwise take actions in respect of such interest, may be affected by the lack of a physical certificate in respect of such interest.

The holdings of book-entry interests in the Notes through Euroclear, Clearstream, Luxembourg and DTC will be reflected in the book-entry accounts of each such institution. As necessary, the Registrar will adjust the amounts of Notes on the Register for the accounts of (i) BT Globenet Nominees Limited and (ii) Cede & Co. to reflect the amounts of Notes held through Euroclear, Clearstream, Luxembourg, Euroclear France and DTC, respectively. Beneficial ownership of Notes will be held through financial institutions as direct and indirect participants in Euroclear, Clearstream, Luxembourg, Euroclear France and DTC, as the case may be.

Interests in each Unrestricted Global Certificate and Restricted Global Certificate will be in uncertified book-entry form.

Trading between Euroclear and/or Clearstream, Luxembourg Accountholders and/or Approved Intermediaries. Secondary market sales of book-entry interests in the Notes held through Euroclear, Clearstream, Luxembourg or Euroclear France, as the case may be, to purchasers of book-entry interests in the Notes through Euroclear, Clearstream, Luxembourg or Euroclear France, as the case may be, will be conducted in accordance with the normal rules and operating procedures of Euroclear, Clearstream, Luxembourg or Euroclear France, as the case may be, and will be settled using the procedures applicable to conventional Eurobonds.

Trading between DTC Participants. Secondary market sales of book-entry interests in the Notes between DTC participants will occur in the ordinary way in accordance with DTC rules and will be settled using the procedures applicable to United States corporate debt obligations in DTC's Same-Day Funds Settlement System. Where payment is not effected in U.S. dollars, separate payments outside DTC are required to be made between the DTC participants.

Trading between DTC Seller and Euroclear/Clearstream, Luxembourg/Euroclear France Purchaser. When book-entry interests in Notes are to be transferred from the account of a DTC participant to the account of a Euroclear or Clearstream, Luxembourg accountholder, as the case may be, wishing to purchase a beneficial interest in an Unrestricted Global Certificate (subject to such certification procedures as are provided in the Agency Agreement), the DTC participant will deliver instructions for delivery to the relevant Euroclear or Clearstream, Luxembourg accountholder to DTC by 12 noon, New York City time, on the settlement date. Separate payment arrangements are required to be made between the DTC participant and the relevant Euroclear or Clearstream, Luxembourg accountholder, as the case may be. On the settlement date, the

Custodian will instruct the Registrar to (i) decrease the amount of Notes registered in the name of the nominee for DTC and evidenced by the relevant Restricted Global Certificate and (ii) increase the amount of Notes registered in the name of the nominee for the Common Depositary and evidenced by the relevant Unrestricted Global Certificate. Certificate book-entry interests will be delivered free of payment to Euroclear or Clearstream, Luxembourg, as the case may be, for credit to the relevant accountholder on the first business day following the settlement date. See above for details of the Record Date for payments of interest.

The relevant procedures relating to transfers of book-entry interests in Notes to be transferred from the account of a DTC participant to the account of an Approved Intermediary will be in such manner as shall be agreed by DTC and Euroclear France at the relevant time.

Trading between Euroclear/Clearstream, Luxembourg/Euroclear France Seller and DTC Purchaser. When book-entry interests in Notes are to be transferred from the account of a Euroclear or Clearstream, Luxembourg accountholder, as the case may be, to the account of a DTC participant wishing to purchase a beneficial interest in a Restricted Global Certificate (subject to such certification procedures as are provided in the Agency Agreement), the Euroclear or Clearstream, Luxembourg accountholder must send to Euroclear or Clearstream, Luxembourg delivery free of payment instructions by 19.45 hours, Brussels or Luxembourg time, one business day prior to the settlement date. Separate payment arrangements are required to be made between the DTC participant and the relevant Euroclear or Clearstream, Luxembourg accountholders, as the case may be. On the settlement date, the Common Depositary will (i) transmit appropriate instructions to the Custodian who will in turn deliver such book-entry interests in the Notes free of payment to the relevant account of the DTC participant and (ii) instruct the Registrar to (a) decrease the amount of Notes registered in the name of the nominee of the Common Depositary and evidenced by the relevant Unrestricted Global Certificate and (b) increase the amount of Notes registered in the name of the nominee for DTC and evidenced by the relevant Restricted Global Certificate. See above for details of the Record Date for payments of interest.

The relevant procedures relating to transfers of book-entry interests in Notes to be transferred from the account of an Approved Intermediary to the account of a DTC participant will be in such manner as shall be agreed between Euroclear France and DTC at the relevant time.

DTC has advised the Issuer as follows: DTC is a limited purpose trust company organised under the laws of the State of New York, a **banking organisation** under the laws of the State of New York, a member of the U.S. Federal Reserve System, a **clearing corporation** within the meaning of the New York Uniform Commercial Code and a **clearing agency** registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its participants and facilitate the clearance and settlement of securities transactions between participants through electronic computerised book-entry changes in the accounts of its participants, thereby eliminating the need for physical movement of certificates. Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to DTC is available to others, such as banks, securities brokers, dealers and trust companies, that clear through or maintain a custodial relationship with a DTC direct participant, either directly or indirectly.

Although the foregoing sets out the procedures of Euroclear, Clearstream, Luxembourg, Euroclear France and DTC in order to facilitate the transfers of interests in the Notes among participants of DTC, Euroclear, Clearstream, Luxembourg and Euroclear France, none of Euroclear, Clearstream, Luxembourg, Euroclear France or DTC is under any obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, any Agent or any Arranger or Dealer or any affiliate of any of the above, or any person by whom any of the above is controlled for the purposes of the Securities Act, will have any responsibility for the performance by DTC, Euroclear, Clearstream, Luxembourg or Euroclear France (or any Approved Intermediary) or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations or for the sufficiency of any purpose of the arrangements described above.

DESCRIPTION OF THE ISSUER AND RECENT DEVELOPMENTS

Information relating to SNCF is contained in the documents referred to in "*Documents incorporated by reference*" at page 34 of this Base Prospectus.

INFORMATION

Audit and Risk Committee

The current composition, as at the date of this Base Prospectus, of the Audit and Risk Committee of the Issuer is as follows:

President:	Mr Jean Basseres (Director, Department head at the Inspectorate General of Finance)
Members:	Mr Bruno Bézard (Director, representative of the State) Mr Claude Gressier (Director, representative of the State) Mr Philippe Josse (Director, representative of the State) Mr Thierry Roy (Director, representing the employees) Mr Gregory Roux (Director, representing the employees)

Board of Directors

As at the date of this Base Prospectus, the function and business address of each member of the Board of Directors of the Issuer is as follows:

Mr Guillaume PEPY	Chairman of SNCF Representative of the State 34, rue du Commandant Mouchotte 75699 Paris Cedex 14
Mr Bruno BEZARD	Representative of the State Director General of French Government shareholding Agency (APE) 139 rue de Bercy 75572 Paris Cedex 12
Mr Jean BASSERES	Representative of the State Department head at the Inspectorate General of Finance Ministry of the Economy, Finance and Employment 139 rue de Bercy 75572 Paris Cedex 12
Mr Claude GRESSIER	Representative of the State Chairman of the economic affairs department of the General Council of the Ministry for sustainable environment, development and planning Tour Pascal B 92055 Paris, La Défense Cedex 04
Mrs Michèle PAPPALARDO	Representative of the State Interministerial delegate for sustainable development

20, rue de Ségur
75007 Paris

Mr Daniel CANEPA Representative of the State

Prefect of the Nord-Pas de Calais Region
27-29, rue Barbet-de-Jouy
75700 Paris

Mr Philippe JOSSE Representative of the State

Budget Director at the Ministry of the Economy, Finance and Employment
139, rue de Bercy
75572 Paris Cedex 12

Mr Jean-Pierre CLAMADIEU Shippers Representative

CEO of Rhodia SA
Tour A-110 esplanade Charles de Gaulle
92931 La Défense Cedex 402 Courbevoie

Mr Marc DEBRINCAT Passenger Representative

Legal Coordinator at the FNAUT
32, rue Raymond Losserand
75014 Paris

Mr Michel DUBROMEL Chosen for his expertise in the transportation field

Head of the Transportation and Sustainable Mobility Network at France-Nature Environment
8, Place du Marchés aux Vins
67600 Sélestat

Mr Jean-Paul EMORINE Chosen for his knowledge of the regional, departmental and local aspects of railway issues

Senator, Saône-et-Loire Departmental Council Member President of the Economic Affairs Commission of the French Senate
18, rue Poirier Chanin
71240 Sennecey Le Grand

Mr Patrick OLLIER Chosen for his knowledge of the regional, departmental and local aspects of rail issues

Deputy of the *Hauts-de-Seine*, President of the Economic Affairs, Environment and Planning Commission of the French National Assembly
Assemblée Nationale
126, rue de l'Université
75700 Paris

Mr Henri BASCUNANA Representative of the employees of SNCF

34, rue du Commandant Mouchotte
75699 Paris Cedex 14

Mr Thierry ROY	Representative of the employees of SNCF 34, rue du Commandant Mouchotte 75699 Paris Cedex 14
Mr Stéphane LEBLANC	Representative of the employees of SNCF 34, rue du Commandant Mouchotte 75699 Paris Cedex 14
Mr Grégory ROUX	Representative of the employees of SNCF 34, rue du Commandant Mouchotte 75699 Paris Cedex 14
Mr Eric TOURNEBOEUF	Representative of the management of SNCF 34, rue du Commandant Mouchotte 75699 Paris Cedex 14
Mr Michel GIRAUDON	Representative of the employees of SNCF 34, rue du Commandant Mouchotte 75699 Paris Cedex 14
Executive Committee as at the date of this Base Prospectus is as follows:	
Guillaume PEPY	Chairman 34, rue du Commandant Mouchotte 75699 Paris Cedex 14
David AZEMA	Deputy Director General of Strategy and Finances 34, rue du Commandant Mouchotte 75699 Paris Cedex 14
Sophie BOISSARD	Director General Stations and Connexion 34, rue du Commandant Mouchotte 75699 Paris Cedex 14
Pierre BLAYAU	Director General of SNCF Geodis, Chairman of Geodis 34, rue du Commandant Mouchotte 75699 Paris Cedex 14
Jacques DAMAS	Director General for Quality and Security for railway service 34, rue du Commandant Mouchotte 75699 Paris Cedex 14
Bernard EMSELLEM	Deputy Director General for Sustainable Development and Communication 34, rue du Commandant Mouchotte

75699 Paris Cedex 14

Jean-Pierre FARANDOU Director General of SNCF Proximités

34, rue du Commandant Mouchotte
75699 Paris Cedex 14

Barbara DALIBARD Director General of SNCF Voyages

34, rue du Commandant Mouchotte
75699 Paris Cedex 14

Pierre IZARD Director General SNCF Infra

34, rue du Commandant Mouchotte
75699 Paris Cedex 14

François NOGUE Deputy Director General of Human Resources

34, rue du Commandant Mouchotte
75699 Paris Cedex 14

Bénédictte TILLOY Delegate for Quality and Management

34, rue du Commandant Mouchotte
75699 Paris Cedex 14

Stéphane VOLANT Secretary General

34, rue du Commandant Mouchotte
75699 Paris Cedex 14

Investments

At the end of June 2009, investments financed through Group equity had decreased by €398 million compared to June 2008, mainly for the lower rolling stocks purchases (TGV Duplex, TER new generation, high-capacity motorised carriages and Ile de France locomotives).

In the context of its strategic plans for 2012, SNCF intends to invest, on its own behalf, nearly €8.5 billion between 2010 and 2012, mainly in new rolling stock and in new commercial, industrial and service facilities

RECENT DEVELOPMENTS

Perimeter transactions

100% TAKEOVER OF ERMEWA

At the end of June 2009, the Geodis branch of SNCF announced the strengthening of its shareholding in Ermewa, the railway passenger cars and containers rental company. The 100% takeover of the Ermewa group, previously held at 49.6%, demonstrates the will of the branch to consolidate its position in asset management by its ability to propose a variety of offers to its customers directly.

This transaction, still pending because of conditions precedent specific to it, notably procedures before competition authorities, should be completed soon.

ONGOING MERGER TRANSACTION BETWEEN KEOLIS AND EFFIA

In March 2009, Keolis, an associated company of the SNCF Group, launched a merger with EFFIA, 100% subsidiary of SNCF. The goal of Keolis is to utilise EFFIA's expertise to deploy new mobility services (car pooling, electric vehicles, bicycles and other soft means of transport) and to encourage facilitated interaction between the urban and interurban transport networks. SNCF will need to transfer its holding in EFFIA (excluding EFFIA Services) to Kuvera, Keolis' controlling holding company. Because of the payment in share capital, the SNCF will retain upon completion of the operation 56.7% of Kuvera's capital, whereas the shareholding of financial shareholders will be decreased to 40.8% from 51.5%.

On 12 January 2010, the French competition authority authorised (subject to certain conditions) the majority takeover of the public transport operator Keolis by the SNCF, which will allow for the prompt completion of this transaction.

ACQUISITION OF VEOLIA CARGO

On 30 November 2009, the SNCF group and Eurotunnel proceeded with the joint purchase of Veolia Cargo, thereby integrating the railway freight transport activities of the Veolia Group. The SNCF group acquired the railway businesses established in Germany, the Netherlands and Italy, whereas Eurotunnel acquired the French business of Veolia Cargo.

EUROSTAR

On 10 July 2009, the Board of Directors of SNCF approved the principle of the transformation of Eurostar into a fully-fledged railway operator. SNCF and its London and Continental Railways (LCR) partners and the Société Nationale des Chemins de fer Belges (SNCB) are aiming to form a solid entity, benefiting from a stable shareholding structure. This transaction will be finalised during the first semester of 2010.

Recent Group developments

PLAN FOR GREEN FREIGHT TRANSPORT

On 19 September 2009, Jean-Louis Borloo, state minister of the Ministry of Ecology, Energy, Long-Term Development and the Sea, and Dominique Bussereau, state secretary responsible for Transport, presented a report on the national freight railway transport. The national financial commitment of 7 billion euros up to 2020 provides a new platform for freight railway transport to achieve Grenelle environmental objectives. This crucial decision preceded the plan which was presented to the Board of Directors on 23 September 2009.

The plan centres around nine industrial projects to develop a new environmentally-friendly freight transport method supported by industrial and managerial operations. This plan will be carried out over the period from 2010 to 2015.

SNCF will contribute 1 billion euros towards the realisation of these projects.

INCREASE IN CAPITAL OF SNCF-PARTICIPATIONS

On 17 December 2009, SNCF proceeded to increase the capital of SNCF-Participations by an amount 1.050 million euros.

This operation was intended to allow a balanced financial structure for the branch holdings which have significantly contributed to the external growth of the SNCF group.

SEAFRANCE

The concerning change in the performance of Seafrance (100% subsidiary of SNCF-Participations) over the last three years has led to the development of a recovery plan, the main points of which were presented to the works council on 29 May 2009.

After a lengthy period of mediated negotiations, the mediation led to a signed agreement between management and union representatives at the start of January 2010.

SNCF will initiate procedures permitting it to perform its support obligations in the context of this plan.

IT JOINT VENTURE BETWEEN SNCF AND IBM

On 11 January 2010, the Board of Directors of SNCF approved the creation of a joint venture company with IBM, held at 51% by a subsidiary of SNCF-Participations and 49% by IBM. The objective of this joint venture company will be to lead and optimise the performance of sub-contracted activities of research, development, maintenance and operations of the IT applications of the SNCF group.

2009 ANNUAL REVENUE AND 2010 OUTLOOK

- 2009 Annual Revenue of 24.9 Billion Euros strongly affected by the economic crisis, down -1.2% compared to 2008 but -3.6% at a constant currency and consolidation scope
- SNCF Infra (infrastructure) and SNCF Proximités (local and regional transport) divisions have offset the impact of the economic downturn
- The second half year 2009 shows a progression of +1.5% compared to the same period 2008, which had already been affected by the declining economic context
- In 2010, SNCF is working to resolve its structural difficulties and pursue its development ambitions, despite the transport industry's depressed economic context which is not expected to show significant signs of recovery
- Development strategies initiated in 2009 will boost 2010 annual revenue to 30 Billion Euros, or more than 30% growth over 2007

2009 SNCF GROUP ANNUAL REVENUE

(in Millions of Euros)	2009	2008	Variation 2009/2008
SNCF Infra (infrastructure & engineering)	5 144	4 823	+6.7%
SNCF Proximités (local & regional transport)	6 579	6 340	+3.8%
SNCF Voyages (long distance transport)	7 376	7 469	-1.2%
SNCF Geodis (freight transport & logistics)	7 371	8 027	-8.2%
Total SNCF Group	24 874	25 188	-1.2%

- Excluding the division "Gares et Connexions"; created in April 2009, this new branch will have its own financial indicators, alongside the other 4 divisions, starting January 1st, 2010.

- Total SNCF Group revenue including common functions and shares, and excluding inter-Division revenue

Group SNCF annual 2009 revenue amounts to 24 874 M€, a decrease of -1.2% compared to 2008. At a constant currency and consolidation scope, overall activity is down -3.6%.

PERFORMANCE BY DIVISION

- **SNCF Infra (infrastructure & engineering division):** growth of +6.7%, an acceleration compared to first half year figures. This division demonstrated an upward trend compared to 2008, due to an increase in works undertaken on behalf of RFF within the framework of network renovations and upgrades.
- **SNCF Proximités (local & regional transport division):** up +3.8%. TER regional trains sustained moderate growth thanks to travel subscriptions, interval-service timetables and opening service to new destinations defined by the Regions. However, the economic crisis had a negative impact on Transilien activity which experienced reduced traffic for the first time since the year 2000.
- **SNCF Voyages (long distance transport division):** decline of -1.2%. The economic crisis weighed on division revenue. Domestic TGV sales remained stable, thanks to aggressive sales and marketing policies. In contrast, Eurostar revenue suffered from the combined effects of the economic recession, the depreciation of the pound sterling, and partially closing the English Channel tunnel for repairs in early 2009, following the fire in September 2008.
- **SNCF Geodis (freight transport & logistics division):** down -8.2% (-16.2% at a constant currency and consolidation scope), revenue for this division has been affected by the sharp drop in European goods transport. The positive impact of acquisitions amounts to +689 M€, more than 75% of which comes from the IBM Logistics contract. In a depressed overall economy affecting every business sector and geographic zone, division losses slowed slightly during the second half year 2009, dropping by -12.9% at a constant currency and consolidation scope (versus -19.4% in the first half year 2009), due to the fact that its basis for comparison had already declined in 2008.

The 2009 Annual Results will be published on March 24th, 2010.

2010 OUTLOOK

SNCF does not anticipate an additional decline in the economic climate; nor is there any expectation of significant economic recovery. Excluding consolidation effects, the company anticipates that revenue will increase steadily by 4% over the next year. This growth will however be insufficient to absorb sharper rises in the operating costs of rail transport activities.

In line with Destination 2012 strategy, development activities undertaken in 2009 and 2010 (such as Keolis/Effia, Ermewa and Eurostar International Ltd, the full year IBM Logistics contract, and various acquisitions made by SNCF Geodis in 2009) will **boost SNCF revenue to 30 Billion Euros, or nearly 30% growth compared to 2007.**

SNCF perimeters will thus be profoundly transformed.

In particular, the public service division **SNCF Proximités**, dedicated to local and regional transport, **will become the largest division and represent one third of total group revenue**, ahead of SNCF Geodis (25% of overall revenue). The total SNCF Group headcount will increase to nearly 235,000.

These changes will have a positive impact on overall operating performance. Nevertheless, the financial situation of the group will continue to weaken in 2010, due to the economic context as well as the dynamics of certain ongoing costs and structural problems that have yet to be resolved.

The various divisions have already taken the first steps towards defining sustainable business models, reinforcing economic foundations, improving customer service and developing new opportunities. These projects will be pursued in 2010, with special priority being given to the following:

- Implementing the new Ecological Rail Freight Transport programme,
- Implementing durable solutions for land use trains,
- Renegotiating the infrastructure management contract with RFF,
- Adapting the SNCF Voyages (TGV) division to an evolving context, new market conditions and changing customer needs.

In 2010, by implementing these essential measures, undertaking an aggressive sale of assets policy, and gaining greater control over its investments and operating costs, SNCF intends to put a stop to the persistent weakening of free cash flow observed over the past few years.

In an economic context which is expected to remain unfavourable, **the Group will continue to implement projects designed to resolve its structural difficulties while pursuing its ambition as a global leader of sustainable mobility.**

INDEBTEDNESS OF THE ISSUER

As at 31 December 2008, the "Dettes financières à Long Terme hors intérêts courus" (as defined under Note 13 "Emprunts et Dettes Financières" in the 2008 statutory financial statements of SNCF) amounted to 15,793 million euros. From 31 December 2008 to 21 January 2010, SNCF issued debt for 2,860 million euros and in the same period repaid 2,951 million euros. As at 21 January 2010, the "Dettes financières à Long Terme hors intérêts courus" amounted to 15,797 million euros.

TAXATION

EU Savings Tax Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise, which Belgium has done with effect as from 1 January 2010) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

On 15 September 2008 the European Commission issued a report to the Council of the European Union on the operation of the Directive, which included the Commission's advice on the need for changes to the Directive. On 13 November 2008 the European Commission published a more detailed proposal for amendments to the Directive, which included a number of suggested changes. The European Parliament approved an amended version of this proposal on 24 April 2009. If any of those proposed changes are made in relation to the Directive, they may amend or broaden the scope of the requirements described above.

France

Notes issued before March 2010

Payments in respect of Notes issued by the Issuer that constitute *obligations* under French law or *titres de créances négociables* under French tax law or other debt securities considered by the French tax authorities as falling into similar categories will be made without withholding or deduction for, or on account of, taxes imposed by or on behalf of the Republic of France, as provided by article 131 *quater* of the *Code général des impôts*.

The tax regime applicable to Notes which do not constitute *obligations* under French law or *titres de créances négociables* under French tax law or other debt securities considered by the French tax authorities as falling into similar categories will be set out in the relevant Final Terms.

Notes issued from 1 March 2010

Payments of interest and other revenues with respect to Notes will be exempt from the withholding tax set out under Article 125 A III of the French *Code Général des Impôts* unless such payments are made outside France in a non-cooperative State (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French *Code Général des Impôts*. If such payments under the Notes are made in a non-cooperative State, a 50 per cent. withholding tax will be applicable (subject to certain exceptions and the more favourable provisions of an applicable tax treaty), unless the Notes are fungible (*assimilables*) with Notes (issued before 1 March 2010) which are issued or deemed to be issued outside the Republic of France as provided under Article 131 *quater* of the French *Code Général des Impôts*. The list of non-cooperative States within the meaning of Article 238-0 A of the French *Code Général des Impôts* will be published annually by the French authorities.

EU Savings Tax Directive

The EC Council Directive 2003/48/EC on the taxation of savings income was implemented into French law under Article 242 *ter* of the *Code général des impôts*, which impose on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made

to beneficial owners domiciled in another Member State, including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest payments.

Luxembourg

The following summary is of a general nature and is included herein solely for information purposes. It is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors in the Notes and the Certificates should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Withholding tax

Residents

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005 (the **Law**) mentioned below, there is no withholding tax on payments of principal, premium or interest, nor on accrued but unpaid interest, in respect of the Certificates made to Luxembourg resident holders of Certificates, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Certificates held by Luxembourg resident holders of Certificates.

Under the loan payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the benefit of an individual beneficial owner who is a resident of Luxembourg will be subject to a withholding tax of 10 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of tax will be assumed by the Luxembourg payment agent. Payments of interest under the Notes coming within the scope of the Law would be subject to withholding tax of 10 per cent.

Non-Residents

Under Luxembourg general tax laws currently in force and subject to the laws of 21 June 2005 (the **Laws**) mentioned below, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Certificates, nor on accrued but unpaid interest in respect of the Certificates made to non-resident holders of Certificates, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Certificates held by non-resident holders of Certificates.

Under the Laws implementing the EC council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the **Territories**) payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner or a residual entity, as defined by the Laws, which is a resident of, or established in, an EU Member State (other than Luxembourg) or one of the Territories will be subject to a withholding tax unless the relevant recipient has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the fiscal authorities of his/her country of residence or establishment or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal authorities of his/her country of residence in the required format to the relevant paying agent. Where withholding tax is applied, it is currently levied at a rate of 20 per cent. and will be levied at a rate of 35 per cent. as of 1 July 2011. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Laws would at present be subject to withholding tax of 20 per cent.

When used in the preceding paragraph, "interest" and "paying agent" have the meaning given thereto in the Luxembourg law of 21 June 2005 (or the relevant Accords). "Interest" will include accrued or capitalised interest at the sale, repayment or redemption of the Certificates. "Paying agent" is defined broadly for this

purpose and in the context of the Certificates means any economic operator established in Luxembourg who pays interest on the Certificates to or ascribes the payment of such interest to or for the immediate benefit of the beneficial owner, whether the operator is, or acts on behalf of, the Issuer or is instructed by the beneficial owner to collect such payment of interest.

Payments of interest or similar income under the Certificates to the Clearing Systems and payments by or on behalf of the Clearing Systems to financial intermediaries will not give rise to a withholding tax under Luxembourg law.

Income Taxation of holders of Certificates

A Luxembourg holder of Certificates that is governed by the law of 31 July 1929 on pure holding companies, as amended, by the laws of 30 March 1988 and 20 December 2002 on undertakings for collective investment, as amended, or that is a capital company governed by the law of 15 June 2004 on venture capital vehicles, is not subject to Luxembourg income tax in respect of gains realised on the exercise of the transfer of Certificates.

A corporate holder of Certificates, who is a resident of Luxembourg for tax purposes or who has a permanent establishment or a fixed place of business in Luxembourg, to which the Certificates are attributable, must include any gain realised on the exercise or the transfer of Certificates in its taxable income for Luxembourg income assessment purposes. The same obligation applies to an individual holder of Certificates, acting in the course of the management of a professional or business undertaking, who is a resident of Luxembourg for tax purposes or who has a permanent establishment or a fixed place of business in Luxembourg, to which the Certificates are attributable.

Where the Certificates are Physical Delivery Share Certificates or Physical Delivery Fund Certificates and the Issue Price is lower than the fair market value of the shares or units, the differential will not be taxable at the moment of the delivery of the shares or units into the hands of a corporate holder of Certificates or an undertaking, who is a resident of Luxembourg for tax purposes or who has a permanent establishment or a fixed place of business in Luxembourg, to which the Certificates are attributable. However, a gain realised upon a subsequent disposal of the shares or units (i.e., the difference between the acquisition value of the shares or units, which is the aggregate of the Issue Price and the sale price of the shares or units) must be included in its taxable income for Luxembourg income tax assessment purposes, unless such gain is tax exempt under the Luxembourg participation exemption.

Gains realised by an individual holder of Certificates, acting in the course of the management of his/her private wealth, who is resident in Luxembourg for tax purposes, upon the sale or disposal of Certificates, is not subject to Luxembourg income tax, provided that such sale or disposal took place more than six months after the Certificates were acquired.

Where the Certificates are Physical Delivery Share Certificates or Physical Delivery Fund Certificates and the Issue Price is lower than the fair market value of the shares or units, the differential will not be taxable in the hands of an individual holder of Certificates, acting in the course of the management of his/her private wealth, who is a resident in Luxembourg for tax purposes. A gain realised upon the subsequent disposal of the shares or units (i.e., the difference between the acquisition value of the shares or units, which is the aggregate of the Issue Price and the sale price) must be included in its taxable income for Luxembourg income tax assessment purposes, provided that such sale or disposal took place more than six months after the delivery of the shares or units, except where the holder holds directly or indirectly a substantial participation in an issuing company.

Net Wealth Taxation of holders of Certificates

Any holder of Certificates, whether such holder is resident in Luxembourg for tax purposes or such holder maintains a permanent establishment or a fixed place of business in Luxembourg to which the Certificates are attributable, is subject to Luxembourg wealth tax on such Certificates, except if the holder of the

Certificates is governed by the law of 31 July 1929 on pure holding companies, as amended, or by the laws of 30 March 1988 and 20 December 2002 on undertakings for collective investment, as amended, or is a securitisation company governed by the law of 22 March 2004 on securitisation, or is a capital company governed by the law of 15 June 2004 on venture capital vehicles.

Other Taxes

Neither the issuance nor the transfer of Certificates will give rise to any Luxembourg stamp duty, value added tax, issuance tax, registration tax, transfer tax or similar taxes or duties.

Where a holder of Certificates is a resident of Luxembourg for tax purposes at the time of his death, the Certificates are included in his taxable estate for inheritance tax assessment purposes.

Gift tax may be due on a gift or donation of Certificates if embodied in a Luxembourg deed or recorded in Luxembourg.

General

The Issuer assumes responsibility for withholding taxes to the extent set forth in Condition 8 (*Taxation*) of the Conditions.

SUBSCRIPTION AND SALE

Subject to the terms and on the conditions contained in an amended and restated Dealer Agreement dated 25 January 2010 (the **Dealer Agreement**), between the Issuer, the Permanent Dealers and the Arrangers, the Notes will be offered by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to issue Notes directly on its own behalf to Dealers that are not Permanent Dealers and who agree to be bound by the restrictions below. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Arranger for certain of its expenses incurred in connection with the update of the Programme. The commissions in respect of an issue of Notes on a syndicated basis will be stated in the applicable Final Terms.

The Issuer has agreed to indemnify the Dealers and the Arrangers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Dealer Agreement provides that the Dealers may directly or through their respective agents or affiliates which are U.S. registered broker-dealers arrange for resales of Notes in registered form in the United States to qualified institutional buyers pursuant to Rule 144A.

Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended and regulations thereunder.

In connection with any Notes offered or sold outside the United States in reliance on Regulation S (**Unrestricted Notes**) each Dealer has agreed that neither it nor its affiliates nor any person acting on its or their behalf and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver Unrestricted Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of an identifiable Tranche of which such Unrestricted Notes are a part as determined, and certified to the Issuer and the relevant Dealer by the Fiscal Agent or, in the case of Notes issued on a syndicated basis, by the Lead Manager, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each Dealer to which it sells Unrestricted Notes during the distribution compliance period (other than resales pursuant to Rule 144A) a confirmation or other notice setting out the restrictions on offers and sales of the Unrestricted Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding sentence have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering of any identifiable tranche of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering of such Notes) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

Each issuance of index-, commodity- or currency-linked Notes may be subject to such additional U.S. selling restrictions as the relevant Dealer(s) may agree with the Issuer as a term of the issuance and purchase or, as the case may be, subscription of such Notes. Each Dealer agrees that it shall offer, sell and deliver such Notes only in compliance with such additional U.S. selling restrictions.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as contemplated by the final terms in relation thereto to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that relevant Member State (a **Non-exempt Offer**), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable;
- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000; and (3) an annual turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- (d) at any time no fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (e) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Notes to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, and the expression **Prospectus Directive** means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (i) in relation to any Notes having a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the **FSMA**) by the Issuer;
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of 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 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.

France

- (a) In respect of Notes constituting *obligations* under French law or *titres de créances négociables* within the meaning of the rulings 2007/59 (FP) dated 8 January 2008 and 2009/23 (FP) dated 7 April 2009 of the French tax authorities or other debt securities considered by the French tax authorities as falling into similar categories, each of the Dealers and the Issuer has represented and agreed that:

- (i) Offer to the public in France:

it has only made and will only make an offer of Notes to the public (*offre au public de titres financiers*) in France in the period beginning (i) when a prospectus in relation to those 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 the competent authority of another Member State of the European Economic Area which has implemented the EU Prospectus Directive 2003/71/EC, on the date of notification of such approval to the AMF, and ending at the latest on the date which is 12 months after the date of the approval of the Base Prospectus, all in accordance with articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and the *Règlement général* of the AMF; or

- (ii) Private placement in France:

(in relation to Notes listed on Euronext Paris, in connection with their initial distribution only) in connection with their initial distribution, it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties, and/or (b) qualified investors (*investisseurs qualifiés*), other than individuals, all as defined in, and in accordance with, Articles L.411-1, L.411-2, and D.411-1 to D.411-3 and D.411-4 of the French *Code monétaire et financier*.

- (b) In respect of Notes not constituting *obligations* under French law or *titres de créances négociables* within the meaning of the rulings 2007/59 (FP) dated 8 January 2008 and 2009/23 (FP) dated 7 April 2009 of the French tax authorities or other debt securities considered by the French tax authorities as falling into similar categories, the selling restrictions will be specified in the relevant Final Terms.

If necessary, these selling restrictions will be amended in the relevant Final Terms.

The Netherlands

Each Dealer has represented and agreed that any Notes with a maturity of less than 12 months will either have a denomination of less than €50,000 or be offered in the Netherlands to professional market parties as defined in the Financial Supervision Act (*Wet op het financieel toezicht*) and the decrees issued pursuant thereto.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (the Law No. 25 of 1948, as amended; the **FIEA**) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Control Law (Law No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

General

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus, or any other offering material, and obtain any consent, approval or permission required for the purchase, offer, sale or delivery of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales or deliveries and neither the Issuer nor any other Dealer shall have any responsibility therefor.

None of the Issuer and the Dealers represent that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other restrictions as the Issuer and the relevant Dealer shall agree and as set out in the applicable Final Terms.

Neither the Issuer nor any of the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other additional restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Final Terms.

FORM OF FINAL TERMS - RETAIL

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme with a denomination of less than EUR 50,000 (or its equivalent in another currency).

Final Terms dated [●]

SOCIETE NATIONALE DES CHEMINS DE FER FRANÇAIS

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the €12,000,000,000
Euro Medium Term Note Programme**

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a **Relevant Member State**) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly, any person making or intending to make an offer of the Notes may only do so:

- (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those Public Offer Jurisdictions mentioned in Paragraph 36 of Part A below, provided such person is one of the persons mentioned in Paragraph 36 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances]¹.

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a **Relevant Member State**) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.]²

PART A - CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 25 January 2010 which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**). This document constitutes the final terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at 45, rue de Londres 75379 Paris Cedex 08, France and copies may be obtained from 45, rue de Londres 75379 Paris Cedex 08, France.

¹ Consider including this legend where a non-exempt offer of Notes is anticipated.

² Consider including this legend where a non-exempt offer of Notes is anticipated.

[The following alternative language applies if the first Tranche of an issue which is being increased was issued under an Base Prospectus with an earlier date.]

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Base Prospectus dated *[original date]*. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**) and must be read in conjunction with the Base Prospectus dated 25 January 2010 which constitutes a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Base Prospectus dated *[original date]* and are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus dated 25 January 2010 and *[original date]*. Copies of such Base Prospectus are available for viewing during normal business hours at 45, rue de Londres 75379 Paris Cedex 08, France and copies may be obtained from 45, rue de Londres 75379 Paris Cedex 08, France.]

[Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Final Terms.]

[When adding any other final terms or information consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]

[If the Notes have a maturity of less than one year from the date of issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.]

1. Issuer: Société Nationale des Chemins de fer Français.
2. (a) Series Number: [●]
(b) Tranche Number: [●]
(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).
3. Specified Currency or Currencies: [●]
4. Aggregate Nominal Amount:
(a) Series: [●]
(b) Tranche: [●]
5. Issue Price: [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (in the case of fungible issues only, if applicable)].
6. (a) Specified Denominations: [●]
(N.B. If an issue of Notes is (i) NOT admitted to trading on an European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive the €1,000

minimum denomination is not required.)

(b) Calculation Amount: []

(If only one Specified Denomination, insert the Specified Denomination.

If more than one Specified Denomination, insert the highest common factor. Note: there must be a common factor in the case of two or more Specified Denominations.)

7. (a) Issue Date: [●].

(b) Interest Commencement Date: [●].

8. Maturity Date: [Fixed Rate – specify date/Floating Rate – Interest Payment Date falling in (specify a month and a year)]

9. Interest Basis: [[●] per cent. Fixed Rate.]
[[specify reference rate] +/- [●] per cent. Floating Rate.]
[Zero Coupon]
[Index Linked Interest]
[Dual Currency Interest]
[Other (specify)]
(further particulars specified below)

10. Redemption/Payment Basis: [Redemption at par]
[Index Linked Redemption]
[Dual Currency]
[Partly Paid]
[Instalment]
[Other (specify).]
(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)

11. Change of Interest or Redemption/Payment Basis: [Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis.]

12. Put/Call Options: [Investor Put]
[Issuer Call]
[(further particulars specified below)]

13. (a) Status of the Notes: Unsubordinated

(b) Date Board approval for issuance of Notes obtained: []
(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes.)

14. Method of distribution: [Syndicated/Non-syndicated.]

PROVISION RELATING TO INTEREST (IF ANY) PAYABLE

15. **Fixed Rate Note Provisions** [Applicable/Not Applicable.]
(If not applicable, delete the remaining sub-paragraphs of this paragraph.)
- (a) Rate(s) of Interest: [●] per cent. per annum [payable [annually/semi-annually/quarterly/ monthly] in arrear] *(If payable other than annually consider amending Conditions).*
 - (b) Interest Payment Date(s): [●] in each year [adjusted in accordance with [specify Business Day Convention and any applicable Business Centre(s) for the definition of Business Day]/not adjusted]. (N.B. This will need to be amended in the case of long or short coupons).
 - (c) Fixed Coupon Amount(s): [] per Calculation Amount.
(Applicable to Notes in definitive form)
 - (d) Broken Amount(s): [[] per Calculation Amount payable on the Interest Payment Date falling [in/on] []].
(Applicable to Notes in definitive form)
 - (e) Day Count Fraction (Condition 5(j)): [30/360/Actual/Actual (ICMA)/other.]
 - (f) Determination Date(s) (Condition 5(j)): [] in each year.
(Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon.

NB: This will need to be amended in the case of regular interest payment dates which are not of equal duration.

NB: Only relevant where Day Count Fraction is Actual/Actual (ICMA)).
 - (g) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/give details.]
16. **Floating Rate Provisions** [Applicable/Not Applicable.]
(If not applicable, delete the remaining sub-paragraphs of this paragraph.)
- (a) Specified Period(s): [●]
 - (b) Specified Interest Payment Dates: [●]
 - (c) Business Day Convention: [Floating Rate Business Day Convention/Following

Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*.)]

- (d) Additional Business Centre(s) [●]
(Condition 5(j)): [this term is mentioned in 5(j) but not defined - not defined throughout whole document]
- (e) Manner in which the Rate[s] of Interest is/[are] to be determined: [Screen Rate Determination/ISDA Determination/other (*give details*).]
- (f) Interest Period Date(s): [Not Applicable/*specify dates*.]
- (g) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent): [●]
- (h) Screen Rate Determination (Condition 5(b)(iii)(B)):
- Reference Rate: []
(*Either LIBOR, EURIBOR or other, although additional information is required if other - including fallback provisions in the Agency Agreement.*)
 - Interest Determination Date: []
(*Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR.*)
 - [Relevant Screen Page:/Primary Source for Floating Rate]: [[*Specify Reference Screen Page*] or [Reference Banks]]
(*In the case of EURIBOR, if not Reuters EURIBOR 01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately.*)
 - Reference Banks (if Primary Source is **Reference Banks**): [Not Applicable] [*Specify four*]
 - Relevant Financial Centre: [*The financial centre most closely connected to the Benchmark – specify if not London.*]
 - Benchmark: [*LIBOR, LIBID, LIMEAN, EURIBOR or other benchmark although additional information is required if other – including fallback provisions in the Agency Agreement.*]
 - Representative Amount: [*Specify if screen or Reference Bank quotations are to be given in respect of a transaction of a specified*

notional amount.]

– Effective Date: *[Specify if quotations are not to be obtained with effect from commencement of Interest Accrual Period.]*

– Specified Duration: *[Specify period for quotation if not duration of Interest Accrual Period.]*

(i) ISDA Determination

– Floating Rate Option: [●]

– Designated Maturity: [●]

– Reset Date: [●]

(j) Margin(s): [+/-] [●] per cent. per annum

(k) Minimum Rate of Interest: [●] per cent. per annum

(l) Maximum Rate of Interest: [●] per cent. per annum

(m) Day Count Fraction [Actual/Actual ISDA
(Condition 5(j)): Actual/365 (Fixed)
Actual/365 (Sterling)
Actual/360
30/360
30E/360
30E/360 (ISDA)
Other]

(n) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [●]

17. **Zero Coupon Note Provisions**

[Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph.)

(a) Actual Yield (Condition 6(b)) [●] per cent. per annum
[term is not defined]:

(b) Reference Price: [●]

(c) Day Count Fraction in relation to Early Redemption Amounts and late payment (Condition 5(j)): *(Consider applicable day count fraction if not U.S. dollar denominated.)*

(d) Any other formula/basis of determining amount payable: [●]

18. **Index Linked Interest Note Provisions** [Applicable/Not Applicable.]
(If not applicable, delete the remaining sub-paragraphs of this paragraph.)
(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)
- (a) Index/Formula: [Give or annex details]
- (b) Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Agent): [Give name and address]
- (c) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: [●][need to include a description of market disruption or settlement disruption events and adjustment provisions.]
- (d) Specified Period(s)/Specified Interest Payment Dates: [●]
- (e) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details).]
- (f) Business Centre(s) (Condition 5(j)) [not defined]: [●]
- (g) Minimum Rate of Interest: [●] per cent. per annum.
- (h) Maximum Rate of Interest: [●] per cent. per annum.
- (i) Day Count Fraction (Condition 5(j)): [●]
19. **Dual Currency Note Provisions** [Applicable/Not Applicable.] *(If not applicable, delete the remaining sub-paragraphs of this paragraph.)*
(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)
- (a) Rate of Exchange/Method of calculating Rate of Exchange: [Give details]
- (b) Party, if any, responsible for [●]

calculating the principal and/or interest due (if not the Agent):

- (c) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [●]
- (d) Person at whose option Specified Currency(ies) is/are payable: [●]

PROVISIONS RELATING TO REDEMPTION

20. **Issuer Call** [Applicable/Not Applicable.]
(If not applicable, delete the remaining sub-paragraphs of this paragraph.)
- (a) Optional Redemption Date(s): [●]
 - (b) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [●] per Calculation Amount.
 - (c) If redeemable in part: [●]
 - (i) Minimum Redemption Amount: [●]
 - (ii) Maximum Redemption Amount: [●]
 - (d) Option Exercise Date(s): [●]
 - (e) Notice period (if other than as set out in the Conditions): [●]
(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent.)
21. **Investor Put** [Applicable/Not Applicable.]
(If not applicable, delete the remaining sub-paragraphs of this paragraph.)
- (a) Optional Redemption Date(s): [●]
 - (b) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [●] per Calculation Amount.

- (c) Notice period (if other than as set out in the Conditions): [●]
(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent.)

22. **Final Redemption Amount of each Note**

[●] per Calculation Amount/specify other/see Appendix
(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)

23. **Early Redemption Amount**

- (a) Early Redemption Amount(s) payable on redemption for taxation reasons (Condition 6(c)) or an event of default (Condition 10 (*Events of Default*)) and/or the method of calculating the same (if required or if different from that set out in the Conditions): [●] per Calculation Amount/specify other/see Appendix
- (b) Redemption for taxation reasons permitted on days other than Interest Payment Dates (Condition 6(c)): [Yes/No.]
- (c) Unmatured Coupons to become void upon early redemption (Bearer Notes only) (Condition 7(f)): [Yes/No/Not Applicable.]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. (a) Form of Notes

Bearer

[Delete as appropriate]

[Temporary Global Note exchangeable for a permanent Global Note which is exchangeable for Definitive Notes on [●] days' notice/at any time/in the limited circumstances specified in the permanent Global Note.]

[Temporary Global Note/Certificate exchangeable for Definitive Notes/Certificates on [●] days' notice.]

[Permanent Global Note exchangeable for Definitive Notes on [●] days' notice/at any time/in the limited circumstances specified in the permanent Global Note.]

Registered

[Unrestricted Global Certificate/Restricted Global Certificate.]

- (b) New Global Note: [Yes] [No]
25. Financial Centre(s) (Condition 7(h)) or other special provisions relating to payment dates: [Not Applicable/Give details. Note that this paragraph relates to the place of payment, and not interest period end dates, to which sub-paragraph 17(iii) relates.]
26. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]
27. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/give details.]
28. Details relating to Instalment Notes: [Not Applicable/give details.]
- (a) Instalment Amount(s): [●]
- (b) Instalment Date(s): [●]
29. Redenomination, renominatisation and reconventioning provisions: [Not Applicable/The provisions [in Condition 1(b)] [annexed to these Final Terms] apply.]
30. Consolidation provisions: [Not Applicable/The provisions [in Condition 12(b) (Consolidation)] [annexed to these Final Terms] apply.]
31. Other terms or special conditions: [Not Applicable/give details]
(When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)

DISTRIBUTION

32. (a) If syndicated, names [and addresses] of Managers [and underwriting commitments]: [Not Applicable/give names and addresses and underwriting commitments]
(Include names and addresses of the entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the [Managers - Managers' entities].)
- (b) Date of [Subscription] []

Agreement: *(The above is only relevant if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies).*

(c) Stabilising Manager (if any): [Not Applicable/give name.]

33. If non-syndicated, name [and address] of relevant Dealer: [Not Applicable/give name and address.]

34. Total commission and concession: [] per cent. of the Aggregate Nominal Amount.

35. U.S. Selling Restrictions: Reg S Compliance Category 2. [TEFRA D/TEFRA C/TEFRA not applicable.]

36. Non exempt Offer: [Not Applicable] [An offer of the Notes may be made by the Managers [and *specify names of other financial intermediaries/placers making non-exempt offers, to the extent known OR consider a generic description of other parties involved in non-exempt offers (e.g. "other parties authorised by the Managers") or (if relevant) note that other parties may make non-exempt offers in the Public Offer Jurisdictions during the Offer Period, if not known]] (together with the Managers, the **Financial Intermediaries**) other than pursuant to Article 3(2) of the Prospectus Directive in [*specify relevant Member State(s) – which must be jurisdictions where the Offering Circular and any supplements have been passported (in addition to the jurisdiction where approved and published)*] (**Public Offer Jurisdictions**) during the period from [*specify date*] until [*specify date or a formula such as "the Issue Date" of "the date which falls [●] Business Days thereafter"*] (**Offer Period**). See further Paragraph 10 of Part B below.*

(N.B. Consider any local regulatory requirements necessary to be fulfilled so as to be able to make a non-exempt offer in relevant jurisdictions. No such offer should be made in any relevant jurisdiction until those requirements have been met. Non-exempt offers may only be made into jurisdictions in which the base prospectus (and any supplement) has been notified/passported.)

37. Additional selling restrictions: [Not Applicable/give details.]

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on the *Bourse de Luxembourg* of the Notes described herein pursuant to the €12,000,000,000 Euro Medium Term Note Programme of SNCF.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [[Relevant third party information, for example in compliance with Annex XII to the Prospectus Directive Regulation in relation to

an index or its components] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of SNCF:

By:
Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange and to listing on the Official List of the Luxembourg Stock Exchange with effect from [].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange and to listing on the Official List of the Luxembourg Stock Exchange with effect from [].] [Not Applicable.]

2. RATINGS

The Notes to be issued have been rated: [S & P:[]], [Moody's:[]], [[Other]:[]].

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. - *Amend as appropriate if there are other interests.*]

[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)]

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

(i) [Reasons for the offer

(See ["Use of Proceeds"] wording in Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)]

(ii) [Estimated net proceeds]: []

(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)

(iii) [Estimated total expenses]: [] [Expenses are required to be broken down into each principal intended "use" and presented in order of priority of such "uses".]

(N.B.: If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies (i) above is required where the reasons for the offer are different from making profit and/or hedging certain risks and, where such reasons are

inserted in (i) disclosure of net proceeds and total expenses at (ii) and (iii) above is also required.)

5. YIELD (*Fixed Rate Notes only*)

Indication of yield: []

[Calculated as *[include details of method of calculation in summary form]* on the Issue Date.]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6. HISTORIC INTEREST RATES (*Floating Rate Notes only*)

[Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].]

7. PERFORMANCE OF INDEX/FORMULA, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING (*Index linked Notes only*)

[If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

[Need to include details of where past and future performance and volatility of the index/formula can be obtained.]

[Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer, need to include details of where the information about the index can be obtained.]

[Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]

[(When completing the above paragraphs, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)]

The Issuer [intends to provide post-issuance information *[specify what information will be reported and where it can be obtained]*] [does not intend to provide post-issuance information except if required by any applicable legislation and regulation].

[(When completing this paragraph, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)]

The Issuer [intends to provide post-issuance information *[specify what information will be reported and where it can be obtained]*] [does not intend to provide post-issuance information]

(N.B. The above applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

8. PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT (Dual Currency Notes only)

If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

(N.B. The requirement below only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

[Need to include details of where past and future performance and volatility of the relevant rates can be obtained.]

[(When completing this paragraph, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.)]

9. OPERATIONAL INFORMATION

- (i) ISIN Code: [].
- (ii) Common Code: [].
- (iii) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): [Not Applicable/give name(s) and number(s).]
- (iv) Delivery: Delivery [against/free of] payment.
- (v) Names and addresses of initial Paying Agent(s): []
- (vi) Names and addresses of additional Paying Agent(s) (if any): []
- [(vii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes] [No]

[Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] [include this text if "yes" selected in which case the Notes must be issued in NGN form]

10. TERMS AND CONDITIONS OF THE OFFER

Offer Price:	[Issue Price][<i>specify</i>]
[Conditions to which the offer is subject:]	[Not applicable/ <i>give details</i>]
[Description of the application process:]	[Not applicable/ <i>give details</i>]
[Details of the minimum and/or maximum amount of application:]	[Not applicable/ <i>give details</i>]
[Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:]	[Not applicable/ <i>give details</i>]
[Details of the method and time limits for paying up and delivering the Notes:]	[Not applicable/ <i>give details</i>]
[Manner in and date on which results of the offer are to be made public:]	[Not applicable/ <i>give details</i>]
[Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:]	[Not applicable/ <i>give details</i>]
[Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries:]	[Not applicable/ <i>give details</i>]
[Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:]	[Not applicable/ <i>give details</i>]
[Amount of any expenses and taxes specifically charged to the subscriber or purchaser:]	[Not applicable/ <i>give details</i>]
[Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place.]	[None/ <i>give details</i>]

FORM OF FINAL TERMS - WHOLESALE

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme with a denomination of at least EUR 50,000 (or its equivalent in another currency).

Final Terms dated [●]

SOCIETE NATIONALE DES CHEMINS DE FER FRANÇAIS

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the €12,000,000,000
Euro Medium Term Note Programme**

PART A - CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 25 January 2010 which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**). This document constitutes the final terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at 45, rue de Londres 75379 Paris Cedex 08, France and copies may be obtained from 45, rue de Londres 75379 Paris Cedex 08, France.

[The following alternative language applies if the first Tranche of an issue which is being increased was issued under an Base Prospectus with an earlier date.]

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Base Prospectus dated [original date]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**) and must be read in conjunction with the Base Prospectus dated 25 January 2010 which constitutes a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Base Prospectus dated [original date] and are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus dated 25 January 2010 and [original date]. Copies of such Base Prospectus are available for viewing during normal business hours at 45, rue de Londres 75379 Paris Cedex 08, France and copies may be obtained from 45, rue de Londres 75379 Paris Cedex 08, France.]

[Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Final Terms.]

[When adding any other final terms or information consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]

[If the Notes have a maturity of less than one year from the date of issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.]

1. Issuer: Société Nationale des Chemins de fer Français.
2. (a) Series Number: [●]

(b) Tranche Number: [●]

(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).

3. Specified Currency or Currencies: [●]

4. Aggregate Nominal Amount:

(a) Series: [●]

(b) Tranche: [●]

5. Issue Price: [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)].

6. (a) Specified Denominations: [●]

(Note – where multiple denominations above [€50,000] or equivalent are being used the following sample wording should be followed:

"[€50,000] and integral multiples of [€1,000] in excess thereof up to and including [€99,000]. No Notes in definitive form will be issued with a denomination above [€99,000].)

(N.B. If an issue of Notes is (i) NOT admitted to trading on an European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive the €1,000 minimum denomination is not required.)

(b) Calculation Amount: []

(If only one Specified Denomination, insert the Specified Denomination.

If more than one Specified Denomination, insert the highest common factor. Note: there must be a common factor in the case of two or more Specified Denominations.)

7. (a) Issue Date: [●].

(b) Interest Commencement Date: [●].

8. Maturity Date: [Fixed Rate – specify date/Floating Rate – Interest Payment Date falling in (specify a month and a year)]

9. Interest Basis: [[●] per cent. Fixed Rate.]
[[specify reference rate] +/- [●] per cent. Floating Rate.]

[Zero Coupon]
[Index Linked Interest]
[Dual Currency Interest]
[Other (*specify*)]
(further particulars specified below)

10. Redemption/Payment Basis: [Redemption at par]
[Index Linked Redemption]
[Dual Currency]
[Partly Paid]
[Instalment]
[Other (*specify*).]
(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)
11. Change of Interest or Redemption/Payment Basis: [Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis.]
12. Put/Call Options: [Investor Put]
[Issuer Call]
[(further particulars specified below)]
13. (a) Status of the Notes: Unsubordinated
- (b) Date Board approval for issuance of Notes obtained: []
(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes.)
14. Method of distribution: [Syndicated/Non-syndicated.]

PROVISION RELATING TO INTEREST (IF ANY) PAYABLE

15. **Fixed Rate Note Provisions** [Applicable/Not Applicable.]
(If not applicable, delete the remaining sub-paragraphs of this paragraph.)
- (a) Rate(s) of Interest: [●] per cent. per annum [payable [annually/semi-annually/quarterly/ monthly] in arrear] *(If payable other than annually consider amending Conditions).*
- (b) Interest Payment Date(s): [●] in each year [adjusted in accordance with [specify Business Day Convention and any applicable Business Centre(s) for the definition of Business Day]/not adjusted]. (N.B. This will need to be amended in the case of long or short coupons).
- (c) Fixed Coupon Amount(s): [] per Calculation Amount.
(Applicable to Notes in definitive form)

- (d) Broken Amount(s): *(Applicable to Notes in definitive form)* [[] per Calculation Amount payable on the Interest Payment Date falling [in/on] [].
- (e) Day Count Fraction *(Condition 5(j)):* [30/360/Actual/Actual (ICMA)/other.]
- (f) Determination Date(s) *(Condition 5(j)):* [] in each year.
(Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon.
NB: This will need to be amended in the case of regular interest payment dates which are not of equal duration.
NB: Only relevant where Day Count Fraction is Actual/Actual (ICMA)).
- (g) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/give details.]

16. **Floating Rate Provisions**

[Applicable/Not Applicable.]
(If not applicable, delete the remaining sub-paragraphs of this paragraph.)

- (a) Specified Period(s): [●]
- (b) Specified Interest Payment Dates: [●]
- (c) First Interest Payment Date [].
- (d) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other *(give details).*]
- (e) Additional Business Centre(s) *(Condition 5(j)):* [this term is mentioned in 5(j) but not defined - not defined throughout whole document] [●]
- (f) Manner in which the Rate[s] of Interest is/[are] to be determined: [Screen Rate Determination/ISDA Determination/other *(give details).*]
- (g) Interest Period Date(s): [Not Applicable/specify dates.]
- (h) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent): [●]
- (i) Screen Rate Determination

(Condition 5(b)(iii)(B)):

- Reference Rate: []
(Either LIBOR, EURIBOR or other, although additional information is required if other - including fallback provisions in the Agency Agreement.)
- Interest Determination Date: []
(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR).
- [Relevant Screen Page:/Primary Source for Floating Rate]: [[Specify Reference Screen Page] or [Reference Banks]]
(In the case of EURIBOR, if not Reuters EURIBOR 01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately.)
- Reference Banks (if Primary Source is **Reference Banks**): [Not Applicable] [Specify four]
- Relevant Financial Centre: *[The financial centre most closely connected to the Benchmark – specify if not London.]*
- Benchmark: *[LIBOR, LIBID, LIMEAN, EURIBOR or other benchmark although additional information is required if other – including fallback provisions in the Agency Agreement.]*
- Representative Amount: *[Specify if screen or Reference Bank quotations are to be given in respect of a transaction of a specified notional amount.]*
- Effective Date: *[Specify if quotations are not to be obtained with effect from commencement of Interest Accrual Period.]*
- Specified Duration: *[Specify period for quotation if not duration of Interest Accrual Period.]*
- (j) ISDA Determination
 - Floating Rate Option: [●]
 - Designated Maturity: [●]
 - Reset Date: [●]
- (k) Margin(s): [+/-] [●] per cent. per annum
- (l) Minimum Rate of Interest: [●] per cent. per annum
- (m) Maximum Rate of Interest: [●] per cent. per annum

- (n) Day Count Fraction (Condition 5(j)): [Actual/Actual ISDA Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 30/360 30E/360 30E/360 (ISDA) Other]
- (o) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [●]
17. **Zero Coupon Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph.)
- (a) Actual Yield (Condition 6(b)): [●] per cent. per annum
- (b) Reference Price: [●]
- (c) Day Count Fraction in relation to Early Redemption Amounts and late payment (Condition 5(j)): *(Consider applicable day count fraction if not U.S. dollar denominated.)*
- (d) Any other formula/basis of determining amount payable: [●]
18. **Index Linked Interest Note Provisions** [Applicable/Not Applicable.]
(If not applicable, delete the remaining sub-paragraphs of this paragraph.)
(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)
- (a) Index/Formula: [Give or annex details]
- (b) Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Agent): [Give name and address]
- (c) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: [●][need to include a description of market disruption or settlement disruption events and adjustment provisions.]

- (d) Specified Period(s)/Specified Interest Payment Dates: [●]
- (e) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details).]
- (f) Business Centre(s) (Condition 5(j)) [not defined]: [●]
- (g) Minimum Rate of Interest: [●] per cent. per annum.
- (h) Maximum Rate of Interest: [●] per cent. per annum.
- (i) Day Count Fraction (Condition 5(j)): [●]

19. **Dual Currency Note Provisions** [Applicable/Not Applicable.] *(If not applicable, delete the remaining sub-paragraphs of this paragraph.)*

(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)

- (a) Rate of Exchange/Method of calculating Rate of Exchange: [Give details]
- (b) Party, if any, responsible for calculating the principal and/or interest due (if not the Agent): [●]
- (c) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [●]
- (d) Person at whose option Specified Currency(ies) is/are payable: [●]

PROVISIONS RELATING TO REDEMPTION

20. **Issuer Call** [Applicable/Not Applicable.] *(If not applicable, delete the remaining sub-paragraphs of this paragraph.)*

- (a) Optional Redemption Date(s): [●]
- (b) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [●] per Calculation Amount.
- (c) If redeemable in part: [●]

(i) Minimum Redemption Amount: [●]

(ii) Maximum Redemption Amount: [●]

(d) Option Exercise Date(s): [●]

(e) Notice period (if other than as set out in the Conditions): [●]
(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent.)

21. **Investor Put** [Applicable/Not Applicable.]
(If not applicable, delete the remaining sub-paragraphs of this paragraph.)

(a) Optional Redemption Date(s): [●]

(b) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [●] per Calculation Amount.

(c) Notice period (if other than as set out in the Conditions): [●]
(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent.)

22. **Final Redemption Amount of each Note** [●] per Calculation Amount/*specify other/see Appendix*
(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)

23. **Early Redemption Amount**

(a) Early Redemption Amount(s) payable on redemption for taxation reasons (Condition 6(c)) or an event of default (Condition 10 (*Events of Default*)) and/or the method of calculating the same (if required or if different from that set out in the [●] per Calculation Amount/*specify other/see Appendix*

Conditions):

- (b) Redemption for taxation reasons permitted on days other than Interest Payment Dates (Condition 6(c)): [Yes/No.]
- (c) Unmatured Coupons to become void upon early redemption (Bearer Notes only) (Condition 7(f)): [Yes/No/Not Applicable.]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. (a) Form of Notes
- Bearer**
[Delete as appropriate]
- [Temporary Global Note exchangeable for a permanent Global Note which is exchangeable for Definitive Notes on [●] days' notice/at any time/in the limited circumstances specified in the permanent Global Note.]
- [Temporary Global Note exchangeable for Definitive Notes on [●] days' notice.]
- [Permanent Global Note exchangeable for Definitive Notes on [●] days' notice/at any time/in the limited circumstances specified in the permanent Global Note.]
- (Ensure that this is consistent with the wording in the "Form of the Notes" section in the Offering Circular and the Notes themselves. N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes includes language substantially to the following effect: "[€50,000] and integral multiples of [€1,000] in excess thereof up to and including [€99,000]." Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.)*
- Registered**
[Unrestricted Global Certificate/Restricted Global Certificate.]
- (b) New Global Note: [Yes] [No]
25. Financial Centre(s) (Condition 7(h)) or other special provisions relating to payment dates: [Not Applicable/Give details. Note that this paragraph relates to the place of payment, and not interest period end dates, to which sub-paragraph 17(iii) relates.]
26. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]

27. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/give details.]
28. Details relating to Instalment Notes: [Not Applicable/give details.]
- (a) Instalment Amount(s): [●]
- (b) Instalment Date(s): [●]
29. Redenomination, renominatisation and reconventioning provisions: [Not Applicable/The provisions [in Condition 1(b)] [annexed to these Final Terms] apply.]
30. Consolidation provisions: [Not Applicable/The provisions [in Condition 12(b) (*Consolidation*)] [annexed to these Final Terms] apply.]
31. Other terms or special conditions: [Not Applicable/give details]
(When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)

DISTRIBUTION

32. (a) If syndicated, names of Managers: [Not Applicable/give names]
- (b) Date of [Subscription] Agreement: []
(The above is only relevant if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies).
- (c) Stabilising Manager (if any): [Not Applicable/give name.]
33. If non-syndicated, name of relevant Dealer: [Not Applicable/give name]
34. U.S. Selling Restrictions: Reg S Compliance Category 2. [TEFRA D/TEFRA C/TEFRA not applicable.]
35. Additional selling restrictions: [Not Applicable/give details.]

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on the *Bourse de Luxembourg* of the Notes described herein pursuant to the €12,000,000,000 Euro Medium Term Note Programme of SNCF.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [[Relevant third party information, for example in compliance with Annex XII to the Prospectus Directive Regulation in relation to an index or its components] has been extracted from [specify source]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [specify source], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of SNCF:

By:
Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing and Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange and to listing on the Official List of the Luxembourg Stock Exchange with effect from [].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange and to listing on the Official List of the Luxembourg Stock Exchange with effect from [].] [Not Applicable.]
- (ii) Estimate of total expenses related to admission to trading: [].

2. RATINGS

The Notes to be issued have been rated: [S & P:[]], [Moody's:[]], [[Other]:[]].

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. - *Amend as appropriate if there are other interests.*]

[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)]

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- (i) [Reasons for the offer]
- (ii) [Estimated net proceeds]: []
- (iii) [Estimated total expenses]:

(N.B.: Delete unless the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies (i) above is required where the reasons for the offer are different from making profit and/or hedging certain risks and,

where such reasons are inserted in (i) disclosure of net proceeds and total expenses at (ii) and (iii) above is also required.)

5. YIELD (*Fixed Rate Notes only*)

Indication of yield: []

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6. PERFORMANCE OF INDEX/FORMULA, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING (*Index linked Notes only*)

[Need to include details of where past and future performance and volatility of the index/formula can be obtained.]

[Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

[Need to include a description of any market disruption or settlement disruption events that affect the underlying and the adjustment rules with relation to events concerning the underlying.]

[Where the underlying is an index, need to include the name of the index and a description if composed by the Issuer. If the index is not composed by the Issuer need to include details of where the information about the index can be obtained.]

[Where the underlying is a security, need to include the name of the issuer of the security and the ISIN or other security identification code.]

[Where the underlying is an interest rate, need to include a description of the interest rate.]

[Where the underlying is a basket of underlyings, need to include disclosure of the relevant weightings of each underlying in the basket.]

[(When completing this paragraph, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)]

The Issuer [intends to provide post-issuance information *[specify what information will be reported and where it can be obtained]*] [does not intend to provide post-issuance information]

(N.B. The above applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

7. PERFORMANCE OF RATE[S] OF EXCHANGE (*Dual Currency Notes only*)

[Need to include details of where past and future performance and volatility of the relevant rates can be obtained.]

(N.B. The above applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

[(When completing this paragraph, consideration should be given as to whether such matters

described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)]

8. OPERATIONAL INFORMATION

- (i) ISIN Code: [].
- (ii) Common Code: [].
- (iii) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): [Not Applicable/give name(s) and number(s).]
- (iv) Delivery: Delivery [against/free of] payment.
- (v) Names and addresses of initial Paying Agent(s): []
- (vi) Names and addresses of additional Paying Agent(s) (if any): []
- [(vii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes] [No]
- [Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] *[include this text if "yes" selected in which case the Notes must be issued in NGN form]*

GENERAL INFORMATION

Clearing Systems

Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg clearing systems. The Common Code, the International Securities Identification Number (ISIN) and (where applicable) the Sicovam number, if any, for each Series will be contained in the Final Terms relating thereto. The Issuer will make an application with respect to any Restricted Notes of a Registered Series to be accepted for trading in book-entry form by DTC. Acceptance by DTC of Restricted Notes of each Tranche of a Registered Series will be confirmed in the applicable Final Terms. The CINS and CUSIP numbers, if any, for each Series will be contained in the Final Terms relating thereto. Application may be made for acceptance for trading of Restricted Notes in Portal.

Consents and Authorisations

The Issuer has obtained all necessary consents, approvals and authorisations in the Republic of France in connection with the issue and performance of the Notes.

Listing and Admission to Trading

Application has been made to the CSSF to approve this document as a base prospectus. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange.

The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (MiFID) (Directive 2004/39/EEC).

This Base Prospectus prepared in connection with the Notes has not been submitted to the clearance procedures of the *Autorité des marchés financiers*.

Significant or Material Change

Save as disclosed herein, there has been no significant change in the financial or trading position of the Issuer or the Group since 30 June 2009 and no material adverse change in the prospects of the Issuer or the Group since 31 December 2008.

Litigation

The Issuer is not involved in, nor are there any governmental, legal or arbitration proceedings pending or threatened, of which the Issuer is aware which may have or have had during the twelve months prior to the date of this document a material effect on the financial position of the Issuer.

Auditors

The consolidated and non-consolidated financial statements of the Issuer as of 31 December 2007 and for the year then ended, incorporated by reference in this Base Prospectus, have been audited by Ernst & Young Audit and Mazars, statutory auditors, as stated in their reports incorporated by reference therein. The consolidated and non-consolidated financial statements of the Issuer as of 31 December 2008 and the limited review of the semi-annual interim accounts as at and for the period ended 30 June 2009, incorporated by reference, has been made by Mazars and PricewaterhouseCoopers Audit, appointed as the statutory auditors of the Issuer for the financial years 2008 to 2013. The limited review report includes some reservations regarding the valuation of certain assets.

The annual consolidated and non-consolidated accounts of the Issuer are audited. The semi-annual interim accounts of the Issuer are subject to a limited review by the auditors which does not constitute a full audit.

Mazars are registered with the *Compagnie Régionale des Commissaires aux Comptes de Paris*, PricewaterhouseCoopers Audit are registered with the *Compagnie Régionale des Commissaires aux Comptes de Versailles* both of which comply with the rules issued by the *Compagnie Nationale des Commissaires aux Comptes*.

U.S. Tax Wording

Each Bearer Note, Receipt, Coupon and Talon will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".

Documents available

Copies of the annual report and consolidated accounts of the Issuer for the last two years and all supplements to this Base Prospectus and any Final Terms (save that a Final Terms relating to a Note which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Paying Agent as to its holding of Notes and identity) may be obtained free of charge, and copies of the Agency Agreement and the Deed of Covenant will be available for inspection, at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Notes remain outstanding.

Constitutive documents, historical financial information of SNCF and press release are available on the website www.sncf.com.

In addition, copies of this Base Prospectus, each Final Terms relating to Notes which are admitted to trading on the Luxembourg Stock Exchange's regulated market and each document incorporated by reference are available on the Luxembourg Stock Exchange's website at www.bourse.lu.

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Conflicts of Interest

There is no conflict of interests between the duties to the Issuer of the members of the Board of Directors and their private interests and/or other duties.

Dealers transacting with the Issuer

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer and its affiliates in the ordinary course of business.

Post-issuance information

Save as set out in the Final Terms, the Issuer does not intend to provide any post-issuance information in relation to the underlying, except if required by any applicable legislation and regulation.

ISSUER

Société Nationale des Chemins de Fer Français
34, rue du Commandant Mouchotte
75699 Paris Cedex 14
France

DEALERS

The Royal Bank of Scotland plc
135 Bishopsgate
London EC2M 3UR
United Kingdom

BNP PARIBAS
10 Harewood Avenue
London NW1 6AA
United Kingdom

Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

HSBC Bank plc
8 Canada Square
London E14 5HQ
United Kingdom

UBS Limited
1 Finsbury Avenue
London EC2M 2PP
United Kingdom

ARRANGER

The Royal Bank of Scotland plc
135 Bishopsgate
London EC2M 3UR
United Kingdom

FISCAL AGENT, PRINCIPAL PAYING AGENT AND TRANSFER AGENT

Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

REGISTRAR AND TRANSFER AGENT

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60 Wall Street
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New York, NY 10005
U.S.A.

PAYING AGENT AND TRANSFER AGENT

Deutsche Bank Luxembourg S.A.
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Luxembourg

CALCULATION AGENT

Deutsche Bank Luxembourg S.A.

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Luxembourg

LUXEMBOURG LISTING AGENT

Deutsche Bank Luxembourg S.A.

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Luxembourg

AUDITORS

Mazars

61, rue Henri Regnault
92400 Courbevoie
France

PricewaterhouseCoopers Audit

63, rue de Villiers
92208 Neuilly-sur-seine
France

LEGAL ADVISERS

To the Issuer

In respect of French law

Société Nationale des Chemins de Fer Français

Direction Juridique
10, place de Budapest
75436 Paris Cedex 09
France

To the Dealers

In respect of English law

Allen & Overy LLP

Edouard VII
26, boulevard des Capucines
75009 Paris
France