



PRESS RELEASE

PRESS RELEASE — PARIS, 22 SEPTEMBER 2015

2015 HALF-YEAR RESULTS FOR SNCF MOBILITÉS

Note: This press release comes amid the implementation of French legislation — the Act of 4 August 2014 — introducing rail reform and creating the new state-owned SNCF group (SNCF) on 1 July 2015. The new group's components are SNCF Mobilités, handling all SNCF transport operations (both in France and on international markets), and SNCF Réseau, managing France's national rail network, previously divided between Réseau Ferré de France (RFF) and SNCF Infra.

In keeping with the financial reporting standard IFRS 5 (activities to be transferred), the SNCF Infra business unit is restated in SNCF accounts. Concretely, this means that SNCF Infra will be shown as a separate line item in the income statement and will no longer appear in group revenues as presented. SNCF Infra's free cash-flow and net debt will remain in the financial statements.

In the report below, SNCF Mobilités, presents its financial statements at 30 June 2015, the last full six-month period before rail reform was adopted and implemented.

Consolidated financial statements for the new SNCF Group, consisting of SNCF Mobilités and SNCF Réseau, will be published in 2016 for the 2015 business year.

REVENUE GROWTH DRIVEN BY DYNAMIC SALES & MARKETING POLICY AND INTERNATIONAL BUSINESS

As the French economy improved slightly, SNCF Mobilités reported revenue up 3.7%. Main contributing factors were a dynamic sales & marketing policy with roll-out of budget and low-price options; 11.8% growth at Keolis, due in particular to a 30% surge in international business; and a 6% rise in international freight forwarding at Geodis.

COST CONTROLS & FINANCIAL DISCIPLINE

EBITDA rose by more than €200 million compared with the end of June 2014.

Benefits expected from the 2013-2015 cross-divisional performance plan are in line with targets calling for a €0.7 billion reduction in structural costs.

Net profit stood at €318 million.

HIGH INVESTMENTS AND STABILIZED DEBT

While holding investment at nearly €1 billion for the six-month period, SNCF Mobilités nonetheless steadied net debt at around €7.6 billion.

PRESS RELEASE

SNCF MOBILITÉS: KEY FIGURES AT 30 JUNE 2015

Consolidated data € MILLIONS	H1 2014 Pro forma (1)	S1 2015	H1 2015 vs. H1 2014 pro forma (1) at constant scope of consolidation and exchange rates	
Revenue	13,509	14,260	+499	+3.7%
GROSS PROFIT (EBITDA)	869	1,121	+203	
<i>As % of revenue</i>	6.4%	7.9%		+24%
Current operating profit (loss)	107	404	+267	
Operating profit (loss) After share of net profit of companies consolidated on an equity basis	369	629	-375	
Financial profit (loss)	-191	-125	+68	
Net profit (attributable to equity holders of the parent company)	102	318	-400	
Recurring net profit (2)	-64	101	+131	
Self-financing capacity (3)	660	790	+83	
SNCF capital investment	-1,097	-977	+128	
Disposals	239	111	-135	
Free cash flow	-198	-76	+76	
Net indebtedness	7,884	7,653	-231	
Net indebtedness adjusted for net debt of SNCF Infra		7,555		

(1) Includes application of IFRS 5 (for SNCF Infra) and IFRIC 21

(2) Net profit restated for non-recurring items

(3) Includes dividends received from companies consolidated on an equity basis

PRESS RELEASE

SNCF MOBILITÉS PERFORMANCE

- REVENUE

Half-year revenue at SNCF Mobilités stood at **€14,260 million, up 3.7%** from the first six months of 2014 at constant scope of consolidation and exchange rates. Excluding the impact of the June 2014 rail strike, which cut revenue by nearly €200 million, growth was +2.3%.

Over the period, SNCF Mobilités focused on pursuing and expanding its **commercial policy geared around low-cost offerings that attracted new clients** against a backdrop of increased competition from low-cost flights, car sharing and other services.

Growth was driven by Keolis, whose revenue rose 11.8% including a 30.0% increase in international business.

Freight forwarding (both air and sea) at Geodis, part of SNCF Logistics, was **up 6%** compared with the end of June 2014.

Today both Keolis and SNCF Logistics derive half of their revenue from international business.

SNCF Mobilités now generates nearly 27% of its total revenue on international markets.

- EBITDA

EBITDA totalled **€1,211 million at 30 June 2015, up €203 million to 7.9% of revenue**. This compares with 6.4% at the end of June 2014, when the rail strike trimmed EBITDA by €162 million.

The rise in EBITDA was driven primarily by SNCF Logistics with its Fret SNCF (rail freight services in France) and Geodis operations.

By June 30, 2015, **the three-year, cross-divisional performance plan adopted in early 2013 had already saved SNCF over €600 million** in structural costs.

- NET PROFIT

SNCF Mobilités reported a net profit of €318 million taking into account a €450 million write-down on assets belonging to Gares & Connexions. This reflects the company's implementation of the February 3, 2015 ruling by ARAFER, the French regulatory authority for rail and road transport which explains the €450 million write-down at the end of June 2015. However the situation may change in the future, as SNCF Mobilités is appealing the ARAFER ruling.

PRESS RELEASE

• RECURRING NET PROFIT

Recurring net profit stood at €101 million, up €131 million at constant scope of consolidation and exchange rates (reflecting the €167 million impact of the June 2014 rail strike on net profit).

• INVESTMENT

Capital investment financed by SNCF Mobilités totalled €977 million at the end of June 2015, topped up by outlays financed by transport organizing authorities. **Total gross investment thus stood at €1.6 billion**, with:

- **Over 60% going to rolling stock and equipment, including:**
 - o 2 tram-train trainsets (€13 million) and 16 Francilien trainsets (€96 million)
 - o 54 TER regional trains—30 Régiolis & 24 REGIO 2N, for €237 million and €175 million, respectively
 - o 6 TGV trainsets (€118 million)
 - o the expansion, maintenance and regular refurbishment of fleets of vehicles and rolling stock by Keolis, Ermewa and rail and multimodal freight carriers as part of their business.
- **Nearly 40% going to Technicentres and workshops, to station upgrades and modernization (particularly in the Greater Paris region),** and to passenger information systems.

• FINANCES

Although total investment financed by SNCF in the first half of 2015 was high, at nearly €1 billion, over 80% of outlays were self-financed. This compares with 60% at the end of June 2014.

Net financial debt stood at €7,653 million at 30 June 2015 compared with €7,884 million at the end of June 2014.

OUTLOOK FOR YEAR-END 2015

- **A PERSISTENTLY UNCERTAIN ECONOMY AT HOME VALIDATES SNCF'S DECISION TO SEEK GROWTH DRIVERS ON INTERNATIONAL MARKETS**

SNCF Mobilités' home market in France continues to face uncertainty:

- Projections call for GDP to rise only 1.3% in 2015 (source: BIPE)

PRESS RELEASE

- Stepped-up competition from low-cost flights, car-sharing and coaches is fighting to win passenger traffic. Contributing factors include lower oil prices, opening of the long-distance coach market to competition, and the spread of car-sharing.
- Severe financial constraints are affecting public sources of finance.
- Continued fall-out from an aging rail network will affect train circulation.

Yet SNCF stands by its ambitious targets, which call for revenue growth of over 3% for SNCF Mobilités at constant scope of consolidation and exchange rates, powered by strong demand for mass transit and for logistics on international markets.

- **Keolis: strong growth on international markets**, plus persistently robust network in France
- **SNCF Logistics: stronger positions thanks to a structural acquisition—OHL—in the USA**, in a market that is increasingly looking for global solutions.
- Passenger business: **growth in shared mobility solutions built around rail, our core business**, and designed to meet emerging client demand for personalized travel solutions; simplified booking and purchasing; and clearer, more comprehensive information on service offerings.

The share of revenue generated abroad is set to continue rising and should reach nearly 30% of the total.

As an indicator of future performance, **investment by SNCF Mobilités will remain high at around €2 billion p.a.**, even as the group confirms its goal of **holding debt steady.**

● KEY PRIORITIES BETWEEN NOW AND YEAR-END 2015

- Signature of a **new contract between Transilien and STIF** for 2016-2020 (SNCF's largest single contract in revenue terms)
- New prospects for **Keolis in the UK and integration of OHL for Geodis**, the latter strengthening its position as a world-class player in logistics.
- Deployment of **SNCF's new long-distance transport offering**, built on budget services targeting this market segment: Ouigo, Ouibus and Intercités 100% ECO.
- Negotiations with the French state for the **renewal of the TER regional train service agreement (Trains d'Équilibre du Territoire (Intercités))** that ends on 31 December 2015.
- **Renegotiation of the business model for stations** to establish profitability targets in keeping with investment policy in the wake of ARAFER's recent decisions. New legislation in France ("Loi Macron") has created

PRESS RELEASE

opportunities with the introduction of Sunday- and evening-trading for shops in 12 designated stations.

- **Value of TGV assets:** management has identified indices confirming impairment of certain assets at 30 June 2015 that would lead to significant write-downs. A letter from the state Commissioner received by SNCF on 18 September 2015 requires a decision on the value of these and other assets at the annual closing of financial statements, once core options defining the model have been weighed and agreed prior to the signature of contracts between the French state and SNCF as provided in the Act of 4 August 2014.

SNCF's auditors have now completed their limited examination of financial information. Their half-year report of SNCF Mobilités financial statements will be issued within the next few days and will include in particular a qualified opinion arising from a limitation in scope for the adjustment in value of some assets, and a comment on selected items in the appendix. This report will be available on the website of SNCF Group under the Finance/SNCF Mobilités tab from 25 September 2015.

Starting in 2016, for the 2015 business year, financial statements for the new SNCF Group will be drawn up in accordance with IFRS for SNCF Mobilités and SNCF Réseau.



PRESS RELEASE

About SNCF Mobilités

SNCF Mobilités is a global leader in passenger and freight transport services, with revenue expected to reach over €30 billion in 2015, including nearly 30% on international markets. The company has almost 190,000 employees, is present in 120 countries, and aims to become the world benchmark for excellence in mobility and logistics services. SNCF Mobilités has three business units: SNCF Voyageurs (regional and inter-city public transport, commuter transport in the Paris region, high-speed rail in France & in Europe, and management and development of stations); Keolis (mass transit and public transport in Europe and around the globe); and SNCF Logistics (freight transport and logistics). www.sncf.com

About SNCF

SNCF is a global leader in passenger and freight transport services, with revenue expected to reach €32 billion in 2015, including nearly 30% on international markets. With nearly 250,000 employees in 120 countries, SNCF draws on its foundations in French rail and extensive experience as an architect of transport services. It aims to become the benchmark for mobility and logistics solutions, both in France and worldwide.

SNCF has five core businesses: SNCF Voyageurs (regional and inter-city public transport, commuter transport in the Paris region, high-speed rail in France & in Europe, and management and development of stations); Keolis (mass transit and public transport in Europe and around the globe); SNCF Logistics (freight transport and logistics); SNCF Réseau (management and operation of the French rail network); and SNCF Immobilier (management and optimization of SNCF property and land assets). www.sncf.com

SNCF FINANCIAL COMMUNICATIONS: Axel BAVIERE: +33 (0)6 34 21 25 97

SNCF PRESS SERVICE: +33 (0)1 85 07 89 89