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SNCF Mobilités

Primary Credit Analyst:
Beata Sperling-Tyler, London (44) 20-7176-3687; beata.sperling-tyler@spglobal.com

Secondary Contact:
Romana Matouskova, London +44 (0)20 7176 3946; romana.matouskova@spglobal.com

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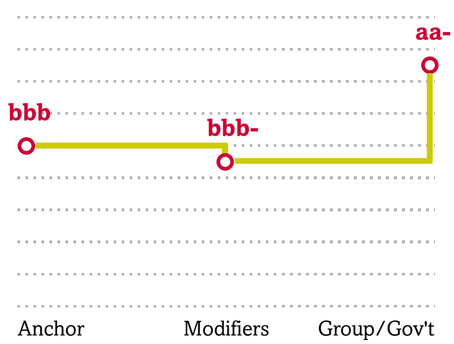
SNCF Mobilités

Business Risk: SATISFACTORY

Vulnerable — Excellent

Financial Risk: INTERMEDIATE

Highly leveraged — Minimal



CORPORATE CREDIT RATING
AA-/Stable/A-1+

Rationale

Business Risk: Satisfactory	Financial Risk: Intermediate
• A virtual monopoly operator of passenger rail transport services in France and a dominant player on the French rail freight market. As provider of essential services, one of the largest employers in the country and instrumental in the execution of regional development policy, SNCF Mobilités receives significant ongoing subsidies from the French state and operating and investment grants from local authorities. • Significant international operations in high-speed rail, passenger urban transport, freight transport, and logistics. • Second largest rail group in Europe operating high speed rail services to the U.K., Germany, Austria, Switzerland, Belgium, The Netherlands, Italy, and Spain. • Profitability constrained by high labor costs and significant capital expenditure (capex) requirements.	• High debt levels resulting from the capital intensive nature of the business. • Cash flow generation hampered by a significant investment program. • Extremely high likelihood that France would provide sufficient and timely extraordinary support to SNCF Mobilités if needed.

Outlook: Stable

The stable outlook on SNCF Mobilités reflects that on France.

Upside scenario

We could raise the ratings on SNCF Mobilités if we raised the ratings on France. We consider SNCF Mobilités as a government-related entity (GRE), as a result, if neither the sovereign rating nor our assessment of the likelihood of extraordinary support changes, raising our long-term corporate credit rating by one notch Mobilités would depend on an upward revision of the stand-alone credit profile (SACP) to 'a+' (five notches higher than the current SACP), which we see as highly unlikely.

However, we could raise the SACP by one notch if SNCF Mobilités established a sustainable operational track record following its recent transformation, resulting in adjusted funds from operations (FFO) to debt rising to 16%-18% and an adjusted EBITDA margin above 10%. In our view, this could materialize if the company demonstrates a reversal in the currently falling passenger numbers and successfully completes the labor and social agreement negotiations.

Downside scenario

Although unlikely at this stage, a negative rating action on the sovereign could result in a similar action on SNCF Mobilités. Furthermore, we might consider a negative rating action if we think that government support is likely to decline. This could result from, for example, adverse changes in SNCF Mobilités' corporate structure or in the national or European regulatory framework, or the company's decreasing public service role for the government.

We could also lower our ratings on the company if we revised downward our assessment of SNCF Mobilités' SACP by two or more notches. We see this as unlikely at this stage, although it could materialize if competition in the French rail market developed more rapidly than we currently anticipate. This could weigh on SNCF Mobilités' earnings, profitability, or cash flow generation, resulting in the company's weighted-average adjusted FFO-to-debt ratio falling below 9%.

Our Base-Case Scenario

We forecast SNCF Mobilités' weighted-average adjusted FFO-to-debt ratio at about 13%-15% in 2017-2019. This is supported by our expectation of modest revenue growth driven by a minor increase in passenger volumes and the implementation of cost control measures, but constrained by the company's significant capex program. We expect the modest growth to be organically driven by the opening of new lines and competitive pricing, rather than acquisitions.

Assumptions

- Annual revenue growth of 2%-3% per year supported by increasing passenger numbers.
- Adjusted EBITDA margin to remain flat until 2018 and gradually increase thereafter thanks to the implementation of cost control measures.
- Total capex of about €6 billion-€7 billion over 2017-2019.
- Total dividends of about €400 million-€500 million over 2017-2019.

Key Metrics

	2016	2017f	2018f
FFO to debt (%)*	13.8	13.0-15.0	13.0-15.0
Debt to EBITDA (x)*	5.2	5.0-6.0	5.0-6.0

*S&P Global Ratings-adjusted. FFO--Funds from operations. f--Forecast.

Company Description

SNCF Mobilités is France's state-owned transport operator and, with nearly 195,000 employees, is one of the largest employers in the country. It operates passenger and freight rails services in France and other countries. Following the rail reform law effective from Jan. 1, 2015, SNCF Mobilités is structured at the end of 2016 according to three main business units:

- SNCF Voyageurs, which handles operations for all passenger rail transport activities based on the Transilien (commuter transport in Paris region), Voyages SNCF (high speed trains including TGV, Eurostar, and Thalys), Intercités (classic city to city train services), TER (regional trains), and Gares & Connexions. In financial year (FY) 2016 (ended Dec. 31, 2016), this segment generated half of the total revenue of SNCF Mobilités and 63% of gross profit.
- SNCF Logistics (formerly SNCF Geodis), which specializes in freight transport and logistics. In FY2016, this segment generated 33% of revenues and 23% gross profit.
- Keolis, which handles passenger mass transit operations. In FY2016, this segment generated 16% of revenues and 14% of gross profit.

SNCF Mobilités is owned by SNCF, the parent company within the group which also includes SNCF Réseau, a rail network manager and operator (created in 2015 from a merger of Réseau Ferré de France [RFF] and SNCF Infra). All three companies have a legal status of an "établissement public à caractère industriel et commercial" or "EPIC", a state enterprise with commercial and industrial status.

An EPIC has legal responsibility and financial autonomy subject to governance by the state. It cannot be liquidated or filed for bankruptcy proceedings. It can only be dissolved by law, which would entail an automatic unconditional transfer of all of its assets and liabilities to the state, or to another public entity designated by the state. So the EPIC status makes the French government ultimately responsible for all obligations, including financial debt of SNCF Mobilités. Although we understand that it is not equivalent to an explicit and timely guarantee, the state must mobilize all necessary resources to enable an EPIC to repay its debt. In our view, there is also a reputational risk if any of the EPICs were to default, which creates incentives for the state to intervene. As an EPIC, SNCF Mobilités is also allowed to access state emergency financial support mechanisms such as emergency loans from the Treasury or the purchase of SNCF Mobilités' debt paper by the state's public debt fund (Caisse de la Dette Publique; CDP), thereby providing continued funding in the event of difficult market access.

Business Risk: Satisfactory

SNCF Mobilités' 'bbb-' SACP continues to be supported by its dominant position within the rail market in France, where it has a virtual monopoly in the passenger rail market and about two-thirds of the freight rail market. As provider of essential services, one of the largest employers in the country, and its instrumental role in the execution of regional development policy, SNCF Mobilités receives ongoing subsidies in the form of public service orders from SNCF Réseau, French Regions, Transport Syndicate of the Ile de France (STIF), and the French State, and operating and investment grants, primarily from local authorities. In FY2016, public service orders represented about 18% of the company's turnover. We include these ongoing subsidies in our base case and they are therefore reflected in our SACP assessment.

The company also has significant international operations in high-speed passenger rail services (to the U.K., Germany, Austria, Switzerland, Belgium, The Netherlands, Italy, and Spain) through its majority-owned subsidiary Eurostar. Furthermore, SNCF Moibilités' subsidiary, Keolis, is a worldwide leading mass transport operator, while SNCF Logistics provides transport and logistics in 120 countries. SNCF Mobilités' International expansion strategy partly mitigates competition in the domestic market. At present, 65% of revenues are generated in France. By 2021, we expect the share to drop to 40%, and to 34% by 2026.

Compared with peers in the transport infrastructure sector and other railway operators, SNCF Mobilités enjoys lower and quite volatile profitability due to rail traffic facing rising competition from airlines and car sharing, as well as continued increases in track access fees, high labor costs, and high investment needs in rolling stock. We view management's commitment to strengthening profitability through managing costs as positive, although we expect only small improvements in the near-to-medium term. High labor costs remain subject to harmonized labor and social standards negotiations. SNCF Mobilités' ambition to increase the low cost offering on domestic high-speed trains and overall double its low-cost offering by 2020 could put additional constraints on profitability, unless volumes pick up sufficiently.

Our Base-Case Operating Scenario

Given that most rail companies are GREs, they are more exposed to sovereign-related risk than other corporates. We consider SNCF Mobilités' operating performance to be closely linked to the French economy (largely for the domestic passenger and freight operations), but also to economic growth in the eurozone, North America, and Australia, which drive the performance of Keolis and SNCF Logistics. In France, we expect GDP to grow by 1.4% in 2017 and 1.5% in 2018, and in the eurozone by 1.6% in 2017 and 1.5% in 2018-2019, supported primarily from domestic demand. In the U.S., we expect real GDP growth to average about 2% in 2017-2018 and in Australia about 3% per year in 2017-2020. As a result, in our base case for SNCF Mobilités, we assume annual revenue growth of 2%-3% supported by organic growth (driven by increase in passengers' volume).

We expect the adjusted EBITDA margin to remain flat until 2018 and gradually increase thereafter thanks to the implementation of efficiency and cost control measures. We understand that these measure include:

- Transfer of "balance of territory" (TET) trains to individual regions, and co-financed by the relevant region, as well as the closure of some lines.
- Investment in intercity and regional trains, including new Alstom-Bo7Bombardier trains, 255 new generation RER trains, and 15 TGV Oceane trains.
- Offering low cost services through Intercites and Thalys.

We further expect cumulative capex of about €6 billion-€7 billion over 2017-2019 and cumulative dividends of about €400 million-€500 million over 2017-2019.

In FY2016, the passenger numbers were affected by a sluggish European economy and a number of different factors: terrorist attacks, one month of strikes, aggressive competition from car sharing, and buses and low-cost airlines boosted by low oil prices. In the freight sector, the business was curbed by low air and sea freight rates, and hampered economic activity in the steel and cereal markets. Revenue increased by 4.1% due to the structural changes in 2015 and 2016 (acquisitions of Eurostar by SNCF Voyages, OHL group in the USA by Geodis, Transport Daniel Meyer and ATE Group by Keolis, and the creation of Thalys International). On a constant group basis, only the stations, Gares & Connexions, increased revenues in their nonregulated activities, all other businesses reported drops, both due to foreign exchange effects and less passengers or freight. SNCF Mobilités also continues to be subject to rising track access charges, which weighs on the company's profitability of TGV high-speed rail and Intercites' services.

Additionally, SNCF Mobilités is facing the prospect of opening to competition in the domestic passenger rail segment, where it currently generates about 50% of its revenue, including regional and national trains and high speed rail from 2020, and intercity trains from 2023. While we think that competitors will more likely enter regional and national services rather than capital-intensive high speed or intercity trains, and although we expect the impact of the passenger market liberalization to be gradual, SNCF Mobilités may not be able to maintain its market share, lose a proportion of earnings, or see its margins decrease.

Peer comparison

We see Deutsche Bahn AG (DB) as the closest peer to SNCF Mobilités in terms of scale. Based on our assessment, the rating on DB reflects a lower likelihood of extraordinary support from the German government because, in our view, it has very strong rather than integral (like SNCF Mobilités) link with its government. However, we assess DB's business risk profile as stronger than that of SNCF Mobilités, reflecting DB's ownership of the infrastructure segment, better operating efficiency, and more profitable freight segment. On the other hand, DB's passenger services face higher competition than SNCF Mobilités, which weighs on its margins. As a result of market liberalization, DB has been losing its market share, in particular in the long distance bus, regional rail, and cargo sectors. DB's SACP is also supported by stronger financial risk metrics. SNCF Mobilités' SACP is one notch lower than that of Ferrovie dello Stato Italiane (FSI), mainly because of FSI's stronger business risk reflecting the ownership and management of the rail network in Italy and an improved profitability.

Compared with peers, we think that SNCF Mobilités faces higher uncertainties in relation to maintaining its current operational performance, operating margins, and financial metrics. We therefore adjust its SACP downward by one notch. This adjustment could be removed if SNCF Mobilités established a sustainable operational track record, resulting in adjusted FFO to debt rising to 16%-18% and an adjusted EBITDA margin above 10%. In our view, this would materialize if the company demonstrates a reversal in the currently falling passenger numbers and successfully completes the labor and social agreement negotiations.

Table 1

SNCF Mobilités -- Peer Comparison

Industry Sector: Infrastructure

	SNCF Mobilites	Deutsche Bahn AG	Ferrovie dello Stato Italiane
Rating as of June 27, 2017	AA-/Stable/A-1+	AA-/Stable/A-1+	BBB-/Stable/--
	--Average of past three fiscal years--		
CICRA	2 - Low Risk	2 - Low Risk	3 - Intermediate Risk
Competitive Position	Satisfactory	Strong	Strong
Business Risk	Satisfactory	Strong	Strong
Cash flow and Leverage	Intermediate	Intermediate	Intermediate
Anchor	bbb	bbb+	bbb+
Modifiers (active)	Comparable ratings analysis (-1 notch)	Comparable ratings analysis (neutral)	Comparable ratings analysis (-1 notch)
Stand alone credit profile (SACP)	bbb-	bbb+	bbb
Government/Group support (active)	Yes (+6 notches)	Yes (+4 notches)	Yes (-1 notch)
Likelihood of state support	Extremely High	Very High	Extremely High
- Role	Very important	Very important	Very important
- Lilnk	Intergral	Very strong	Intergral
(Mil. €)			
Revenues	29,018.7	38,390.9	8,434.7
EBITDA	2,906.8	5,645.3	2,423.3
Funds from operations (FFO)	2,255.0	4,426.2	1,958.8
Net income from cont. oper.	(377)	99.3	400.0

Table 1

SNCF Mobilités -- Peer Comparison (cont.)

Industry Sector: Infrastructure			
	SNCF Mobilites	**Deutsche Bahn AG**	**Ferrovie dello Stato Italiane**
Cash flow from operations	1,995.0	4,359.5	1,421.7
Capital expenditures	2,391.0	3,804.0	4,613.7
Free operating cash flow	(396.0)	555.5	(3,192.0)
Discretionary cash flow	(544.7)	72.5	(3,192.0)
Cash and short-term investments	4,672.3	3,633.2	1,411.7
Debt	14,569.6	26,356.3	11,670.1
Equity	5,300.0	13,749.0	36,072.3
Adjusted ratios			
EBITDA margin (%)	10.0	14.7	28.7
Return on capital (%)	7.5	3.1	2.3
EBITDA interest coverage (x)	4.2	4.9	5.6
FFO cash int. cov. (X)	9.9	8.5	10.7
Debt/EBITDA (x)	5.0	4.7	4.8
FFO/debt (%)	15.5	16.8	16.8
Cash flow from operations/debt (%)	13.7	16.5	12.2
Free operating cash flow/debt (%)	(2.7)	2.1	(27.4)
Discretionary cash flow/debt (%)	(3.7)	0.3	(27.4)

Financial Risk: Intermediate

We forecast that SNCF Mobilités' weighted-average FFO to debt will be about 13.0%-15.0% in 2017-2019, compared with 13.8% in 2016.

Reported free operating cash flow will remain negative until at least 2019, as the company will be investing in the renewal of rolling stock. In our view, this will constrain the company's ability to deleverage in the near term; the level of adjusted debt will therefore continue to increase modestly.

Our Base-Case Cash Flow And Capital Structure Scenario

- Adjusted FFO will remain at about 13.0%-15.0%.
- Capex will be about €2.0 billion-€2.5 billion each year over the period.
- Dividends about €150 million per year.
- Adjusted debt-to-EBITDA ratio at 5.0x-6.0x.

Financial summary

Table 2

SNCF Mobilités -- Financial Summary

Industry Sector: Infrastructure					
	--Fiscal year ended Dec. 31--				
	2016	2015	2014	2013	2012
Rating history	AA-/Stable/A-1+	AA-/Negative/A-1+	AA-/Negative/A-1+	AA-/Stable/A-1+	AA/Watch Dev/A-1+
(Mil. €)					
Revenues	30,517.0	29,296.0	27,243.0	32,232.0	33,820.0
EBITDA	2,995.0	2,859.0	2,866.5	3,330.0	3,738.5
Funds from operations (FFO)	2,172.7	2,096.5	2,495.7	2,728.2	2,737.3
Net income from continuing operations	511.0	(2.247)	605.0	(180)	383.0
Cash flow from operations	1,546.7	1,955.5	2,482.7	2,572.2	2,339.3
Capital expenditures	2,585.0	2,282.0	2,306.0	2,253.0	1,959.0
Free operating cash flow	(1,038.3)	(326.5)	176.7	319.2	380.3
Discretionary cash flow	(1,214.3)	(412.5)	(7.3)	83.2	181.3
Cash and short-term investments	4,584.0	4,024.0	5,409.0	5,060.0	5,627.0
Debt	15,705.6	14,702.3	13,300.8	13,347.9	14,294.2
Equity	4,583.0	4,460.0	6,857.0	6,769.7	7,156.6
Adjusted ratios					
EBITDA margin (%)	9.8	9.8	10.5	10.3	11.1
Return on capital (%)	8.5	6.9	7.0	8.4	11.9
EBITDA interest coverage (x)	3.8	3.6	5.7	3.8	2.7
FFO cash int. cov. (x)	10.2	9.4	10.2	11.3	14.9
Debt/EBITDA (x)	5.2	5.1	4.6	4.0	3.8
FFO/debt (%)	13.8	14.3	18.8	20.4	19.1
Cash flow from operations/debt (%)	9.8	13.3	18.7	19.3	16.4
Free operating cash flow/debt (%)	(6.6)	(2.2)	1.3	2.4	2.7
Discretionary cash flow/debt (%)	(7.7)	(2.8)	(0.1)	0.6	1.3

Liquidity: Adequate

We assess SNCF Mobilités' liquidity as adequate. Although sources will exceed uses by about 1.8x over the 12 months to March. 31, 2018, we believe the currently high cash position is attributable to a significant debt issuance in the first quarter of 2017 (about €1.1 billion new debt in January-February 2017). We anticipate that the cash position will normalize over the reminder of the year. Our liquidity assessment continues to be supported by SNCF Mobilités' high standing in capital markets, sound relationship with banks, and generally prudent risk management, which ensure the maintenance of adequate liquidity.

Principal Liquidity Sources	Principal Liquidity Uses
We estimate liquidity sources in the 12 months to March 31, 2018 to be about €8.4 billion including: • About €5.3 billion of unrestricted cash and cash equivalents, including negotiable debt securities; • Availability of €1.4 billion under multiple credit lines maturing in 2018; and • Forecast unadjusted cash flows from operations of €1.7 billion.	We estimate SNCF Mobilités' liquidity needs over the same period to be about €4.7 billion, comprising: • Debt maturities of about €2.1 billion, including about €0.8 billion of commercial paper, which we think will be largely refinanced; • Capex, net of capital subsidies, of about €2.3 billion; • Working capital uses of about €150 million; and • Dividends of about €150 million.

Debt maturities

2017: €2.9 billion

2018-2021: €3.8 billion

After 2021: €12.7 billion

Covenant Analysis

We understand that SNCF Mobilités' debt at the EPIC level is not subject to any financial covenants.

Government Influence

The 'AA-' long-term corporate credit rating on SNCF Mobilités incorporates six notches of uplift from the SACP of 'bbb-'. This is based on our view of an extremely high likelihood that France would provide sufficient and timely extraordinary support to SNCF Mobilités if needed. This reflects our assessment of the company's:

- Very important role for the French government as the country's incumbent provider of passenger rail services and main railway freight operator. While a greater level of competition is expected in the future, SNCF Mobilités will still play an important role, although with diminished influence.
- Integral link with its sole owner. We base this view on the French government's full control over, and full involvement in, SNCF Mobilités' management and strategy, although following the rail law reform effective from January 2015, it happens through the holding parent company, SNCF (EPIC de tête) as "comite de pilotage". However, SNCF Mobilités receives the subsidies directly from the state, and we think that extraordinary support would likely also be provided directly (not through the holding company).

The imminent liberalization of the rail market in Europe, and opening the previously national markets to competition, could result in a diminished role for SNCF Mobilités in France but increased presence and revenue generation internationally. Although we expect this process to be gradual, and the company to remain important to the French State--given it is likely to continue operating in the most important regions, including Paris--we think the government may potentially reconsider its relationship with SNCF Mobilités within the next 5-10 years. Should market liberalization be more rapid or detrimental to SNCF Mobilités, we could reconsider our assessment of the likelihood of extraordinary state support.

Ratings Score Snapshot

Corporate Credit Rating

AA-/Stable/A-1+

Business risk: Satisfactory

- **Country risk:** Low
- **Industry risk:** Low
- **Competitive position:** Satisfactory

Financial risk: Intermediate

- **Cash flow/Leverage:** Intermediate

Anchor: bbb

Modifiers

- **Diversification/Portfolio effect:** Neutral (no impact)
- **Capital structure:** Neutral (no impact)
- **Financial policy:** Neutral (no impact)
- **Liquidity:** Adequate (no impact)
- **Management and governance:** Satisfactory (no impact)
- **Comparable rating analysis:** Negative (-1 notch)

Stand-alone credit profile : bbb-

- **Likelihood of government support:** Extremely high (+6 notches from SACP)

Reconciliation

Table 3

Reconciliation Of SNCF Mobilités Reported Amounts With S&P Global Ratings Adjusted Amounts (Mil. €)

	--Fiscal year ended Dec. 31, 2016--						
SNCF Mobilites reported amounts							
	Debt	**Shareholders' equity**	**EBITDA**	**Operating income**	**Interest expense**	**EBITDA**	**Cash flow from operations**
Reported	19,473.0	4,453.0	2,320.0	878.0	796.0	2,320.0	1,364.0
S&P Global Ratings adjustments							
Interest expense (reported)	--	--	--	--	--	(796.0)	--
Interest income (reported)	--	--	--	--	--	516.0	--
Current tax expense (reported)	--	--	--	--	--	(397.0)	--

Table 3

Reconciliation Of SNCF Mobilités Reported Amounts With S&P Global Ratings Adjusted Amounts (Mil. €) (cont.)							
Operating leases	2,243.5	--	629.0	138.1	138.1	490.9	490.9
Postretirement benefit obligations/deferred compensation	1,622.0	--	6.0	6.0	26.0	(18.8)	(34.8)
Surplus cash	(4,163.7)	--	--	--	--	--	--
Dividends received from equity investments	--	--	40.0	--	--	40.0	--
Asset retirement obligations	453.7	--	--	--	6.0	17.6	17.6
Non-operating income (expense)	--	--	--	701.0	--	--	--
Reclassification of interest and dividend cash flows	--	--	--	--	--	--	(291.0)
Non-controlling Interest/Minority interest	--	130.0	--	--	--	--	--
Debt - Guarantees	216.0	--	--	--	--	--	--
Debt - Derivatives	(1,415.0)	--	--	--	--	--	--
Debt - Fair value adjustments	(26.0)	--	--	--	--	--	--
Debt - Debt serviced by third parties	(2,698.0)	--	--	--	--	--	--
Interest expense - Other	--	--	--	--	(179.0)	--	--
FFO - Other	--	--	--	--	--	--	--
Total adjustments	(3,767.4)	130.0	675.0	845.1	(8.9)	(147.3)	182.7
S&P Global Ratings adjusted amounts							
	Debt	**Equity**	**EBITDA**	**EBIT**	**Interest expense**	**Funds from operations**	**Cash flow from operations**
Adjusted	15,705.6	4,583.0	2,995.0	1,723.1	787.1	2,172.7	1,546.7

We make the following analytical adjustments to the reported financials of SNCF Mobilités.

- We add to reported debt: €2.2 billion of operating leases; €1.6 billion of unfunded post retirement obligations; €692 million of asbestos provisions net of tax (adjustment to debt of €454 million); and €216 million of off balance-sheet commitments.
- We deduct from reported debt: €593 million hedging derivatives; €822 million trading derivatives; €26 million fair value hedges netted of by locked repayment rates; €2,698 million receivables from SNCF Réseau, EPIC, and CDP; and €4,164 million surplus cash.
- We reduce SNCF Mobilités' reported debt by receivables from SNCF Réseau EPIC, and CDP as although the liability for payments ultimately rests with SNCF Mobilités (that is, if either RFF, CDP, or SNCF-EPIC were to miss the timely payments corresponding to the outstanding receivables, SNCF Mobilités would ultimately have to pay), we think that this risk is mitigated by our expectation that the French government would almost certainly provide timely extraordinary support to these entities, if needed, and before any default on financial obligations.
- We also reduce SNCF Mobilités' interest figure by the interest attributable to these loans (€179 million in FY2016).
- We do not make any further adjustments to our FFO calculation to reflect the reduction in the interest attributable to the SNCF Réseau, EPIC, and CDP debt because the reported interest income of €516 million already include those.
- We add to EBITDA: €40 million dividends from equity investments.

Related Criteria

- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- General Criteria: Rating Government-Related Entities: Methodology And Assumptions, March 25, 2015
- Criteria - Corporates - General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- Criteria - Corporates - Industrials: Key Credit Factors For The Transportation Infrastructure Industry, Nov. 19, 2013
- Criteria - Corporates - General: Corporate Methodology: Ratios And Adjustments, Nov. 19, 2013
- Criteria - Corporates - General: Corporate Methodology, Nov. 19, 2013
- General Criteria: Group Rating Methodology, Nov. 19, 2013
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities And Insurers, Nov. 13, 2012
- General Criteria: Stand-Alone Credit Profiles: One Component Of A Rating, Oct. 1, 2010
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009
- Criteria - Corporates - General: 2008 Corporate Criteria: Rating Each Issue, April 15, 2008

Related Research

- French Rail operator SNCF Mobilites 'AA-/A-1+' Ratings Affirmed; Outlook Stable, Nov. 25, 2016

Business And Financial Risk Matrix

	Financial Risk Profile					
Business Risk Profile	Minimal	Modest	**Intermediate**	Significant	Aggressive	Highly leveraged
Excellent	aaa/aa+	aa	a+/a	a-	bbb	bbb-/bb+
Strong	aa/aa-	a+/a	a-/bbb+	bbb	bb+	bb
Satisfactory	a/a-	bbb+	**bbb/bbb-**	bbb-/bb+	bb	b+
Fair	bbb/bbb-	bbb-	bb+	bb	bb-	b
Weak	bb+	bb+	bb	bb-	b+	b/b-
Vulnerable	bb-	bb-	bb-/b+	b+	b	b-

Ratings Detail (As Of July 7, 2017)	
SNCF Mobilites	
Corporate Credit Rating	AA-/Stable/A-1+
Commercial Paper	
Local Currency	A-1+
Senior Unsecured	AA-
Short-Term Debt	A-1+
Corporate Credit Ratings History	
25-Oct-2016	AA-/Stable/A-1+
14-Oct-2014	AA-/Negative/A-1+

Ratings Detail (As Of July 7, 2017) (cont.)	
12-Nov-2013	AA-/Stable/A-1+
23-Jul-2013	AA/Developing/A-1+
06-Nov-2012	AA/Watch Dev/A-1+
Related Entities	
Agence Centrale des Organismes de Securite Sociale (ACOSS)	
Issuer Credit Rating	--/--/A-1+
Commercial Paper	A-1+
Assistance Publique - Hopitaux de Paris	
Issuer Credit Rating	AA/Stable/A-1+
Commercial Paper	
Local Currency	A-1+
Senior Unsecured	AA
Caisse Centrale de Reassurance	
Financial Strength Rating	
Local Currency	AA/Stable/--
Issuer Credit Rating	
Local Currency	AA/Stable/--
Caisse Francaise de Financement Local	
Senior Secured	AA+/Stable
Caisse Nationale des Autoroutes	
Issuer Credit Rating	AA/Stable/--
CCR RE	
Financial Strength Rating	
Local Currency	A-/Stable/--
Issuer Credit Rating	
Local Currency	A-/Stable/--
France (Republic of)	
Issuer Credit Rating	AA/Stable/A-1+
Transfer & Convertibility Assessment	AAA
Senior Unsecured	AA
La Banque Postale	
Issuer Credit Rating	A/Stable/A-1
Certificate Of Deposit	
Local Currency	A-1
Senior Unsecured	A
Short-Term Debt	A-1
Subordinated	BBB-
La Banque Postale Home Loan SFH	
Senior Secured	AAA/Stable
La Poste	
Issuer Credit Rating	A/Stable/A-1
Commercial Paper	
Local Currency	A-1
Senior Unsecured	A

Ratings Detail (As Of July 7, 2017) (cont.)	
Short-Term Debt	A-1
SFIL	
Issuer Credit Rating	AA/Stable/A-1+
Commercial Paper	
Local Currency	A-1+
Senior Unsecured	AA
SNCF Reseau	
Issuer Credit Rating	AA/Negative/A-1+
Commercial Paper	
Local Currency	A-1+
Senior Unsecured	AA
Senior Unsecured	AA/A-1+
Societe Anonyme de Gestion de Stocks de Securite	
Issuer Credit Rating	AA/Stable/A-1+
Commercial Paper	
Local Currency	A-1+
Senior Unsecured	AA
Societe de Prise de Participation de l Etat	
Issuer Credit Rating	--/--/A-1+

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

Additional Contact:
Infrastructure Finance Ratings Europe; InfrastructureEurope@spglobal.com