



PRESS RELEASE

SNCF
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SNCF GROUP FINANCIAL INFORMATION

WARNING

This press release comes amid the enactment of French legislation — the Act of 4 August 2014 — introducing rail reform and creating a public rail company (SNCF).

Seventy-five years after French National Railways (SNCF) was founded, this new Act will lead to wide-reaching changes in the French rail system. Aimed at improving the system's service quality and financial prospects, it provides for in-depth modifications in the current organization of the French railways system and of SNCF in particular. These will apply from 1 January 2015, when the law takes effect.

From that date, the national rail transport system will consist of three indivisible State-owned entities: SNCF, SNCF Mobilités and SNCF Réseau, together making up the new French national railways group. It will be headed by SNCF, in charge of control and strategy, business focus and cohesiveness, and operational integration.

SNCF Mobilités will comprise all transport operating services handled by SNCF prior to the reform, whether through the public entity or through subsidiaries, in particular Keolis and Geodis. The legal entity currently known as SNCF will become SNCF Mobilités effective 1 January 2015.

Starting the same date, SNCF Réseau will manage France's national rail infrastructure, previously divided between Réseau Ferré de France (RFF) and SNCF (through its SNCF Infra business unit, the latter including train circulation management (Direction de la Circulation Ferroviaire). Technically, RFF will absorb the other operations, and will operate under the new name SNCF Réseau.

As a result, and in keeping with IFRS 5, activities that will be transferred under the Act of 4 August 2014 will be shown as a separate line item in the income statement, and no longer appear in Group revenue as presented. Because of this, activities described in this press release cover revenues of SNCF Group but do not include the SNCF Infra business unit ("Group total excl. SNCF Infra"). SNCF Infra's operations are presented for information only.

The financial statements of France's new public railway group (SNCF) will be available starting in the first half of 2015. The share of SNCF Infra operations that are internal to this new group will not appear in its published revenue.

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REVENUE FOR THE FIRST NINE MONTHS OF 2014

Significant growth, particularly in Q3 (+3.4%).

Strong expansion on international markets, which now account for nearly 25% of Group revenue (excluding SNCF Infra).

Steep rise in volume of railway network renovation and upgrades (+13.8%).

Although the French economy is still struggling and despite strikes in June in France, SNCF Group (excluding SNCF Infra) reported revenue up 1.3% at the end of September.

Growth was driven by the international expansion of Keolis (+19%) and Geodis (+7.2% excluding Europe).

In the third quarter alone SNCF Group (excluding SNCF Infra) reported a 3.4% rise in revenue.

REVENUE FOR THE FIRST NINE MONTHS OF 2014

€ MILLIONS	9M 2013	9M 2014	Change at constant scope of consolidation & exchange rates
SNCF Proximités (local & regional passenger transport)	8 622	8 868	+3.4%
SNCF Voyages (long-distance passenger services & distribution)	4 452	4 371	-1.5%
Gares & Connexions (station management & development)	192	206	+7.2%
SNCF Logistics¹ (freight transport & logistics)	6 617	6 558	+0.8%
Group total (excl. SNCF Infra)*	20 152	20 251	+1.3%
SNCF Infra (infrastructure & engineering)	3 779	3 939	+4.2%

*Including shared functions and after intra-group sales.

¹ Formerly SNCF Geodis business unit

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SNCF GROUP BUSINESS (EXCLUDING SNCF INFRA)

SNCF Group reported **revenue of €20,251 bn at 30 September, a rise of 1.3%** compared with the first nine months of 2013 at constant scope of consolidation and exchange rates.

Adjusted for the impact of strikes in June in France (which cut revenue by nearly €220 million), SNCF Group revenue shows a **2.4% rise**.

The SNCF Proximités business unit (local & regional passenger transport under public contract) reported revenue up 3.4%, buoyed by **Keolis whose revenue rose 8.6%, including a 19% increase on international markets**.

SNCF Logistics² (freight transport & logistics) reported growth of 0.8%.

Gares & Connexions was up 7.2%, with growth driven primarily by revenue from in-station retail operations.

SNCF Voyages (TGV high-speed rail) reported revenue down 1.5% in the nine months to September, due to a 3-point rise in French Value-Added Tax that took effect on 1 January 2014 against a backdrop of increased competition (from car sharing and low-cost flights in particular).

At 30 September 2014, **SNCF Group, excluding SNCF Infra, derived nearly 25% of its total revenue from markets outside France.**

In Q3 2014 alone, growth came to 3.4% at constant scope of consolidation and exchange rates, driven primarily by SNCF Proximités (+6.2%, including +12.5% for Keolis). Revenues at SNCF Voyages and SNCF Logistics were up by 1.6% and 1.1% respectively.

PERFORMANCE BY BUSINESS UNIT

SNCF PROXIMITÉS BUSINESS UNIT

Revenue totalled €8,868 million at 30 September 2014. At constant scope of consolidation and exchange rates, this represents a **3.4% increase**.

TER regional express trains reported revenue up 1.9%, driven primarily by a rise in payments received by Transport Organizing Authorities for higher track access fees and deployment of a new tax for platform maintenance and upgrades, which was paid to Réseau Ferré de France (current owner of the French railway network) in full. Revenue from ticket sales was down (-3.1%) reflecting the 3.4% decline in traffic linked in part to the strike in June.

Transilien commuter rail transport in the Paris region showed a slight 0.5% rise. Income from ticket sales was down (-5.6%) due in large part to reimbursements to railcard holders following strikes in June. Traffic was steady (-0.1%).

² Formerly SNCF Geodis business unit

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Intercités regional classical trains operated under contract with the French state reported revenue down 3.4%, due primarily to a decline in ticket income (-2.6%, with 2% attributable to the June strike).

Keolis, SNCF's mass transit subsidiary, reported a step 8.6% rise in revenue, including a 19.0% increase on international markets (at constant scope of consolidation and exchange rates). This strong growth was underpinned by the start-up on July 1 of a contract to operate **Boston's rail network** (representing a projected €1.9 billion in total revenue over an 8-year period).

In the year to 30 September 2014, Keolis generated half of its business on international markets.

In Q3 2014 alone, revenue trends at the SNCF Proximités business unit showed **much stronger growth** than in the first half of the year (+6.2% in Q3 vs +2.0% in H1 2014), **thanks to strong growth at Keolis (+12.5% in Q3)**.

SNCF VOYAGES BUSINESS UNIT

Revenue totalled €4,371 million at 30 September 2014, down 1.5% at constant scope of consolidation and exchange rates compared with the first nine months of 2013. **European business was up by 1.8%**.

An effective "budget fares" offering contributed to a slight rise in traffic at 30 September (excluding the impact of June strikes in France and assuming an identical product offering), despite persistent economic stagnation and stepped-up competition from car-sharing and low-cost flights in particular.

In France, a decline in ticket revenues is due largely to the impact of a 3-point rise in French Value-Added Tax that took effect on 1 January in this competitive environment.

In Q3 2014 alone, the SNCF Voyages business unit reported a 1.6% rise in revenue, reflecting in particular a rise in traffic over the quarter.

GARES & CONNEXIONS BUSINESS UNIT

Revenue generated outside SNCF Group totalled €206 million at 30 September 2014, up 7.2% from the first nine months of 2013.

Growth was due primarily to **the development of services and retail operations in stations**, advertising space and vending machines.

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SNCF LOGISTICS³ (FREIGHT TRANSPORT AND LOGISTICS)

Revenue totalled €6,558 million at 30 September 2014, up 0.8% from the first nine months of 2013 at constant scope of consolidation and exchange rates.

Against the backdrop of Western Europe's persistently lacklustre economy:

- Geodis revenue rose 0.9% with **an increase in international business** (transport commission and logistics services) more than offsetting a decline in France.
- STVA revenue was down 2.7%, with most of the decline stemming from road haulage and warehousing operations in France that was partly offset by a rise in other business areas.
- Revenue at the rail and freight transport hub TFM and Multimodal services rose 1.5%. The impact of June strikes was more than offset by international business.
- Equipment and property management business was down 2.3% due to a decline in operations at group technical and maintenance centres.

Organic growth in business outside Europe stood at 7.2%, while sales in Europe were down 0.7% at constant scope of consolidation and exchange rates.

At 30 September 2014, the SNCF Logistics business unit derived nearly half of its revenue from international markets.

In Q3 2014, SNCF Logistics revenue was up 1.1% at constant scope of consolidation and exchange rates, continuing trends observed in the first half of the year (+1.1% excluding the impact of the June strikes in France).

SNCF INFRA BUSINESS UNIT

Note: Business conducted by SNCF Infra and described below no longer appears in SNCF Group's consolidated revenue⁴.

Revenue totalled €3,939 million at 30 September 2014, up 4.2% compared with the first nine months of 2013. This vigorous rise stems from persistently strong growth in **network maintenance, renovation and development, particularly in the Paris region**. Projects included upgrades of facilities at Paris-Saint-Lazare and Paris-Gare de Lyon stations, engineering works to improve accessibility for urban transport, Eole, the Tangentielle Nord link and more.

In Q3 2014 in particular, SNCF Infra reported growth of 6.0% linked to a **very high level of engineering works**. Projects included upgrades to infrastructure on Line L and consolidation of Line C in the Paris region; upgrades to lines in south-western France (Paris-Limoges-Toulouse link); upgrades in western France (Pays de la Loire) and eastern France (Champagne Ardennes); work on high-speed TGV lines (Southern Europe Atlantic; TGV Est), and more.

³ Formerly SNCF Geodis business unit

⁴ In keeping with IFRS 5, activities to be transferred as provided in the Act of 4 August 2014 are shown as a separate line item in income statement and no longer appear in SNCF Group revenue as presented.



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SNCF GROUP CHALLENGES AND OUTLOOK

In view of the persistently sluggish economy in France — where GDP growth is projected to reach +0.4% in 2014 — full-year prospects remain uncertain:

- Continued difficulties in returning to strong growth in passenger rail traffic for both commuter travel and longer distance high-speed railway services
- Slight rise in rail freight transport volume on international markets
- Continued dynamic business for Keolis, buoyed by international expansion

Activities operated by the SNCF Infra business unit, which no longer appear in SNCF Group revenue, will continue to expand rapidly.

SNCF Group's consolidated financial statements for H1 2014 at the current scope of operations remain available on the SNCF.com website under "Finance" at: <http://www.sncf.com/en/meet-sncf/finance/financial-documents>

About SNCF Group (before deployment of rail reform in France)

Present in 120 countries, SNCF is a world leader in mobility and logistics. Its total workforce of 250,000 generated revenue of €32.2 billion in 2013, with over 25% of sales from markets outside France. A French State-owned Group, SNCF builds on its foundations in rail to offer a broad range of services, delivering seamless door-to-door mobility for transport and logistics operators, passengers, and the regional and local governments that are its organizing authorities.

SNCF Group targets cross-border and international markets, and has five business units: SNCF Proximités operates local, urban and regional passenger services; SNCF Voyages operates long-distance passenger services and distribution; Gares & Connexions manages and develops train stations; SNCF Logistics provides freight and logistics services; and SNCF Infra manages, operates, maintains and develops rail and related infrastructure.

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