

SNCF Financial Information

2009 Annual Revenue and 2010 Outlook


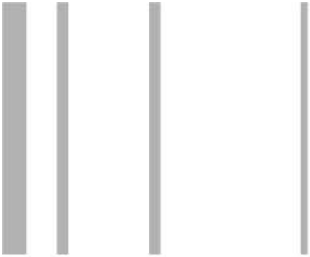
- 2009 Annual Revenue of 24.9 Billion Euros strongly affected by the economic crisis, down -1.2% compared to 2008 but -3.6% at a constant currency and consolidation scope
- SNCF Infra (infrastructure) and SNCF Proximités (local and regional transport) divisions have offset the impact of the economic 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.**

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About the SNCF Group

SNCF is a premier global mobility and logistics group with expected annual revenues of 30 Billion Euros in 2010 and nearly 235,000 employees in 120 countries. Our mission is to promote greater mobility, mutual respect and solidarity by making "eco-mobility" the driving force behind sustained growth and customer preference for both passengers and shippers. The Group is made up of 5 divisions: managing, operating, maintaining and engineering railway infrastructures (*SNCF Infra*), local urban, outer urban and regional passenger transport (*SNCF Proximités*), long distance passenger transport (*SNCF Voyages*), freight transport and logistics (*SNCF Geodis*), and French train station management and development (*Gares & Connexions*). www.sncf.com

