



**SECOND SUPPLEMENT DATED 7 MARCH 2017
TO THE EURO MEDIUM TERM NOTE PROGRAMME BASE PROSPECTUS
DATED 31 MAY 2016**

SNCF Réseau
(formerly Réseau Ferré de France)
(established as an "*établissement public industriel et commercial*"
under the laws of the Republic of France)
Euro 45,000,000,000
Euro Medium Term Note Programme

This second supplement (the "**Second Supplement**") is supplemental to, and should be read in conjunction with, the Base Prospectus dated 31 May 2016 (the "**Base Prospectus**") as supplemented by a first supplement dated 5 August 2016 (the "**First Supplement**") prepared in relation to the €45,000,000,000 Euro Medium Term Note Programme of SNCF Réseau (the "**Programme**"). The Base Prospectus as so supplemented constitutes a base prospectus for the purpose of the Directive 2003/71/EC (as amended by Directive 2010/73/EU, the "**Prospectus Directive**"). The *Autorité des marchés financiers* (the "**AMF**") has granted visa n°16-217 on 31 May 2016 on the Base Prospectus and visa n°16-386 on 5 August 2016 on the First Supplement.

Application has been made for approval of this Second Supplement to the AMF in its capacity as competent authority pursuant to article 212-2 of its *Règlement Général* which implements the Prospectus Directive in France. This Second Supplement constitutes a supplement to the Base Prospectus as supplemented by the First Supplement and has been prepared for the purpose of article 16.1 of the Prospectus Directive and of article 212-25 of the AMF's *Règlement Général*.

Terms defined in the Base Prospectus as supplemented by the First Supplement have the same meaning when used in the Second Supplement.

This Second Supplement has been prepared for the purposes of incorporating by reference the French language audited consolidated and non-consolidated financial statements of SNCF Réseau for the financial year ended 31 December 2016.

Save as disclosed in this Second Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus as supplemented by the First Supplement which is material in the context of the Programme since the publication of the First Supplement. To the extent that there is any inconsistency between (a) any statements in this Second Supplement and (b) any other statement in, or incorporated in, the Base Prospectus as supplemented, the statements in the Second Supplement will prevail.

Copies of this Second Supplement (a) may be obtained, free of charge, during normal business hours at the specified office of the Issuer, the Fiscal Agent and the Registrar and any Transfer Agent, at the specified office in Luxembourg of the Principal Paying Agent and at the specified office in Paris of the Paris Paying Agent, (b) will be available on the website of the AMF (www.amf-france.org) and (c) will be available on the website of the Issuer (www.sncf-reseau.fr).

In relation to any offer of Notes to the public, and provided that the conditions of article 16 (2) of the Prospectus Directive are fulfilled, investors who have already agreed to purchase or subscribe for Notes to be issued under the Programme before this Second Supplement is published, have the right according to article 16 (2) of the Prospectus Directive, to withdraw their acceptances within a time limit of two (2) working days after the publication of this Second Supplement, i.e. until 9 March 2017 (inclusive).

TABLE OF CONTENTS

	Page
SUMMARY OF THE PROGRAMME	3
RÉSUMÉ EN FRANÇAIS (FRENCH LANGUAGE SUMMARY OF THE PROGRAMME)	13
RISK FACTORS	23
DOCUMENTS INCORPORATED BY REFERENCE	25
DESCRIPTION OF SNCF RESEAU	28
GENERAL INFORMATION	33
PERSON RESPONSIBLE FOR THE INFORMATION GIVEN IN THE SECOND SUPPLEMENT	34

SUMMARY OF THE PROGRAMME

The section entitled “Summary of the Programme” of the Base Prospectus shall be amended as follows:

Subsection B.4b entitled “Trends” on page 11 of the Base Prospectus shall be deleted in its entirety and replaced with the following:

B.4b	Trends	<p>The fiscal year 2016 was the first full year since the reform’s implementation and the creation of SNCF Réseau. Despite a difficult context marked by floods, strikes and terrorist attacks in the first half, network maintenance and renewal work amounting to over €5 billion was completed. This represents over 1,500 projects throughout France, of which half were carried out at night. This success was due to the commitment of all our employees, who have mobilized to create a safer and more efficient network, offering better service quality to its clients. Investments in safety, an absolute priority for the Public Rail Group, were boosted, through the PRISME Safety Excellence programme for example. As part of the VIGIRAIL plan, 463 switches were renewed in 2016, following 405 renewals in 2015 and 363 renewals in 2014.</p> <p>Moreover, the fiscal year 2016 was an opportunity to overhaul the SNCF Réseau financing policy to take into account the market trend and investor expectations. The Issuer has put an emphasis on the diversification of its financing, in geographical and format terms, in order to further diversify its financing sources, market depth and the Issuer’s financing capacity. In this context, a bond issue in U.S. Dollars and a “green bond” issue under the EMTN programme were initiated in 2016:</p> <ul style="list-style-type: none"> - an inaugural foreign currency (US Dollar) public issue with a 3-year maturity for USD 1 billion 57% of this issue was distributed in North America, Asia and the Middle East, three zones where the Issuer had little or no presence previously (10% of total RFF / SNCF Réseau issues since 1997). - an inaugural Green Bond public issue with a 15-year maturity for €900 million in order to finance the primary network’s priority modernisation. This inaugural transaction was very well met by the market (order book of €1.4 billion) and enabled a diversification with Socially Responsible Investors (who represented 62% of the subscribers). The Issuer has thus become the number 1 rail infrastructure manager in the world and the first transport sector company in Europe to issue a Green Bond. <p>Pursuant to the rail reform law, measures for financing the rail system were introduced to:</p> <ul style="list-style-type: none"> - Guarantee a high level of safety for persons and goods on the network; - Improve the quality of service offered to transport operators, particularly freight;
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		<ul style="list-style-type: none"> - Facilitate the financial recovery of the Issuer: financial trajectory agreement that should cover, within a period of ten years from the effective date of the multi-year performance contract, the full cost of the network and control the change in debt carried by the Issuer. <p>These measures are essentially reflected in the expected implementation of:</p> <ul style="list-style-type: none"> - the multi-year performance contract (2017-2026) with the French State which has been validated by the Board of Directors of the Issuer on 20 December 2016, pending its signature after opinion to the French rail & road regulation authority (ARAFER). <p>Over a period of ten years, the contract provides for the increase in budgets earmarked for the modernisation of the primary network, thus providing the Issuer with a long-term view of the available resources:</p> <ul style="list-style-type: none"> - the golden rule principle which is contained in a draft decree currently submitted to the <i>Conseil d'Etat</i>. <p>The purpose of this rule is to help control the Issuer's debt by setting a ratio (Net Debt/Gross Profit) threshold, beyond which the Issuer can no longer participate in investment financing for rail network development, which then must be fully covered by requesting parties (State, local authorities, etc.).</p>
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Subsections B.10 entitled “Audit report qualifications” on pages 12 to 14 of the Base Prospectus and B.12 entitled “Selected historical key financial information” on pages 14 to 16 of the Base Prospectus are hereby deleted and shall be replaced with the following:

B.10	Audit report qualifications	<p>The consolidated and the non-consolidated financial statements of the Issuer for the years ended 31 December 2015 and 31 December 2016 were audited by the statutory auditors who issued audit reports. Such audited reports contain the following qualifications and observations in respect of the financial year ended 31 December 2015 and the following qualifications in respect of the year ended 31 December 2016:</p> <p>The statutory auditors' report on the consolidated financial statements for the year ended 31 December 2015 contains the following qualification: <i>“As stated in Note 4.5 to the consolidated financial statements concerning impairment test at the level of the infrastructure cash-generating unit, at 30 June 2015 SNCF Réseau identified indications of asset impairment. Following discussions and negotiations held with the French State during the second half of 2015, Management drew up a financial trajectory and carried out impairment test at 31 December 2015, based on a methodological approach that was adapted to the special characteristics of SNCF Réseau (for the railway network currently in service, the terminal value calculation uses 2030 as the standard final year, and includes deferred tax assets in the tested asset base and tax savings over the long term). For the railway network currently in service, 2030 was chosen as the year in which the Company foresees that the network will be considered to be stabilized at expected performance levels. The cash flow projections, based on discussions held prior to the signature of the multi-year performance contract between the Company and the French State as provided for in the Rail Reform</i></p>
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Act of 4 August 2014, incorporate (i) cash receipts (infrastructure fees, access charges and investment subsidies) which improve significantly over time and are mainly generated from commitments received from the French State, and (ii) expenses (installation work and maintenance) and capital investment in renovations and renewals in connection with the Company's significant productivity goals. Based on these assumptions, the Company recognised an impairment loss of €9.6 billion. This amount reflects the balance reached during negotiations between the Company and the French State, based on the assumption that (i) the State will effectively implement all means and commitments necessary to support the recoverable amounts calculated using the approach detailed above and (ii) that the Company is capable of achieving its productivity goals. Furthermore, the French State has not yet signed a contract formalising its commitments. Finally the terminal value, which is the main component of the value-in-use calculation, is based on a renovated, operational railway network that we are unable to compare to any corresponding historical situation. There are therefore major risks and uncertainties involved in these assumptions, and consequently the amount of the impairment loss could increase significantly. As a result, we are unable to assess the reliability of these projections and are therefore unable to form a conclusion on the net value of the assets concerned, which amounted to €33 billion after depreciation and impairment in the consolidated financial statements at 31 December 2015.”

The statutory auditor’s report on the consolidated financial statements for the year ended 31 December 2015 contains also the following emphasis of matters: “*Without qualifying our opinion, we draw your attention to the matters set out in the following notes to the consolidated financial statements: Note 2.1, which describes the main accounting impacts related to the implementation of rail reform; and note 2.2, which describes the changes in presentation made to the consolidated financial statements in order to be consistent with Groupe Public Ferroviaire's financial statements.*”

The statutory auditor’s report on the non-consolidated financial statements for the year ended 31 December 2015 contains the following qualification: “*As stated in Note 6.2.3 to the financial statements concerning impairment test at the level of the infrastructure cash-generating unit, at 30 June 2015 SNCF Réseau identified indications of asset impairment. Following discussions and negotiations held with the French State during the second half of 2015, Management drew up a financial trajectory and carried out impairment test at 31 December 2015, based on a methodological approach that was adapted to the special characteristics of SNCF Réseau (for the railway network currently in service , the terminal value calculation uses 2030 as the standard final year, and includes deferred tax assets in the tested asset base and tax savings over the long term). For the railway network currently in service, 2030 was chosen as the year in which the Company foresees that the network will be considered to be stabilized at expected performance levels. The cash flow projections, based on discussions held prior to the signature of the multi-year performance contract between the Company and the French State as provided for in the Rail Reform Act of 4 August 2014, incorporate (i) cash receipts (infrastructure fees, access charges and investment subsidies) which improve significantly over time and are mainly generated from commitments received from the French State, and (ii) expenses (installation work and maintenance) and capital investment in renovations and renewals in connection with the Company's significant productivity goals. Based on these assumptions, the Company recognised an impairment loss of €9.6 billion. This amount reflects the balance reached during negotiations between the Company and the French State, based on the assumption that (i) the State will effectively*

implement all means and commitments necessary to support the recoverable amounts calculated using the approach detailed above and (ii) that the Company is capable of achieving its productivity goals. Furthermore, the French State has not yet signed a contract formalising its commitments. Finally, the terminal value, which is the main component of the value-in-use calculation, is based on a renovated, operational railway network that we are unable to compare to any corresponding historical situation. There are therefore major risks and uncertainties involved in these assumptions, and consequently the amount of the impairment loss could increase significantly. As a result, we are unable to assess the reliability of these projections and are therefore unable to form a conclusion on the net value of the assets concerned, which amounted to €29 billion after depreciation and impairment at 31 December 2015.”

The statutory auditor’s report on the non-consolidated financial statements for the year ended 31 December 2015 contains also the following emphasis of matters: “*Without qualifying our opinion, we draw your attention to the matters set out in the following notes to the financial statements: Note 2.1, which describes the changes in accounting policy applied by the Company for the recognition of taxes; the note 3.1, which describes the main accounting impacts related to the implementation of rail reform; and the note 5.2, which describes the changes in presentation made to the financial statements in order to be consistent with Groupe Public Ferroviaire’s financial statements.*”

The statutory auditors’ report on the consolidated financial statements for the year ended 31 December 2016 contains the following qualification: *As stated in Note 4.4 to the consolidated financial statements concerning impairment tests at the level of the infrastructure cash-generating unit, at 31 December 2015, SNCF Réseau carried out an impairment test which led to the recognition of an impairment loss of €9.6 billion. As stated in Note 2.2.2 to the financial statements, following the approval of a performance contract by the Board of Directors on 20 December 2016 (Note 2.1.1.2 to the financial statements), SNCF Réseau identified indications of impairment of these assets and, at the end of the year, carried out i) an impairment test on its property, plant and equipment and intangible assets, ii) a separate valuation of its deferred tax assets in line with regulatory requirements, both of which were based on assumptions adapted to the special characteristics of SNCF Réseau. For the railway network currently in service, 2030 was chosen as the year in which the Company foresees that the network will be considered to be stabilized at expected performance levels. The cash flow projections, based on the 10-year financial trajectory of the performance contract between the Company and the French State incorporate (i) cash receipts (infrastructure fees, access charges and investment subsidies) which improve substantially over time and are mainly generated from commitments received from the French State, and (ii) expenses (installation work and maintenance) and capital investment in renovations and renewals in connection with the Company’s significant productivity goals. These assessments support (i) the net carrying amount of property, plant and equipment and intangible assets less the impairment loss of €9.6 billion recognized the previous year, and (ii) €3.8 billion in deferred tax assets. They reflect the balance of the negotiations on a performance contract between the Company and the French State based on the assumption that (i) the State will effectively implement all means and commitments necessary to support the recoverable amounts calculated using the approach detailed above, and (ii) the Company is capable of achieving its productivity goals. The terminal value, which represents 99% of value in use, is based on a renovated, operational railway network that cannot be correlated to any corresponding historical precedent. There are therefore major*

	<p><i>risks and uncertainties involved in the assumptions used to measure property, plant and equipment, intangible assets and deferred tax assets which could significantly increase the amount of the impairment loss. As a result, we are unable to assess their pertinence and are therefore unable to give an opinion on the net value of the assets concerned, which respectively amounted to €31.5 billion after depreciation and impairment in the consolidated financial statements at 31 December 2016 for plant, property and equipment and intangible assets, and to €3.8 billion for deferred tax assets.</i></p> <p>The statutory auditor’s report on the non-consolidated financial statements for the year ended 31 December 2016 contains the following qualification: <i>As stated in Note 5.2.3 to the financial statements concerning impairment tests at the level of the infrastructure cash-generating unit, at 31 December 2015, SNCF Réseau carried out an impairment test which led to the recognition of an impairment loss of €9.6 billion. As stated in Note 2.2.2 to the financial statements, following the approval of a performance contract by the Board of Directors on 20 December 2016 (Note 2.1.1.2 to the financial statements), the Company identified indications of impairment of these assets and, at the end of the year, carried out an impairment test on its property, plant and equipment and intangible assets based on assumptions adapted to the special characteristics of SNCF Réseau. For the railway network currently in service, 2030 was chosen as the year in which the Company foresees that the network will be considered to be stabilized at expected performance levels. The cash flow projections, based on the 10-year financial trajectory of the performance contract between the Company and the French State incorporate (i) cash receipts (infrastructure fees, access charges and investment subsidies) which improve substantially over time and are mainly generated from commitments received from the French State, and (ii) expenses (installation work and maintenance) and capital investment in renovations and renewals in connection with the Company's significant productivity goals. These assessments support the net carrying amount of property, plant and equipment and intangible assets less the impairment loss of €9.6 billion recognized the previous year. They reflect the balance of the negotiations on a performance contract signed between the Company and the French State based on the assumption that (i) the State will effectively implement all means and commitments necessary to support the recoverable amounts calculated using the approach detailed above, and (ii) the Company is capable of achieving its productivity goals. The terminal value, which represents 99% of value in use, is based on a renovated, operational railway network that cannot be correlated to any corresponding historical precedent. There are therefore major risks and uncertainties involved in the assumptions used to measure property, plant and equipment and intangible assets which could significantly increase the amount of the impairment loss. As a result, we are unable to assess their pertinence and are therefore unable to give an opinion on the net value of the assets concerned, which amounted to €31.5 billion after depreciation at 31 December 2016.</i></p>
B.12	Selected historical key financial information
	<p>The below selected historical key financial information of the Issuer is extracted from the audited consolidated financial statements of the Issuer as of 31 December 2015 and 31 December 2016.</p>

<i>Net profit for the year</i>			
In millions of euros	31 December 2015		31 December 2016
Recurring operating (loss)/profit	952		1,016
Net financial expense	(1,225)		(1,173)
Corporate income tax	(45)		37
Net profit for the year	(9,916)		(120)
<i>Infrastructure fees</i>			
In millions of euros	31 December 2015	31 December 2016	Change
Access fees	1,985	1,978	(7)
Route reservation fees	2,056	2,048	(8)
Traffic fees	1,410	1,350	(61)
Platform Fees	94	121	27
Additional electricity and electricity transmission fees*	259	239	(20)
Other income	43	43	-
Infrastructure fees	5,848	5,778	(70)
Freight compensation	31	78	47
Other revenue	384	585	201
Total revenue	6,264	6,441	177
*of which electricity transmission fee : M€ 151			
<i>Net financial expense</i>			
In millions of euros	31 December 2015	31 December 2016	Change
Expenses and income related to interests on debt and cash	(1,186)	(1,140)	46
Net changes in fair value and hedges	(22)	(11)	11
Other financial income	17	37	21
Other financial expenses	(21)	(44)	(23)
Cost of net debt	(1,212)	(1,158)	54
Finance cost of employee benefits	(13)	(15)	(3)

Net financial expense	(1,225)	(1,173)	52
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Net Debt

In millions of euros	31 December 2015			31 December 2016		
	Current	Non-current	Net indebtedness	Current	Non-current	Net indebtedness
Equity investments	0	1	0	0	1	0
Other loans and receivables	0	6	0	0	6	0
Assets at fair value through profit or loss	47	0	47	0	0	0
Positive fair value of derivatives	125	1,641	1,767	116	1,407	1,523
PPP financial assets	0	2,179	0	147	2,390	0
Financial assets	172	3,827	1,813	263	3,804	1,523
Cash and cash equivalents	2,523	0	2,523	3,229	0	3,229
Sub-total borrowings	2,396	40,821	43,212	2,063	43,530	45,588
Negative fair value of derivatives	42	1,641	1,683	22	2,265	2,287
Cash borrowings and overdrafts	1,621	0	1,621	1,751	0	1,751
PPP financial liabilities	0	2,258	0	156	2,443	0
Debt	4,059	44,720	46,517	3,993	48,237	49,627
Net debt	1,365	40,816	42,181	491	44,383	44,874

Since 31 December 2016, the last day of the financial period in respect of which the most recent audited financial statements of the Issuer have been prepared, there has been (i) no significant change in the financial or trading position of the Issuer and (ii) no material adverse change in the prospects of the Issuer.”

Subsections D.2 entitled “Key risks specific to the Issuer” on pages 30 to 32 of the Base Prospectus is hereby deleted and shall be replaced with the following:

D.2	<p>Key risks specific to the Issuer</p>	<p>The various risks that may affect the Issuer’s activities are identified according to their nature and are appreciated according to their likelihood, their impact and the possibility of preventing them. The impacts are usually assessed with respect to each risk according financial, legal, operating and reputation criteria. A single risk may have several impacts. These include the following:</p> <ul style="list-style-type: none"> • Financial / market risks (interest rate, liquidity, counterparty and currency risks) <ul style="list-style-type: none"> ○ Interest rate risk: the Issuer is exposed to interest rate risk, given the substantial amount of net debt that it has to refinance through the financial markets. ○ Liquidity risk: liquidity risk is constantly hedged through the proactive management of liquidity requirements, and access to diversified sources of funding both long-term (EMTN programme of €45 billion) and short-term (French commercial paper of €3 billion and Euro Commercial Paper of €5 billion). The network manager also benefits from a €1.25 billion credit line that has never been drawn down. ○ Counterparty risk: the Issuer is exposed to counterparty risk in the daily management of its cash flows and the management of its mid and long-term debt. ○ Currency risk: the Issuer negotiates foreign currency financing, which is translated into euros. ○ Risks relating to the status of SNCF Réseau: the French State can intervene in major decisions affecting the Issuer, since it is a State-owned industrial and commercial institution (EPIC). Accordingly, the performance contract validated by the Board of Directors of the Issuer at the end of 2016 provides it with the means to undertake its industrial transformation and fulfil the missions confided by the French State. This contract was submitted to ARAFER for an opinion prior to its signing by the French State and the Issuer.
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In addition to these risks specific to financial market activities, the Issuer is also exposed to financing risks relating to its financial involvement in different investment operations and counterparty risks involving customers or co-financing bodies. The risk of project deviation is also a significant financial issue for the entire company.

- **Major risks in operating sectors**

- Major legal risks: in addition to legal risks relating to the possibility of the Issuer being sued as an owner and operator, and also as prime contractor, the Issuer is also regularly confronted with new legal risks relating to developments in the regulatory framework to which it is subject, particularly regarding its rail infrastructure management or project management activities, and under the partnership agreements binding the network manager to its various partners (legal security of new concession or public-private partnership agreements).
- Economic risks: the macro-economic strategy of the network manager is driven by traffic growth and its impact on the collection of access fees as well as the effective control of network maintenance and extension costs.
- IT risks: as the Group's operations rely on IT systems, a failure or breakdown in their security could jeopardise the Group's reputation and hinder its financial performance.
- Major reputation risks: these risks mainly arise from rail incidents and accidents and are likely to tarnish the Issuer's image *vis-à-vis* investors and partners. Other risks relating to the network manager's activities (including, strictly speaking, outside the rail sector) are also identified as being likely to damage the Issuer's reputation and are also treated under this category (e.g. risks of damage to the environment).

- **Risk relating to climate change:** extreme weather conditions have already been observed on the rail network. These conditions negatively impact the infrastructure of the railway. The adaptability and technical strength of the railway infrastructure are new issues in the wake of climate change as they affect both traffic and network security.

		<ul style="list-style-type: none">• Insurance policy:<ul style="list-style-type: none">○ Wishing to control insurance costs while improving guarantees, the Group has pooled its insurance purchases for the benefit of the new Public Rail Group components, as provided under Article 5 of Decree no. 2015-137 of 10 February 2015. Because of the insurance policies extended to all the structured entities in connection with the rail reform law, SNCF Réseau has coverage for the major risks that implicate its civil liability or impact its property and for the operating losses arising from damages to its property or rail infrastructure. It is also covered for its LGV trials as part of a specific trials all-risk policy.
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**RÉSUMÉ EN FRANÇAIS
(FRENCH LANGUAGE SUMMARY OF THE PROGRAMME)**

The section entitled “Résumé en Français (French Language Summary of the Programme)” of the Base Prospectus shall be amended as follows:

Subsection B.4b entitled “*Tendances*” on page 41 of the Base Prospectus shall be deleted in its entirety and replaced with the following:

B.4b	Tendances	<p>2016 est la première année complète depuis la mise en œuvre de la réforme et la création de SNCF Réseau. En dépit d’un environnement complexe marqué par les inondations, les grèves et les attentats du 1^{er} semestre, plus de 5 milliards d’euros de maintenance et de régénération du réseau ont été réalisés. Cela représente plus de 1 500 chantiers, à travers toute la France, dont la moitié réalisés la nuit. Cette réussite est le fruit de l’engagement de l’ensemble des collaborateurs, mobilisés pour faire du réseau un réseau plus sûr et plus performant, offrant une meilleure qualité de service à ses clients. Ainsi, les investissements pour la sécurité, priorité du Groupe Public Ferroviaire, ont été renforcés, par exemple à travers le programme Excellence Sécurité PRISME. Dans le cadre du programme VIGIRAIL, 463 aiguillages ont été renouvelés en 2016 après 405 en 2015 et 363 en 2014.</p> <p>L’année 2016 a été l’occasion de refonder la politique de financement de l’Emetteur afin de tenir compte de l’évolution du marché et des attentes des investisseurs. L’Emetteur a mis l’accent sur la diversification de ses financements, en termes géographiques et en terme de format, afin d’accroître la diversité de ses sources de financement, la profondeur du marché et ainsi la capacité de financement de l’Emetteur. Dans ce cadre, une émission libellée en Dollars et une émission d’obligations « vertes » sous programme EMTN ont notamment été lancées en 2016 :</p> <ul style="list-style-type: none"> - une émission publique inaugurale en devise étrangère (US Dollar) d’un montant d’un milliard USD et de maturité 3 ans -- 57% de cette émission a été distribuée en Amérique du Nord, Asie et Moyen-Orient, trois zones dans lesquelles l’Emetteur était peu ou pas présent jusqu’alors (10% du total des émissions de RFF / SNCF Réseau depuis 1997). - une émission publique inaugurale d’obligations vertes (Green Bond) d’un montant de 900 millions d’Euro et de maturité 15 ans permettant de financer en priorité la modernisation du réseau structurant. Cette transaction inaugurale a été très positivement accueillie par le marché (livre d’ordres de 1,4 milliards d’euros) et a permis de se diversifier auprès d’Investisseurs Socialement Responsables (qui ont représenté 62% des acquéreurs). L’Emetteur est ainsi devenu le 1^{er} gestionnaire d’infrastructures ferroviaires au monde et la 1^{ère} entreprise du secteur des transports en Europe à émettre un Green Bond. <p>En application de la loi de réforme ferroviaire, des mesures de financement du système ferroviaire ont été prises pour :</p> <ul style="list-style-type: none"> - Garantir un haut niveau de sécurité des personnes et des biens
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		<p>sur le réseau ;</p> <ul style="list-style-type: none"> - Améliorer la qualité de service proposée aux opérateurs de transport, notamment de fret ; - Permettre le redressement financier de l’Emetteur : accord sur une trajectoire financière qui doit permettre, dans un délai de dix ans à compter de l’entrée en vigueur du contrat pluriannuel de performance, d’assurer la couverture du coût complet du réseau et la maîtrise de l’évolution de la dette portée par l’Emetteur. <p>Ces mesures se traduisent essentiellement par la mise en place attendue :</p> <ul style="list-style-type: none"> - d’un contrat pluriannuel de performance (2017-2026) avec l’Etat qui a été validé par le Conseil d’administration de l’Emetteur le 20 décembre 2016, en attente de signature après avis simple de l’ARAFER. <p>Ce contrat prévoit sur 10 ans la progression des budgets de modernisation du réseau structurant et donne ainsi à l’Emetteur une visibilité long-terme sur les moyens mis à sa disposition.</p> <ul style="list-style-type: none"> - du principe de la règle d’or inclus dans un décret actuellement soumis au Conseil d’Etat. <p>la règle d’or a pour objectif de contribuer à maîtriser l’endettement de l’Emetteur en fixant un ratio (Dette financière nette / MOP) au-delà duquel l’Emetteur ne peut plus participer au financement des investissements de développement du réseau ferroviaire, qui doit alors être assuré intégralement par les demandeurs (Etat, collectivités, ...).</p>
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Subsections B.10 entitled “Réserves du rapport d’audit” on pages 42 to 44 of the Base Prospectus and B.12 entitled “Informations financières historiques clés sélectionnées” on pages 44 to 46 of the Base Prospectus are hereby deleted and shall be replaced with the following:

B.10	Réserves du rapport d’audit	<p>Les comptes consolidés et individuels de l’Emetteur pour les exercices clos le 31 décembre 2015 et 31 décembre 2016 ont été vérifiés par les commissaires aux comptes qui ont émis des rapports d’audit. Ces rapports d’audit contiennent concernant l’exercice clos le 31 décembre 2015 les réserves et observations suivantes et concernant l’exercice clos le 31 décembre 2016 les réserves suivantes :</p> <p>Le rapport des commissaires aux comptes sur les comptes consolidés pour l’exercice clos le 31 décembre 2015 contient la réserve suivante : « <i>Comme mentionné en note 4.5 de l’annexe aux comptes consolidés relative au test de valeur des actifs de l’UGT infrastructure, SNCF Réseau a identifié au 30 juin 2015 des indices de perte de valeur de ces actifs. Sur la base de discussions et d’arbitrages avec l’Etat intervenus sur le deuxième semestre 2015, la Direction de l’Entreprise a élaboré une trajectoire financière et mis en œuvre un test de dépréciation au 31 décembre 2015 qui repose sur une approche méthodologique tenant compte du caractère spécifique de SNCF Réseau (pour le réseau en service: valeur terminale appréciée sur la base d’une année normative fixée à 2030, inclusion des actifs d’impôts différés dans la base d’actifs testés et prise en compte durable d’économies d’impôt). Pour le réseau en service, l’entreprise a retenu l’année 2030 comme celle où le réseau est considéré comme stabilisé au niveau de performance attendu. Les projections de trésorerie, fondées sur les discussions préalables à la signature du contrat pluriannuel de performance entre l’Entreprise et l’Etat (prévu par la loi du 4 août 2014), intègrent (i) des entrées de</i></p>
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trésorerie (péages, redevances d'accès, subventions d'investissement) émanant notamment d'engagements de l'Etat et progressant de façon significative, (ii) des dépenses (travaux et entretien des installations) et des investissements de renouvellement qui s'inscrivent dans des plans de productivité soutenus. Sur ces bases, l'Entreprise a comptabilisé une dépréciation de 9,6 milliards d'euros traduisant un équilibre de négociations entre l'Entreprise et l'Etat. Cet équilibre suppose, d'une part, la mise en œuvre effective par ce dernier de l'ensemble des moyens et engagements nécessaires pour soutenir la valeur recouvrable des actifs ainsi déterminée et, d'autre part, la capacité de l'Entreprise à atteindre ses plans de productivité. Par ailleurs, les engagements de l'Etat restent à contractualiser. Enfin, la valeur terminale, qui constitue la part essentielle de la valeur d'utilité, est établie sur la base d'un réseau stabilisé, que nous ne pouvons corrélérer à aucune situation historique connue. Des aléas et des incertitudes majeurs pèsent donc sur ces hypothèses, et en conséquence le montant de la dépréciation pourrait augmenter de manière importante. Pour ces raisons, nous ne sommes pas en mesure d'apprécier le caractère probant de ces projections et donc de nous prononcer sur la valeur nette des actifs concernés qui s'élève au bilan à 33 milliards d'euros après dépréciation au 31 décembre 2015. »

Le rapport des commissaires aux comptes sur les comptes consolidés pour l'exercice clos le 31 décembre 2015 contient aussi l'observation suivante : « sans remettre en cause l'opinion exprimée ci-dessus, nous attirons votre attention sur les notes suivantes de l'annexe aux comptes consolidés : La note 2.1. exposant les principales incidences comptables liées à la mise en œuvre de la réforme ferroviaire; et la note 2.2 décrivant des modifications de présentation apportées dans un souci de convergence avec les états financiers du Groupe Public Ferroviaire. »

Le rapport des commissaires aux comptes sur les comptes annuels pour l'exercice clos le 31 décembre 2015 contient la réserve suivante : « Comme mentionné en note 6.2.3 de l'annexe aux comptes annuels relative au test de valeur des actifs de l'UGT infrastructure, SNCF Réseau a identifié au 30 juin 2015 des indices de perte de valeur de ces actifs. Sur la base de discussions et d'arbitrages avec l'Etat intervenus sur le deuxième semestre 2015, la Direction de l'Entreprise a élaboré une trajectoire financière et mis en œuvre un test de dépréciation au 31 décembre 2015 qui repose sur l'approche méthodologique telle que retenue pour les comptes consolidés, tenant compte du caractère spécifique de SNCF Réseau (pour le réseau en service: valeur terminale appréciée sur la base d'une année normative fixée à 2030, inclusion dans la base testée d'actifs d'impôts différés et prise en compte durable d'économies d'impôt). Pour le réseau en service, l'entreprise a retenu l'année 2030 comme celle où le réseau est considéré comme stabilisé au niveau de performance attendu. Les projections de trésorerie, fondées sur les discussions préalables à la signature du contrat pluriannuel de performance entre l'Entreprise et l'Etat (prévu par la loi du 4 août 2014), intègrent (i) des entrées de trésorerie (péages, redevances d'accès, subventions d'investissement) émanant notamment d'engagements de l'Etat et progressant de façon significative, (ii) des dépenses (travaux de régénération et entretien des installations) et des investissements de renouvellement qui s'inscrivent dans des plans de productivité soutenus. Sur ces bases, l'Entreprise a comptabilisé une dépréciation de 9,6 milliards d'euros traduisant un équilibre de négociations entre l'Entreprise et l'Etat. Cet équilibre suppose, d'une part, la mise en œuvre effective par ce dernier de l'ensemble des moyens et engagements nécessaires pour soutenir la valeur recouvrable des actifs ainsi déterminée et, d'autre part, la capacité de l'Entreprise à atteindre ses plans de productivité. Par ailleurs, les engagements de l'Etat restent à contractualiser. Enfin, la valeur terminale, qui constitue la part essentielle de la valeur d'utilité, est établie sur la base d'un réseau stabilisé, que nous ne pouvons corrélérer à aucune situation historique connue. Des aléas et des incertitudes majeurs pèsent donc sur ces hypothèses, et en conséquence le montant de la dépréciation pourrait augmenter de

manière importante. Pour ces raisons, nous ne sommes pas en mesure d'apprécier le caractère probant de ces projections et donc de nous prononcer sur la valeur nette des actifs concernés qui s'élève à 29 milliards d'euros après dépréciation au 31 décembre 2015. »

Le rapport des commissaires aux comptes sur les comptes annuels pour l'exercice clos le 31 décembre 2015 contient l'observation suivante : *« Sans remettre en cause l'opinion exprimée ci-dessus, nous attirons votre attention sur les notes suivantes de l'annexe aux comptes annuels: La note 2.1. décrivant le changement de méthode de comptabilisation des taxes par l'entreprise ; la note 3.1 exposant les principales incidences comptables liées à la mise en œuvre de la réforme ferroviaire ; et la note 5.2 décrivant des modifications de présentation apportées dans un souci de convergence avec les états financiers du Groupe Public Ferroviaire.»*

Le rapport des commissaires aux comptes sur les comptes consolidés pour l'exercice clos le 31 décembre 2016 contient la réserve suivante : *Comme mentionné en note 4-4 de l'annexe aux comptes consolidés relative au test de valeur des actifs de l'UGT infrastructure, SNCF Réseau avait mené au 31 décembre 2015 un test de perte de valeur qui avait conduit à la comptabilisation d'une dépréciation de 9,6 milliards d'euros. Comme mentionné en note 2.2.2 de l'annexe aux comptes consolidés, en lien avec l'approbation du contrat de performance par le Conseil d'Administration du 20 décembre 2016 (note 2.1.1.2 de l'annexe), SNCF Réseau a identifié des indices de variation de valeur de ces actifs et a en conséquence mis en œuvre à la clôture de l'exercice i) un test de dépréciation sur ses actifs corporels et incorporels, ii) une évaluation distincte de ses actifs d'impôts différés, conformément aux exigences normatives, qui reposent tous deux sur des hypothèses tenant compte du caractère spécifique de SNCF Réseau. Ainsi, pour le réseau en service, l'entreprise a retenu l'année 2030 comme année normative considérant qu'elle correspond à l'année où le réseau est stabilisé au niveau de performance attendu. Les projections de trésorerie, fondées sur la trajectoire financière de 10 ans du contrat de performance entre l'Entreprise et l'Etat, intègrent (i) des entrées de trésorerie (péages, redevances d'accès, subventions d'investissement) émanant notamment d'engagements de l'Etat et progressant de façon significative, (ii) des dépenses (travaux et entretien des installations) et des investissements de renouvellement qui s'inscrivent dans des plans de productivité soutenus. Les évaluations réalisées soutiennent d'une part, le montant de la valeur nette comptable des immobilisations corporelles et incorporelles après dépréciation de 9,6 milliards d'euros comptabilisée l'exercice précédent et, d'autre part, une valeur de 3,8 milliards d'euros d'actifs d'impôts différés. Elles reflètent l'équilibre de négociations entre l'Entreprise et l'Etat acté dans le contrat de performance. Cet équilibre suppose, d'une part, la mise en œuvre effective par ce dernier de l'ensemble des moyens et engagements nécessaires pour soutenir la valeur recouvrable des actifs ainsi déterminée et, d'autre part, la capacité de l'Entreprise à atteindre ses plans de productivité. Enfin, la valeur terminale, qui constitue 99% de la valeur d'utilité, est établie sur la base d'un réseau stabilisé, qui ne peut être corrélée à aucune situation historique connue. Des aléas et des incertitudes majeurs pèsent donc sur les hypothèses retenues pour l'évaluation des actifs corporels, incorporels et d'impôts différés, et en conséquence le montant des dépréciations afférentes pourrait augmenter de manière importante. Pour ces raisons, nous ne sommes pas en mesure d'apprécier le caractère probant de ces projections et donc de nous prononcer sur la valeur nette des actifs concernés qui s'élève au bilan respectivement à 31,5 milliards d'euros après dépréciation au 31 décembre 2016 pour les immobilisations corporelles et incorporelles et à 3,8 milliards d'euros pour les actifs d'impôts différés.*

Le rapport des commissaires aux comptes sur les comptes annuels pour l'exercice clos le 31 décembre 2016 contient la réserve suivante : *Comme mentionné en note 5.2.3 de*

l'annexe aux comptes annuels relative au test de valeur des actifs de l'UGT infrastructure, SNCF Réseau avait mené au 31 décembre 2015 un test de perte de valeur qui avait conduit à la comptabilisation d'une dépréciation de 9,6 milliards d'euros. Comme mentionné en note 2.2.2, de l'annexe aux comptes annuels, en lien avec l'approbation du contrat de performance par le Conseil d'Administration du 20 décembre 2016 (note 2.1.1.2 de l'annexe), SNCF Réseau a identifié des indices de variation de valeur de ces actifs et a en conséquence mis en œuvre à la clôture de l'exercice un test de dépréciation sur ses actifs corporels et incorporels qui repose sur des hypothèses tenant compte du caractère spécifique de SNCF Réseau. Ainsi, pour le réseau en service, l'entreprise a retenu l'année 2030 comme année normative considérant qu'elle correspond à l'année où le réseau est stabilisé au niveau de performance attendu. Les projections de trésorerie, fondées sur la trajectoire financière de 10 ans du contrat de performance entre l'Entreprise et l'Etat, intègrent (i) des entrées de trésorerie (péages, redevances d'accès, subventions d'investissement) émanant notamment d'engagements de l'Etat et progressant de façon significative, (ii) des dépenses (travaux et entretien des installations) et des investissements de renouvellement qui s'inscrivent dans des plans de productivité soutenus. Les évaluations réalisées soutiennent le montant de la valeur comptable des immobilisations corporelles et incorporelles après dépréciation de 9,6 milliards d'euros comptabilisée l'exercice précédent. Elles reflètent l'équilibre de négociations entre l'Entreprise et l'Etat acté dans le contrat de performance. Cet équilibre suppose, d'une part, la mise en œuvre effective par ce dernier de l'ensemble des moyens et engagements nécessaires pour soutenir la valeur recouvrable des actifs ainsi déterminée et, d'autre part, la capacité de l'Entreprise à atteindre ses plans de productivité. Enfin, la valeur terminale, qui constitue 99% de la valeur d'utilité, est établie sur la base d'un réseau stabilisé, qui ne peut être corrélée à aucune situation historique connue. Des aléas et des incertitudes majeurs pèsent donc sur les hypothèses retenues pour l'évaluation des actifs corporels et incorporels, et en conséquence le montant des dépréciations afférentes pourrait augmenter de manière importante. Pour ces raisons, nous ne sommes pas en mesure d'apprécier le caractère probant de ces projections et donc de nous prononcer sur la valeur nette des actifs concernés qui s'élève au bilan à 31,5 milliards d'euros après dépréciation au 31 décembre 2016.

B.12 Informations financières historiques clés sélectionnées

Les informations financières historiques clés de l'Emetteur ci-dessous sont extraites des états financiers consolidés vérifiés de l'Emetteur au 31 décembre 2015 et au 31 décembre 2016.

Résultat Net

En millions d'euros	31 décembre 2015	31 décembre 2016
Résultat opérationnel courant	952	1 016
Résultat financier	(1 225)	(1 173)
Impôts sur les résultats	(45)	37
Résultat net des activités ordinaires	(9 916)	(120)

Evolution de la ventilation des redevances perçues par type

En millions d'euros	31 décembre 2015	31 décembre 2016	Variation
Redevance d'accès	1 985	1 978	(7)
Redevance de réservation	2 056	2 048	(8)
Redevance de circulation	1 410	1 350	(61)
Redevance quai	94	121	27
Redevances complémentaires d'électricité et de transport d'électricité *	259	239	(20)
Autres recettes	43	43	-
Redevances d'infrastructure	5 848	5 778	(70)
Compensation FRET	31	78	47
Autres produits	384	585	201
Total Chiffre d'affaires	6 264	6,441	177

* dont redevance de transport d'électricité : 151 M€

Résultat financier

En millions d'euros	31 décembre 2015	31 décembre 2016	Variation
Charges et produits d'intérêts sur dette et trésorerie	(1 186)	(1 140)	46
Résultat de juste valeur et couverture	(22)	(11)	11
Autres produits financiers	17	37	21
Autres charges financières	(21)	(44)	(23)
Coût de l'endettement financier net et autres	(1 212)	(1 158)	54
Coût financier net des avantages du personnel	(13)	(15)	(3)
Résultat financier	(1 225)	(1 173)	52

<i>Dette Nette</i> En millions d'euros	31 décembre 2015			31 décembre 2016		
	Courant	Non-courant	EFN*	Courant	Non-courant	EFN*
Titres de participation	0	1	0	0	1	0
Autres prêts et créances	0	6	0	0	6	0
Actifs à la juste valeur par résultat	47	0	47	0	0	0
Juste valeur positive des dérivés	125	1 641	1 767	116	1 407	1 523
Actifs financiers PPP	0	2 179	0	147	2 390	0
Actifs financiers	172	3 827	1 813	263	3 804	1 523
Trésorerie et équivalents de trésorerie	2 523	0	2 523	3 229	0	3 229
Sous-total Emprunts	2 396	40 821	43 212	2 063	43 530	45 588
Juste valeur négative des dérivés	42	1 641	1 683	22	2 265	2 287
Dettes de trésorerie et trésorerie passive	1 621	0	1 621	1 751	0	1 751
Passifs financiers PPP	0	2 258	0	156	2 443	0
Passifs financiers	4 059	44 720	46 517	3 993	48 237	49 627
Endettement Financier Net	1 365	40 816	42 181	491	44 383	44 874
* EFN : Endettement Financier Net						
Depuis le 31 décembre 2016, le dernier jour du dernier exercice pour lequel des états financiers vérifiés de l'Emetteur ont été publiés, (i) aucun changement significatif de la situation financière ou commerciale de l'Emetteur n'est survenu et (ii) aucune détérioration significative n'a affecté les perspectives de l'Emetteur."						

Subsections D.2 entitled “*Principaux risques propres à l'Emetteur*” on pages 60 to 63 of the Base Prospectus is hereby deleted and shall be replaced with the following:

D.2	Principaux risques propres à l'Emetteur	Les différents risques pouvant impacter les activités de l'Emetteur sont identifiés en fonction de leur nature et sont évalués selon la probabilité d'occurrence, les impacts et le niveau de maîtrise. Les impacts sont régulièrement évalués pour chaque risque selon une grille définie
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d'impacts financiers, juridiques, opérationnels et de notoriété, un même risque pouvant avoir des impacts multiples. Ces risques comprennent notamment:

- **Risques financiers / de marché** (risques de taux d'intérêt, de liquidité, de contrepartie et de change)
 - Risque de taux d'intérêt : L'Emetteur est exposé au risque de taux d'intérêt compte-tenu du montant significatif de sa dette nette qu'il doit refinancer sur les marchés financiers.
 - Risque de liquidité : Le risque de liquidité est assuré en permanence par l'Emetteur par une gestion proactive de ses besoins de liquidité, un accès diversifié à des sources de financement qu'elles soient long terme (programme EMTN de 45 milliards d'euros) ou court terme (Billets de trésorerie de 3 milliards d'euros et Euro Commercial Paper de 5 milliards d'euros). De plus, l'Emetteur bénéficie d'une ligne de crédit de 1,25 milliard d'euros qui n'a jamais fait l'objet de tirage.
 - Risque de contrepartie : l'Emetteur est exposé au risque de contrepartie à la fois dans la gestion quotidienne de sa trésorerie et dans la gestion de sa dette à moyen et long terme.
 - Risque de change : l'Emetteur négocie des financements en devises étrangères. Ces financements sont convertis en euros.
 - Risques liés au statut de l'Emetteur : l'Emetteur en tant qu'établissement public à caractère industriel et commercial (EPIC) peut voir le Gouvernement français intervenir dans des décisions importantes le concernant. Ainsi, le contrat de performance validé fin 2016 par le Conseil d'administration de l'Emetteur lui permet de disposer des moyens d'engager sa transformation industrielle et de remplir les missions que l'État lui confie. Ce contrat a été soumis pour avis à l'ARAFER, avant sa signature par l'État et l'Emetteur.

S'ajoutent à ces risques spécifiques aux activités des marchés financiers, les risques de financement liés à la participation financière du gestionnaire de réseau aux différentes opérations d'investissements et les risques de contrepartie clients ou co-financeurs. Les risques de dérive des projets comportent aussi de forts enjeux financiers pour l'ensemble de l'entreprise.

- **Risques opérationnels**
 - Risques juridiques : outre les risques juridiques relatifs à la mise en cause de l'entreprise en tant que

		<p>propriétaire et exploitant, mais également comme maître d'ouvrage, L'Emetteur se voit régulièrement confronté à de nouveaux risques juridiques liés à l'évolution du cadre réglementaire auquel il est assujéti, notamment pour ce qui relève de ses activités de gestionnaire d'infrastructure ferroviaire ou de maître d'ouvrage, mais aussi du fait des contrats de partenariats liant l'Emetteur à ses différents partenaires (sécurité juridique des nouveaux contrats de concessions ou de partenariats public-privé).</p> <ul style="list-style-type: none"> ○ Risques économiques : La stratégie macro-économique de l'Emetteur est dictée par la croissance du trafic et ses effets sur la perception des redevances d'accès, ainsi que par le contrôle effectif des coûts de maintenance et d'extension du réseau. ○ Risques informatiques : les opérations du Groupe sont dépendantes des systèmes informatiques, la défaillance ou la rupture dans leur sécurité pourrait porter préjudice à sa réputation et affecter de manière négative sa performance financière. ○ Risques à fort impact sur la notoriété : Ces risques découlent principalement des incidents et accidents de nature ferroviaire, et sont de nature à détériorer l'image de l'entreprise auprès des investisseurs comme des partenaires. D'autres risques, liés aux activités du gestionnaire de réseau (y compris en dehors du domaine ferroviaire proprement dit), sont par ailleurs identifiés comme pouvant fortement dégrader la notoriété de l'entreprise ; ils sont également traités dans cette catégorie (risques d'atteinte à l'environnement par exemple). ○ Risques liés aux conséquences du changement climatique : les événements climatiques extrêmes sont déjà visibles sur le réseau et ont une répercussion sur les infrastructures ferroviaires. L'adaptation et la résistance technique des infrastructures ferroviaires sont les nouveaux défis face au dérèglement climatique qui impactent les circulations et la sécurité sur le réseau. <ul style="list-style-type: none"> ● Politique d'assurance : <ul style="list-style-type: none"> ○ La volonté de mieux maîtriser les coûts d'assurance tout en améliorant les garanties, a conduit le Groupe à mutualiser ses achats d'assurance au bénéfice des composantes du nouveau Groupe public ferroviaire (GPF), comme prévu à l'article 5 du décret N° 2015-137 du 10 février 2015. Grâce aux programmes d'assurance élargis à toutes les entités structurées dans le cadre de la Réforme Ferroviaire, SNCF Réseau est couvert pour les risques majeurs mettant en cause sa responsabilité civile ou affectant ses biens et dispose
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		<p>d'une couverture pour les pertes d'exploitation résultant d'un dommage à ses biens ou à l'infrastructure ferroviaire. Il est également couvert pour ses essais sur LGV dans le cadre d'une police spécifique tous risques essais.</p>
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RISK FACTORS

The risk factor entitled “Currency risk” in section 1.2 “financial risks” of the Base Prospectus on page 70 of the Base Prospectus is hereby deleted and shall be replaced with the following:

“Currency risk: the Issuer negotiates foreign currency financing, which is translated into euros.”

The section 1.1 “legal risks” of the Base Prospectus on pages 68 to 70 of the Base Prospectus is deleted and replaced with the following at the end of the section 1.2 “financial risks” of the Base Prospectus on page 70 of the Base Prospectus:

“Risks relating to the status of SNCF Réseau

The French State can intervene in major decisions affecting the Issuer, since it is a State-owned industrial and commercial institution (EPIC). Accordingly, the performance contract validated by the Board of Directors of the Issuer at the end of 2016 provides it with the means to undertake its industrial transformation and fulfil the missions confided by the French State. This contract was submitted to ARAFER for an opinion prior to its signing by the French State and the Issuer.”

The section 1.5 “Insurance Policy” of the Base Prospectus on pages 71 and 72 of the Base Prospectus is hereby deleted and shall be replaced with the following:

“1.5 Insurance Policy

SNCF Réseau is covered on the market for major risks involving its civil liability or affecting its goods, and has coverage for the operating losses resulting from damage to its goods or to the railway infrastructure.

Wishing to control insurance costs while improving guarantees, the Group has pooled its insurance purchases for the benefit of the new Public Rail Group components as provided under Article 5 of Decree no. 2015-137 of 10 February 2015. Because of the insurance policies extended to all the structured entities in connection with the rail reform law, SNCF Réseau has coverage for the major risks that implicate its civil liability or impact its property and for the operating losses arising from damages to its property or rail infrastructure. It is also covered for its LGV trials as part of a specific trials all-risk policy.

The SNCF insurance programmes have been expanded to all the entities organised as part of the rail reform, namely SNCF, SNCF Mobilités, SNCF Réseau and the subsidiaries:

- The “Major Civil Liability Risk” insurance program of SNCF and its subsidiaries, renewed by tender, entered into force on 1 October 2014 for SNCF and its subsidiaries and 1 January 2015 for the Public Rail Group organised as part of the rail reform.
- Following a tender process, the new policy for the “Vehicle Fleet” insurance programme entered into force on 1 January 2015 for all the Public Rail Group components.
- The “Construction” insurance program of SNCF and its subsidiaries, which was reconfigured under the rail reform, has included SNCF Réseau since 1 January 2015.
- The “Damages to Goods” insurance programme of SNCF and its subsidiaries, which is being renewed for 2015 and 2016, also includes SNCF Réseau.

Within the Group’s Legal Department, and under the Legal Expertise Centre that combines the shared functions, the Risk and Insurance Department manages the insurance programs with the objective to optimise insurance coverage at Group level thanks to pooling between SNCF, its EPICs and its subsidiaries, to improve the guarantees and provide competitive pricing conditions.

At the regional level (entities), seven inter-regional damages insurance centres integrated with the regional legal delegations of the Group's Legal Department are responsible for the amicable settlement of claims on behalf of the EPICs, and serve as the main intermediaries for insurance matters.”

DOCUMENTS INCORPORATED BY REFERENCE

The section entitled “Documents Incorporated by Reference” of the Base Prospectus on pages 83 to 86 of the Base Prospectus is hereby deleted and shall be replaced with the following:

“This Base Prospectus should be read and construed in conjunction with the following documents, which have previously been published or are published simultaneously with this Base Prospectus and have been filed with the AMF as competent authority in France for the purposes of the Prospectus Directive and shall be incorporated in, and shall be deemed to form part of, this Base Prospectus:

- the sections referred to in the table below included in the 2015 French language financial report (including, *inter alia*, the Issuer's audited annual consolidated and non-consolidated financial statements, comprising the balance sheets, income statements and cash flow statements) including the free English language translation of the statutory auditors' reports and the notes relating to such financial statements for the financial year ended 31 December 2015 (**2015 Financial Report**),
- the sections referred to in the table below included in the 2016 French language financial report (including, *inter alia*, the Issuer's audited annual consolidated and non-consolidated financial statements, comprising the balance sheets, income statements and cash flow statements) including the free English language translation of the statutory auditors' reports and the notes relating to such financial statements for the financial year ended 31 December 2016 (**2016 Financial Report**), and
- the terms and conditions included in the base prospectus and information memoranda referred to in the table below,

save that any statement contained in this Base Prospectus or in any of the documents incorporated by reference in, and forming part of, this Base Prospectus shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained in any document subsequently incorporated by reference by way of a supplement prepared in accordance with Article 16 of the Prospectus Directive modifies or supersedes such statement (whether expressly, by implication or otherwise). 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 may be obtained in accordance with paragraph 7 “Documents available” in section “General Information” of this Base Prospectus.

The table below sets out the relevant page references for the Issuer's audited annual non-consolidated financial statements for each of the financial years ended 31 December 2015 and 2016, the annual consolidated financial statements for the financial year ended 31 December 2015 and 2016, and the statutory auditors' reports thereto.

Information Incorporated by Reference	Reference
Risk factors	2016 Financial Report, pages 22-23
Information about the Issuer	
Investments	2016 Financial Report, pages 14-16
Business Overview	
Principal activities	2016 Financial Report, pages 10-12
Corporate governance	
Administrative, Management and Supervisory bodies	2016 Financial Report, pages 20-22

Information Incorporated by Reference	Reference
Financial Information Concerning The Issuer's Assets And Liabilities, Financial Position And Profits And Losses	
The Consolidated Balance Sheet as at 31 December 2015 and 2016	2015 Financial Report, pages 42-43 2016 Financial Report, pages 43-44
The Consolidated Income Statement for the years ended 31 December 2015 and 2016	2015 Financial Report, pages 44-45 2016 Financial Report, pages 45-46
The Consolidated Statement of Cash Flows as at 31 December 2015 and 2016	2015 Financial Report, page 47 2016 Financial Report, page 48
The Consolidated Statement of changes in equity as at 31 December 2015 and 2016	2015 Financial Report, page 46 2016 Financial Report, page 47
The Notes to the Consolidated Financial Statements as at 31 December 2015 and 2016	2015 Financial Report, pages 48-101 2016 Financial Report, pages 49-98
The Statutory Auditors' Report on the Consolidated Financial Statements for the years ended 31 December 2015 and 2016	2015 Financial Report, pages 142-145 2016 Financial Report, pages 149-152
The Non-consolidated Balance Sheet as at 31 December 2015 and 2016	2015 Financial Report, pages 106-107 2016 Financial Report, pages 116-117
The Non-consolidated Income Statement for the years ended 31 December 2015 and 2016	2015 Financial Report, pages 108 2016 Financial Report, page 118
The Notes to the Non-consolidated Financial Statements as at 31 December 2015 and 2016	2015 Financial Report, pages 109-141 2016 Financial Report, pages 119-148
The Statutory Auditors' Report on the Non-consolidated Financial Statements for the years ended 31 December 2015 and 2016	2015 Financial Report, pages 147-149 2016 Financial Report, pages 153-156
Legal and arbitration proceedings	2016 Financial Report, pages 62, 63, 110, 123, 134, 135

The table below sets out the relevant page references for the Terms and Conditions Incorporated by Reference.

The Terms and Conditions Incorporated by Reference are incorporated by reference in this Base Prospectus for the purpose only of further issues of Notes to be consolidated and form a single series with Notes already issued pursuant to the relevant Terms and Conditions Incorporated by Reference.

Terms and Conditions Incorporated by Reference	Reference
Base Prospectus filed with the AMF on 1 June 2015	Pages 81 to 186
Base Prospectus filed with the AMF on 5 June 2014	Pages 77 to 121
Base Prospectus filed with the AMF on 6 June 2013	Pages 77 to 122
Base Prospectus filed with the AMF on 7 June 2012	Pages 43 to 75
Base Prospectus filed with the AMF on 9 June 2011	Pages 41 to 73

Base Prospectus approved by the Commission de Surveillance du Secteur Financier (CSSF) on 10 June 2010	Pages 28 to 60
Base Prospectus approved by the CSSF on 11 June 2009	Pages 27 to 58
Base Prospectus approved by the CSSF on 13 June 2008	Pages 27 to 58
Base Prospectus approved by the CSSF on 18 June 2007	Pages 24 to 52
Base Prospectus approved by the CSSF on 12 July 2006	Pages 21 to 45
Base Prospectus approved by the CSSF on 6 September 2005	Pages 20 to 44
Information Memorandum registered by the Luxembourg Stock Exchange on 8 July 2004	Pages 11 to 36
Information Memorandum registered by the Luxembourg Stock Exchange on 11 July 2003	Pages 11 to 36
Information Memorandum registered by the Luxembourg Stock Exchange on 4 July 2002	Pages 11 to 35
<i>Document de Base</i> registered by the <i>Commission des Opérations de Bourse (COB)</i> 3 July 2002	Pages 12 to 37
Information Memorandum registered by the Luxembourg Stock Exchange on 10 April 2001	Pages 10 to 33
<i>Document de Base</i> registered by the COB on 10 April 2001	Pages 11 to 36
Information Memorandum registered by the Luxembourg Stock Exchange on 30 November 2000 and registered by the COB on 29 November 2000	Pages 10 to 33
Information Memorandum registered by the Luxembourg Stock Exchange on 26 November 1999	Pages 10 to 33
Information Memorandum registered by the Luxembourg Stock Exchange on 29 October 1998	Pages 11 to 30

DESCRIPTION OF SNCF RESEAU

The paragraph entitled “Capital” of the subsection entitled “Capital and external controls” of the section entitled “Description of SNCF Réseau” of the Base Prospectus on page 144 of the Base Prospectus is hereby deleted and shall be replaced with the following:

“Capital

As a State-owned company, SNCF Réseau does not have any share capital in the legal sense of the term. SNCF Réseau’s capital at its date of incorporation amounted to €0.86 billion, corresponding to the difference in value between its assets and liabilities. From its incorporation until 2002, this amount was supplemented by yearly capital injections by the French State. At 31 December 2016, the cumulative amount of capital injections amounted to € 9.76 billion.

At 31 December 2016, total equity amounted to € 8.86 billion.

SNCF Réseau has no shares and pays no dividends.”

The paragraph entitled “Non-consolidated net debt as at 27 May 2016” of the section entitled “Description of SNCF Réseau” of the Base Prospectus on page 149 of the Base Prospectus is hereby deleted and shall be replaced with the following:

“Non-consolidated net debt as at 31 December 2016

As at 31 December 2016, the non-consolidated net debt of SNCF Réseau amounted to € 42,0 billion increased by a net amount of € 2,718 million as compared with the amount shown in the 31 December 2015 audited non-consolidated balance sheet.”

The paragraph entitled “Trends and proposed reform of the French rail sector” of the section entitled “Description of SNCF Réseau” of the Base Prospectus on page 149 of the Base Prospectus is hereby deleted and shall be replaced with the following:

“Trends and reform of the French rail sector

The fiscal year 2016 was the first full year since the reform’s implementation and the creation of SNCF Réseau. Despite a difficult context marked by floods, strikes and terrorist attacks in the first half, network maintenance and renewal work amounting to over €5 billion was completed. This represents over 1,500 projects throughout France, of which half were carried out at night. This success was due to the commitment of all our employees, who have mobilized to create a safer and more efficient network, offering better service quality to its clients. Investments in safety, an absolute priority for the Public Rail Group, were boosted, through the PRISME Safety Excellence programme for example. As part of the VIGIRAIL plan, 463 switches were renewed in 2016, following 405 renewals in 2015 and 363 renewals in 2014.

Moreover, the fiscal year 2016 was an opportunity to overhaul the SNCF Réseau financing policy to take into account the market trend and investor expectations. The Issuer has put an emphasis on the diversification of its financing, in geographical and format terms, in order to further diversify its financing sources, market depth and the Issuer’s financing capacity. In this context, a bond issue in U.S. Dollars and a “green bond” issue under the EMTN programme were initiated in 2016:

- an inaugural foreign currency (US Dollar) public issue with a 3-year maturity for USD 1 billion 57% of this issue was distributed in North America, Asia and the Middle East, three zones where the Issuer had little or no presence previously (10% of total RFF / SNCF Réseau issues since 1997).

- an inaugural Green Bond public issue with a 15-year maturity for €900 million in order to finance the primary network's priority modernisation. This inaugural transaction was very well met by the market (order book of €1.4 billion) and enabled a diversification with Socially Responsible Investors (who represented 62% of subscribers). The Issuer has thus become the number 1 rail infrastructure manager in the world and the first transport sector company in Europe to issue a Green Bond.

Pursuant to the rail reform law, measures for financing the rail system were introduced to:

- Guarantee a high level of safety for persons and goods on the network;
- Improve the quality of service offered to transport operators, particularly freight;
- Facilitate the financial recovery of the Issuer: financial trajectory agreement that should cover, within a period of ten years from the effective date of the multi-year performance contract, the full cost of the network and control the change in debt carried by the Issuer.

These measures are essentially reflected in the expected implementation of:

- the multi-year performance contract (2017-2026) (for more details on the performance contract, you may refer in particular to page 19 and 51 of the 2016 Financial Report) with the French State which has been validated by the Board of Directors of the Issuer on 20 December 2016, pending its signature after opinion to the French rail & road regulation authority (ARAFER).

Over a period of ten years, the contract provides for the increase in budgets earmarked for the modernisation of the primary network, thus providing the Issuer with a long-term view of the available resources:

- the golden rule principle (for more details on the golden rule principle, you may refer in particular to page 51 of the 2016 Financial Report) which is contained in a draft decree currently submitted the *Conseil d'Etat*.

The purpose of this rule is to help control the Issuer's debt by setting a ratio (Net Debt/Gross Profit) threshold, beyond which the Issuer can no longer participate in investment financing for rail network development, which then must be fully covered by requesting parties (State, local authorities, etc.)."

KEY FIGURES

The section entitled “Key Figures” of the Base Prospectus on pages 151 to 153 of the Base Prospectus is hereby deleted and shall be replaced with the following:

“Key Figures

(from audited consolidated financial statements)

Net profit for the year

In millions of euros	31 December 2015	31 December 2016
Recurring operating (loss)/profit	952	1,096
Net financial expense	(1,225)	(1,173)
Corporate income tax	(45)	37
Net profit for the year	(9,916)	(120)

Infrastructure fees

In millions of euros	31 December 2015	31 December 2016	Change
Access fees	1,985	1,978	(7)
Route reservation fees	2,056	2,048	(8)
Traffic fees	1,410	1,350	(61)
Platform Fees	94	121	27
Additional electricity and electricity transmission fees*	259	239	(20)
Other income	43	43	-
Infrastructure fees	5,848	5,778	(70)
Freight compensation	31	78	47
Other revenue	384	585	201
Total revenue	6,264	6,441	177

*of which electricity transmission fee : M€ 151

Net financial expense

In millions of euros	31 December 2015	31 December 2016	Change
Expenses and income related to interests on debt and cash	(1,186)	(1,140)	46
Net changes in fair value and hedges	(22)	(11)	11

In millions of euros	31 December 2015	31 December 2016	Change
Other financial income	17	37	21
Other financial expenses	(21)	(44)	(23)
Cost of net debt	(1,212)	(1,158)	54
Finance cost of employee benefits	(13)	(15)	(3)
Net financial expense	(1,225)	(1,173)	52

Net Debt

In millions of euros	31 December 2015			31 December 2016		
	Current	Non-current	Net indebtedness	Current	Non-current	Net indebtedness
Equity investments	0	1	0	0	1	0
Other loans and receivables	0	6	0	0	6	0
Assets at fair value through profit or loss	47	0	47	0	0	0
Positive fair value of derivatives	125	1,641	1,767	116	1,407	1,523
PPP financial assets	0	2,179	0	147	2,390	0
Financial assets	172	3,827	1,813	263	3,804	1,523
Cash and cash equivalents	2,523	0	2,523	3,229	0	3,229
Sub-total borrowings	2,396	40,821	43,212	2,063	43,530	45,588
Negative fair value of derivatives	42	1,641	1,683	22	2,265	2,287
Cash borrowings and overdrafts	1,621	0	1,621	1,751	0	1,751
PPP financial liabilities	0	2,258	0	156	2,443	0

Debt	4,059	44,720	46,517	3,993	48,237	49,627
Net debt	1,365	40,816	42,181	491	44,383	44,874

GENERAL INFORMATION

The subsection 9 entitled “No Significant or material adverse change” of the section entitled “General Information” of the Base Prospectus on page 204 of the Base Prospectus is hereby deleted and shall be replaced with the following:

“9. Since 31 December 2016, the last day of the financial period in respect of which the most recent audited financial statements of the Issuer have been prepared, there has been (i) no significant change in the financial or trading position of the Issuer and (ii) no material adverse change in the prospects of the Issuer.”

The paragraph (d) of the subsection 10 entitled “Documents available” of the section entitled “General Information” of the Base Prospectus on page 205 of the Base Prospectus is hereby deleted and shall be replaced with the following:

“(d) the audited financial statements of the Issuer (including the auditors' reports with respect thereto) for the years ended 31 December 2015 and 2016 and, hereafter, its most recent publicly available audited financial statements (including the auditors' reports with respect thereto); and”

The subsection 12 entitled “Auditors” of the section entitled “General Information” of the Base Prospectus on page 205 of the Base Prospectus is hereby deleted and shall be replaced with the following:

“12. The auditors of the Issuer are PricewaterhouseCoopers Audit 63, rue de Villiers, 92208 Neuilly sur Seine, and Ernst & Young Audit 1/2, place des Saisons, 92400 Courbevoie, Paris, La Défense 1, belonging to the *Compagnie Nationale des Commissaires aux Comptes de Versailles* and under the authority of the *Haut Conseil du Commissariat aux Comptes*. PricewaterhouseCoopers Audit and Ernst & Young Audit, auditors of the Issuer for the financial years 2015 and 2016, have audited the Issuer's financial non-consolidated statements with a qualification for the years ended 31 December 2016 and 31 December 2015, in accordance with French generally accepted accounting principles and the Issuer's consolidated financial statements, with a qualification for the years ended 31 December 2016 and 31 December 2015, in accordance with IFRS as adopted in the European Union. The auditors of the Issuer have no material interest in the Issuer.”

PERSON RESPONSIBLE FOR THE INFORMATION GIVEN IN THE SECOND SUPPLEMENT

Person responsible for this Second Supplement

Alain Quinet

Directeur Général Délégué of SNCF Réseau

Declaration by person responsible for this Second Supplement

The Issuer declares, after having taken all reasonable care to ensure that such is the case and to the best of the knowledge of the Issuer, that the information contained in this Second Supplement is in accordance with the facts and contains no omission likely to affect its import.

The consolidated and the non-consolidated financial statements of SNCF Réseau for the years ended 31 December 2015 and 31 December 2016 were audited by the statutory auditors who issued audit reports which are reproduced on pages 143-145 and 147-149 of the 2015 Financial Report and on pages 149-152 and 153-156 of the 2016 Financial Report. These reports contain observations and qualifications.

The statutory auditors' report on the consolidated financial statements for the year ended 31 December 2015 contains the following qualification: *“As stated in Note 4.5 to the consolidated financial statements concerning impairment test at the level of the infrastructure cash-generating unit, at 30 June 2015 SNCF Réseau identified indications of asset impairment. Following discussions and negotiations held with the French State during the second half of 2015, Management drew up a financial trajectory and carried out impairment test at 31 December 2015, based on a methodological approach that was adapted to the special characteristics of SNCF Réseau (for the railway network currently in service, the terminal value calculation uses 2030 as the standard final year, and includes deferred tax assets in the tested asset base and tax savings over the long term). For the railway network currently in service, 2030 was chosen as the year in which the Company foresees that the network will be considered to be stabilized at expected performance levels. The cash flow projections, based on discussions held prior to the signature of the multi-year performance contract between the Company and the French State as provided for in the Rail Reform Act of 4 August 2014, incorporate (i) cash receipts (infrastructure fees, access charges and investment subsidies) which improve significantly over time and are mainly generated from commitments received from the French State, and (ii) expenses (installation work and maintenance) and capital investment in renovations and renewals in connection with the Company's significant productivity goals. Based on these assumptions, the Company recognised an impairment loss of €9.6 billion. This amount reflects the balance reached during negotiations between the Company and the French State, based on the assumption that (i) the State will effectively implement all means and commitments necessary to support the recoverable amounts calculated using the approach detailed above and (ii) that the Company is capable of achieving its productivity goals. Furthermore, the French State has not yet signed a contract formalising its commitments. Finally the terminal value, which is the main component of the value-in-use calculation, is based on a renovated, operational railway network that we are unable to compare to any corresponding historical situation. There are therefore major risks and uncertainties involved in these assumptions, and consequently the amount of the impairment loss could increase significantly. As a result, we are unable to assess the reliability of these projections and are therefore unable to form a conclusion on the net value of the assets concerned, which amounted to €33 billion after depreciation and impairment in the consolidated financial statements at 31 December 2015.”*

The statutory auditor's report on the consolidated financial statements for the year ended 31 December 2015 contains also the following emphasis of matters: *“Without qualifying our opinion, we draw your attention to the*

matters set out in the following notes to the consolidated financial statements: Note 2.1, which describes the main accounting impacts related to the implementation of rail reform; and note 2.2, which describes the changes in presentation made to the consolidated financial statements in order to be consistent with Groupe Public Ferroviaire's financial statements.”

The statutory auditor’s report on the non-consolidated financial statements for the year ended 31 December 2015 contains the following qualification: *“As stated in Note 6.2.3 to the financial statements concerning impairment test at the level of the infrastructure cash-generating unit, at 30 June 2015 SNCF Réseau identified indications of asset impairment. Following discussions and negotiations held with the French State during the second half of 2015, Management drew up a financial trajectory and carried out impairment test at 31 December 2015, based on a methodological approach that was adapted to the special characteristics of SNCF Réseau (for the railway network currently in service , the terminal value calculation uses 2030 as the standard final year, and includes deferred tax assets in the tested asset base and tax savings over the long term). For the railway network currently in service, 2030 was chosen as the year in which the Company foresees that the network will be considered to be stabilized at expected performance levels. The cash flow projections, based on discussions held prior to the signature of the multi-year performance contract between the Company and the French State as provided for in the Rail Reform Act of 4 August 2014, incorporate (i) cash receipts (infrastructure fees, access charges and investment subsidies) which improve significantly over time and are mainly generated from commitments received from the French State, and (ii) expenses (installation work and maintenance) and capital investment in renovations and renewals in connection with the Company's significant productivity goals. Based on these assumptions, the Company recognised an impairment loss of €9.6 billion. This amount reflects the balance reached during negotiations between the Company and the French State, based on the assumption that (i) the State will effectively implement all means and commitments necessary to support the recoverable amounts calculated using the approach detailed above and (ii) that the Company is capable of achieving its productivity goals. Furthermore, the French State has not yet signed a contract formalising its commitments. Finally, the terminal value, which is the main component of the value-in- use calculation, is based on a renovated, operational railway network that we are unable to compare to any corresponding historical situation. There are therefore major risks and uncertainties involved in these assumptions, and consequently the amount of the impairment loss could increase significantly. As a result, we are unable to assess the reliability of these projections and are therefore unable to form a conclusion on the net value of the assets concerned, which amounted to €29 billion after depreciation and impairment at 31 December 2015.”*

The statutory auditor’s report on the non-consolidated financial statements for the year ended 31 December 2015 contains also the following emphasis of matters: *“Without qualifying our opinion, we draw your attention to the matters set out in the following notes to the financial statements: Note 2.1, which describes the changes in accounting policy applied by the Company for the recognition of taxes; the note 3.1, which describes the main accounting impacts related to the implementation of rail reform; and the note 5.2, which describes the changes in presentation made to the financial statements in order to be consistent with Groupe Public Ferroviaire's financial statements.”*

The statutory auditors’ report on the consolidated financial statements for the year ended 31 December 2016 contains the following qualification: *As stated in Note 4.4 to the consolidated financial statements concerning impairment tests at the level of the infrastructure cash-generating unit, at 31 December 2015, SNCF Réseau carried out an impairment test which led to the recognition of an impairment loss of €9.6 billion. As stated in Note 2.2.2 to the financial statements, following the approval of a performance contract by the Board of Directors on 20 December 2016 (Note 2.1.1.2 to the financial statements), SNCF Réseau identified indications of impairment of these assets and, at the end of the year, carried out i) an impairment test on its property, plant and equipment and intangible assets, ii) a separate valuation of its deferred tax assets in line with regulatory requirements, both of*

which were based on assumptions adapted to the special characteristics of SNCF Réseau. For the railway network currently in service, 2030 was chosen as the year in which the Company foresees that the network will be considered to be stabilized at expected performance levels. The cash flow projections, based on the 10-year financial trajectory of the performance contract between the Company and the French State incorporate (i) cash receipts (infrastructure fees, access charges and investment subsidies) which improve substantially over time and are mainly generated from commitments received from the French State, and (ii) expenses (installation work and maintenance) and capital investment in renovations and renewals in connection with the Company's significant productivity goals. These assessments support (i) the net carrying amount of property, plant and equipment and intangible assets less the impairment loss of €9.6 billion recognized the previous year, and (ii) €3.8 billion in deferred tax assets. They reflect the balance of the negotiations on a performance contract between the Company and the French State based on the assumption that (i) the State will effectively implement all means and commitments necessary to support the recoverable amounts calculated using the approach detailed above, and (ii) the Company is capable of achieving its productivity goals. The terminal value, which represents 99% of value in use, is based on a renovated, operational railway network that cannot be correlated to any corresponding historical precedent. There are therefore major risks and uncertainties involved in the assumptions used to measure property, plant and equipment, intangible assets and deferred tax assets which could significantly increase the amount of the impairment loss. As a result, we are unable to assess their pertinence and are therefore unable to give an opinion on the net value of the assets concerned, which respectively amounted to €31.5 billion after depreciation and impairment in the consolidated financial statements at 31 December 2016 for plant, property and equipment and intangible assets, and to €3.8 billion for deferred tax assets.

The statutory auditor's report on the non-consolidated financial statements for the year ended 31 December 2016 contains the following qualification: *As stated in Note 5.2.3 to the financial statements concerning impairment tests at the level of the infrastructure cash-generating unit, at 31 December 2015, SNCF Réseau carried out an impairment test which led to the recognition of an impairment loss of €9.6 billion. As stated in Note 2.2.2 to the financial statements, following the approval of a performance contract by the Board of Directors on 20 December 2016 (Note 2.1.1.2 to the financial statements), the Company identified indications of impairment of these assets and, at the end of the year, carried out an impairment test on its property, plant and equipment and intangible assets based on assumptions adapted to the special characteristics of SNCF Réseau. For the railway network currently in service, 2030 was chosen as the year in which the Company foresees that the network will be considered to be stabilized at expected performance levels. The cash flow projections, based on the 10-year financial trajectory of the performance contract between the Company and the French State incorporate (i) cash receipts (infrastructure fees, access charges and investment subsidies) which improve substantially over time and are mainly generated from commitments received from the French State, and (ii) expenses (installation work and maintenance) and capital investment in renovations and renewals in connection with the Company's significant productivity goals. These assessments support the net carrying amount of property, plant and equipment and intangible assets less the impairment loss of €9.6 billion recognized the previous year. They reflect the balance of the negotiations on a performance contract signed between the Company and the French State based on the assumption that (i) the State will effectively implement all means and commitments necessary to support the recoverable amounts calculated using the approach detailed above, and (ii) the Company is capable of achieving its productivity goals. The terminal value, which represents 99% of value in use, is based on a renovated, operational railway network that cannot be correlated to any corresponding historical precedent. There are therefore major risks and uncertainties involved in the assumptions used to measure property, plant and equipment and intangible assets which could significantly increase the amount of the impairment loss. As a result, we are unable to assess their pertinence and are therefore unable to give an opinion on the net value of the assets concerned, which amounted to €31.5 billion after depreciation at 31 December 2016.*

Paris, 7 March 2017

SNCF Réseau

15/17 rue Jean Philippe Rameau
CS 80001
93418 La Plaine Saint Denis CEDEX
France

Duly represented by:

Alain Quinet

Directeur Général Délégué of SNCF Réseau



Autorité des marchés financiers

In accordance with Articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and with the General Regulations (*Règlement Général*) of the *Autorité des marchés financiers* (the “AMF”), in particular Articles 212-31 to 212-33, the AMF has granted to this Second Supplement the visa n°17-087 on 7 March 2017. This document may only be used for the purposes of a financial transaction if completed by Final Terms. It was prepared by the Issuer and its signatories assume responsibility for it. In accordance with Article L.621-8-1-I of the French *Code monétaire et financier*, the visa was granted following an examination by the AMF of “*whether the document is complete and comprehensible, and whether the information it contains is coherent*”. It does not imply an approval by the AMF of the opportunity of the transactions contemplated hereby nor that the AMF has verified the accounting and financial data set out in it. In accordance with Article 212-32 of the AMF's General Regulations, any issuance or admission to trading of notes on the basis of the Base Prospectus as supplemented shall be subject to the publication of Final Terms setting out the terms of the securities being issued.