RFF 2013 Financial report

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I. Annual financial statements to 31 December 2013

RÉSEAU FERRÉ DE FRANCE

Réseau Ferré de France

Annual financial statements
to
31 December 2013

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BALANCE SHEET ASSETS

ASSETS In € millions	Appended references 7.	31/12/2013			31/12/2012
		Gross amounts	Amortisations and depreciations	Net	Net
Intangible fixed assets	1.1 / 1.2	847.0	94.6	752.3	455.8
Tangible fixed assets	1.1 / 1.2	53,498.2	14,671.7	38,826.5	39,302.1
Tangible fixed assets in progress	1.1 / 1.4	12,961.8	24.1	12,937.7	8,248.8
Tangible fixed assets in progress made available to the concession holder	1.1	189.6		189.6	189.6
Financial fixed assets	1.5	590.3		590.3	151.0
FIXED ASSETS		**68,086.8**	**14,790.5**	**53,296.3**	**48,347.3**
Advances and deposits received on current orders	1.6	102.3		102.3	147.9
Trade receivables and related accounts	1.8	853.3	29.3	824.0	1,003.8
Other receivables	1.7 / 1.9	2,911.6	38.3	2,873.3	2,284.6
Investment securities and liquid assets	1.10	3,903.2		3,903.2	3,230.5
Prepaid expenses	1.11	615.2		615.2	435.2
CURRENT ASSETS		**8,385.6**	**67.7**	**8,318.0**	**7,102.0**
Deferred charges	1.12	405.7	241.4	164.3	165.1
Bond redemption premiums	1.12	12.6	11.4	1.2	2.0
Conversion loss	1.13	282.8		282.8	270.5
GENERAL TOTAL		**77,173.6**	**15,110.9**	**62,062.6**	**55,886.9**

BALANCE SHEET LIABILITIES

LIABILITIES In € millions	Appended references 7.	31/12/2013	31/12/2012
Capital endowment	1.14	9,764.6	9,764.6
Carry-forward	1.14	(13,882.9)	(13,900.9)
Profit or loss for the fiscal year	1.14	(139.7)	18.1
Investment subsidy	1.15	19,738.2	17,665.5
SHAREHOLDERS' EQUITY		**15,480.3**	**13,547.2**
PROVISIONS	1.16	**704.2**	**729.9**
Financial debts	1.17	38,881.5	35,577.5
Advances and instalments received on pending orders	1.18	265.1	223.0
Suppliers and related accounts	1.20	2,787.6	2,016.6
Tax and social security liabilities	1.20	185.4	234.6
Other debts	1.19	2,440.1	2,643.7
Deferred income	1.21	1,318.3	914.3
LIABILITIES		**45,878.1**	**41,609.7**
Conversion gain			
GENERAL TOTAL		**62,062.6**	**55,886.9**

PROFIT AND LOSS STATEMENT

In € millions	Appended references.	31/12/2013	31/12/2012
Sales of supplies	2.1	36.2	41.0
Sold production of services	2.1	5,654.0	5,514.7
Turnover net amount		**5,690.2**	**5,555.7**
Capitalised production		43.2	37.1
Operating subsidies	2.2	164.5	316.5
Reversals of investment subsidies	1.14	477.5	496.0
Reversals on provisions, depreciations (and amortisations), transfer of charges		93.9	103.1
Other income		2.0	11.2
Operating earnings		**6,471.4**	**6,519.6**
Cost of the mandated management	2.3	3,193.3	3,183.9
Studies		66.0	60.6
Works		48.4	30.6
Other purchases and external expenses	2.4	443.2	421.7
Taxes and similar payments	2.5	125.9	72.2
Salaries and wages	2.6	83.6	79.3
Welfare contributions	2.6	41.8	39.8
Depreciation allowance and depreciation of fixed assets	1.2/1.4	1,343.6	1,257.7
Provision allocations for current assets	1.9	23.0	14.1
Provision allocations		21.4	20.9
Operating expenses		**5,390.1**	**5,180.8**
OPERATING INCOME		**1,081.2**	**1,338.8**
Other interests and similar income		487.4	549.1
Provision reversals			
Positive exchange differentials		4.2	3.9
Proceeds involving marketable securities (disposals and equity interests)		2.2	20.9
Financial proceeds		**493.9**	**573.8**
Interest and similar expenses relative to the debt		1,345.4	1.350.8
Other financial charges		462.6	517.8
Provision allocations	1.16	11.8	44.4
Negative exchange differentials			1.4
Amortisation of the deferred charges	1.12	21.2	21.2
Financial expenses		**1,841.0**	**1,935.7**
FINANCIAL RESULT		**(1,347.1)**	**(1,361.9)**
CURRENT PRE-TAX EARNINGS		**(265.9)**	**(23.1)**
On capital operations		157.2	119.7
On management operations		36.3	6.1
Provision reversals, depreciations and transfers of charges		(33.6)	
Extraordinary Income		**159.9**	**125.8**
On capital operations		64.8	13.4
On management operations		0.4	
Allowances for depreciation, provisions and amortisations		(43.9)	23.1
Extraordinary expenses		**21.3**	**36.5**
EXCEPTIONAL RESULT		**138.6**	**89.3**
Corporation tax	2.9	12.4	48.2
NET EARNINGS OF THE FISCAL YEAR		**(139.7)**	**18.1**

CASH FLOW TABLE

In € millions	Appended references 7.	31/12/2013	31/12/2012
Cash flows linked to activities			
Net earnings of the fiscal year		**(139.7)**	**18.1**
Elimination of expenses and proceeds having no incidence on the cash		718.3	621.6
Cost of the debt		1,345.7	1.362.4
Internal financing capacity		**1,924.3**	**2,002.1**
Change in working capital requirements	3.1	**237.3**	**(108.3)**
Net cash flows linked to activities		**2,161.6**	**1,893.8**
Cash flows related to investment operations			
Acquisitions of fixed assets		(5,047.2)	(4,377.7)
Disposals of fixed assets		108.0	92.1
Variation of safety deposits		(0.2)	(2.0)
Net cash flow related to investment operations	3.2	**(4,939.3)**	**(4,287.6)**
Cash flows related to financing operations			
Loan issues		7,453.8	5,968.8
Repayments of loans		(4,150.1)	(4,096.5)
Investment subsidies		1,836.3	1,209.1
Variation of collateral		(125.1)	(229.4)
Other deposits and surety bonds received		0.4	0.7
Net financial interest disbursed		(1,561.7)	(1,635.2)
Net cash flow related to financing operations	3.3	**3,453.7**	**1,217.4**
Net change in cash		**676.0**	**(1,176.3)**

NET CASH AT THE OPENING		**3,225.4**	**4,401.7**
NET CASH AT THE CLOSING		**3,901.4**	**3,225.4**
CHANGE IN NET CASH POSITION		**676.0**	**(1,176.3)**

APPENDIX

The financial statements to 31 December 2013 were closed during the board of directors meeting held on 19 March 2014.

1 - PRESENTATION OF THE PUBLIC CORPORATION "RÉSEAU FERRÉ DE FRANCE" (RFF)

Réseau Ferré de France (RFF) is a public corporation of an industrial and commercial nature (EPIC) created by the amended law n°97-135 of 13 February 1997, with retroactive effect to 1 January 1997.

This law and its implementing decrees n° 97-444, 97-445 and 97-446 created RFF in the form of an independent entity, and the owner of the French railway infrastructures previously allocated to the SNCF.

As such, the railway reform established a separation between the ownership of the rail infrastructures (by RFF) and their operation (by the SNCF). In application of the aforesaid law, the SNCF looks after the management and maintenance of the infrastructures on behalf of RFF, with an agreement between the SNCF and RFF determining the provisions in price thereof. However, the law of 5 January 2006 and its implementing decree n°2006-1534 of 7 December 2006 clarified the missions of each of the two establishments, as well as the provisions for their activities.

As a reminder, the principles behind the set-up of the opening balance sheet on 1 January 1997 were the following:
- the amount of the fixed assets taken over by RFF, i.e. €22.5 billion, corresponds with the net book value that they had in the SNCF's financial statements to 31 December 1996;
- the subsidies transferred to the RFF balance sheet include, firstly, all of the subsidies relative to investments in the Paris Suburbs, i.e. a total of €1,068.8 million (€556 million relative to fixed assets put into service in €512.8 million for fixed assets under construction) and, secondly, the subsidies relative to the fixed assets under construction on the main network for €164.5 million, i.e. a total of subsidies on fixed assets under construction of €677.3 million.

Moreover, Réseau Ferré de France recorded liabilities in the opening balance sheet that included a debt of €20.5 billion to the SNCF, pursuant to law n° 97-135 of 13 February 1997 that established of Réseau Ferré de France.

2 - ACCOUNTING PRINCIPLES AND METHODS

Article 3 of the law of 13 February 1997 indicates that in terms of financial and accounting management, RFF is subject to the rules applicable to industrial and commercial companies. The RFF financial statements were prepared pursuant to the provisions of the General Chart of Accounts and the generally accepted principles. In compliance with the basic assumptions:

- separation of the financial years
- continuity of operations
- consistency of the methods

2.1. TANGIBLE FIXED ASSETS

In application of articles 11 of the law and 5 of decree n° 97-445 of 5 May 1997 establishing the initial assets of Réseau Ferré de France, RFF has assets that it can actively manage. Indeed, RFF received the full ownership of its assets, consisting of the railway tracks but also various lands and buildings, that it can assign or enhance their value, subject to the rules pertaining to the public domain.

Article 46 of decree n° 97-444 indicates that the public domain assets of RFF are inalienable and indefeasible.

2.1.1. ASSETS UNDER CONSTRUCTION

<u>Production cost of the fixed assets</u>
Tangible fixed assets are valued at their acquisition cost or at their production cost.
The production booked on a project is capitalized on the asset side of the balance sheet as of the "pre-project" phase.
The production cost of operations carried out under a RFF-granted mandate consists of the invoicing from companies performing the works. The project ownership and project management costs are anticipated in the mandate agreements.
The production cost of operations carried out through direct project ownership includes the studies, works, real estate acquisitions and compensation, as well as direct operating costs.

The production cost for work carried out through PPP is recognised in keeping with the physical progress of the works on the basis of the completion percentage indicated by the partners. It consists of the sum of the value of the fees invoiced by partners, plus the present value of the fees still to be paid, to which the progress percentage is applied.

<u>Depreciation of ongoing projects</u>
RFF carried out the depreciation of ongoing projects, but are recorded in the assets under construction. The objective is to materialize the risk of the project's non-completion, which means immobilizing the expenses without creating an asset in the end.
Two types of criteria have been used for the purposes of the depreciations:
- the exception procedure: an exceptional operative event calls the project's outcome into question. If the risk of non-completion is greater than 50%, the expenses are 100% depreciated.
- the flat-rate procedure: the recorded expenses are 25%, 55% and 100% depreciated if the investments have been stopped respectively for 2 years, 3 years and 4 years or more. The studies related to projects involving renewals or bringing up the standards are depreciated only in the event that the works are not scheduled for future financial years.
Depreciations are calculated net of merited subsidies related to the projects in question.

2.1.2. FIXED ASSETS IN SERVICE

<u>Commissioning process</u>
RFF puts projects into service using the following process:
- at the start of the realisation phase, during the preparation of the final estimate, the expenses planned: according to technical lots are divided into items on the basis of the nature of RFF's fixed assets,
- as the project advances, the lots are technically closed and all of the expenses distributed to the items; the items relating to a project are put into service at the time of the technical completion or when they are made available to the delegated infrastructure manager,
- the expenses put into service include the accrued expenses.

Nomenclature of the fixed assets

An application of CRC regulation 2002-10 has a nomenclature of components.

This nomenclature consists of eleven families broken down into approximately 100 components. In particular, tracks are the subject of a detailed approach by UIC group (international indicator of line traffic).

Depreciation of the fixed assets

As part of coming into compliance with the CRC 2002-10, RFF has defined a depreciation period for each component of its nomenclature. Depreciations are calculated using the straight-line method. The durations, defined on the basis of recommendations from technical experts in each study domain, are summarized as shown below:

Development of land	30 years
Earthworks and structures	15 to 50 years
Fixtures of the structures	10 years
Tracks	from 20 to 100 years
Electrical energy installations	from 10 to 75 years
Signalling	from 15 to 50 years
Telecommunications	from 5 to 30 years
Levels crossings	15 years
Engineering works	from 30 to 70 years

Fixed assets involved in operations are depreciated using the straight-line method, over the following durations:

Fixtures, general installations	10 years
Office furnishings and equipment	5 to 7 years
Information technology and telecommunications	3 to 5 years
Vehicles	5 years
Software	1 to 5 years

Valuation of the fixed assets

Step 1. Grouping of the assets into cash generating units

CRC regulation 2002-10 indicates the provisions for calculating the present value of the assets and the conditions under which it is necessary to perform impairment tests on the value on the said assets.

For RFF, it is not possible to estimate the recoverable value of an isolated asset. Under these missions, the company can exceptionally use the notion of cash-generating units as recommended by the IFRS standards (IAS 36).

It is recalled that a cash generating unit (CGU) is the smallest group of assets that includes the asset itself, and the continuous usage of which generates cash inflows that are largely independent of the cash inflows generated by other groups of assets.

The first group identified by RFF consists of the assets used as part of RFF's activity as infrastructure manager. It consists of the lands and buildings dedicated to this activity, as well as all infrastructure hardware. The cash inflows and outflows for this group of assets are identifiable and largely independent from the establishment's other flows.

The second group identified by RFF consists of the assets not used as part of its activity as infrastructure manager. It includes land and buildings that are considered sellable in the future, some of which may be the subject of occupancy agreements with third parties. The resulting cash inflows and outflows can be distinguished from the flows related to other assets by means of distribution keys.

As such, RFF uses two CGUs in order to perform impairment tests : one so-called "Infrastructure" CGU, and one so-called "Property" CGU.

Step 2. Asset valuation

Definition
The recoverable value of the "Infrastructure" assets consists of their value in use (there is no net sale price for these assets).
The recoverable value of the "Property" assets is the net market value net of the expenses needed for their sale.

Calculation of the value in use of the Infrastructure CGU
The value in use of the Infrastructure assets is the present value of the estimated future cash flows expected from the continuous usage of these assets and their exit at the end of their usefulness duration.

a) Perimeter of the Infrastructure CGU assets

The Infrastructure CGU includes all of the assets attached to the major "families" of the accounting nomenclature of the following fixed assets:
Development of lands and structures, Electrical energy installations, Signalling installations, Telecommunication installations, Engineering works, Tracks, Level crossings, Earthworks.
The families of lands and buildings have been split, in order to distribute them according to their purpose, between the Infrastructure CGU and the Property CGU.
90% of the buildings were assigned to the Infrastructure CGU on 01/01/2005, given that, pending the final inventory and on the basis of our current knowledge, 90% of RFF's buildings are occupied by the delegated infrastructure manager.
The lands are distributed as follows:
- all land used for the seating of the tracks is assigned to the Infrastructure CGU,
- the other land that are is classified as a land reserve or freight yards is assigned to the Infrastructure CGU.
The distribution of the lands and buildings between the 2 CGUs is rather inclusive in nature. It should be possible to refine it.

b) Composition of the future cash flows
Inflow:
- the infrastructure fees,
- the fees for specific branch lines,
- The proceeds from property occupation, for the share that can be allocated to the infrastructure,
- the State operating subsidy, or other operating subsidies,
- the subsidies allocated to renewal.

Outflows:
- the cost of the network management agreement,
- the cost of the property management agreement, for the share that can be allocated to the infrastructure,
- the cost of the agreement for train station services,

- the cost of the renewal investments,
- personnel expenses for the share that can be allocated to the existing network's operational management.
- the corporation tax

The WCR change associated with these flows is also taken into account.

c) Cash flow projections

The multi-year budget construction period allows RFF to prepare cash flow projections based on three budget years. Beyond that, the cash flows are based on the last year's data then projected until 2030, which is the date on which the network is considered to have stabilized as a result of catching up with the renewal delays.

The cash flows also take into account the data contained in the amendment to the performance contract for the 2013 and 2014 periods approved by the Supervisory Ministries as well as the 3-year draft finance law for 2013-2015.

d) Cash flow discounting

The selected discounting rate is valued using the cost of the resource and of the risks faced by other regulated infrastructure managers that are comparable with RFF; this rate is also corroborated by a valuation model for financial assets that is applied to a target structure towards which RFF could evolve.

Valuation methodology for the assets in the Property CGU

a) Perimeter of the Property CGU assets

The assets of the Property CGU include both lands and buildings.

Perimeter of the lands

This includes sellable lands owned by RFF, on which there is no rail activity. They are considered not to be useful for the infrastructure or for transportation. The sellable lands also include the freight yards.

Perimeter of the buildings

The buildings included in the Property CGU are buildings not used by the delegated infrastructure manager.

b) Methodology for evaluation of the lands

The lands and structures attached to the Property CGU were valued in an inclusive manner on 01/01/05, notably on the basis of:
- their location within a geographical zone,
- a market value per m², that considers the probable usage of the plot after disposal.

With each closing of the financial statements, RFF assesses if there is any indication that assets have lost value. When there is, an impairment test is performed and a provision is booked if relevant.

The indication of the CGU's potential impairment loss is assessed from the anticipated realisation values of the assets in question, drawn from the business plan.

Once calculated and distributed, the depreciation modifies the future amortisation plan of the assets.

If the test leads to a net book value for the CGU that is lower than the recoverable value and should depreciation have initially been booked, then a reversal of the depreciation is carried out in the amount of the recoverable value.

Step 3. Depreciation of the Infrastructure CGU's assets

Indications of an impairment loss

RFF has used the following impairment loss indications :
- Evolution of the market rates
- Obsolescence or physical deterioration of assets not anticipated in the depreciation plans
- Significant changes in the degree or mode of the asset's usage
- Significant evolution in the performance of the assets

The evolution of these indications is measured by the change :
- of the RFF financing rate and therefore of its discounting rate
- of the amount of future maintenance or renewal expenses
- of the amount of future tolls
- of the amount of the future costs relative to management agreements, or other operating subsidies
- of the average remaining duration of the assets

Performance of the impairment tests

With each closing of the financial statements, RFF assesses if there is any indication that assets have lost value. If there is, an impairment test is carried out.

For the Infrastructure CGU, the impairment test involves comparing the NBV of the assets, less the subsidies in service not yet added to the earnings and increased by the balance of deferred tax assets, the balance of fixed assets in the process of renewal net of subsidies and of the operational WCR, with the present value of the future cash flow generated by these assets, to which the residual value of these assets is added.

Calculation of the depreciations

If the NBV of the Infrastructure CGU is greater than the recoverable value, then depreciation is booked for the difference. This depreciation is distributed to each of the assets comprising the CGU, in proportion with the NBV of each of these assets within the CGU.

Once calculated and distributed, the depreciation modifies the future amortisation plan of the assets.

If the test leads to a NBV for the CGU that is lower than the recoverable value should depreciation have initially been booked, then a reversal of the depreciation is carried out in the amount of the value in use.

2.1.3. DISPOSALS

Disposals can be carried out either directly by RFF or by its agents that provide it with the information relative to the posting of the proceeds from the sales and the corresponding asset outflows.

2.2. SUBSIDIES

RFF receives two types of subsidies:

a) RFF receives a subsidies in connection with financing agreements for investment projects signed with third parties (State, Local authorities, Regions, etc.).

They follow the same accounting rule as expenses:
- they are recorded in the operating earnings in order to cover operational expenses (general studies, preliminary studies),

- they are recorded on the liabilities side of the balance sheet in shareholders equity when they come under capitalised expenditures (assets under construction). These subsidies are then transferred to the profit and loss statement at the same rhythm as the amortisations applied to the fixed assets in service.
- With each accounting closing and for each project, the calls for complete subsidies are compared with the amount of the posted expenses. Adjustments are then carried out and recorded either on the asset side in "subsidies to be called", or on the "subsidies" line item of the current liabilities for "subsidies called in advance". These adjustments then make it possible to post the "merited subsidy".
-"Merited subsidies" relative to PPP contracts are recognised in the same manner according to the percentage of completion of the works, as a reflection of the posting of the production in progress.

b) The 2009 Finance Law created an overall subsidy intended to contribute to RFF's financial equilibrium.

2.3. RECEIVABLES

Receivables are valued at face value. A provision for impairment is posted as soon as the inventory value is lower than the book value.

Receivables are 100% depreciated when they are past due for more than 12 months on the closing date of the financial statements, and 50% when past due for more than 6 months. Disputed receivables are 100% provisioned.

2.4. MARKETABLE SECURITIES AND SIMILAR

Marketable securities are recognised at their historical value. A calculation of the market value of marketable securities is performed on the inventory date. Possible capital losses are the subject of a provision for impairment.

2.5. FOREIGN-CURRENCY OPERATIONS AND PROVISIONS FOR EXCHANGE LOSSES

Monetary balances denominated in foreign currencies are converted at year end using the closing rate through profit or loss, except for any relating to operations that are perfectly hedged by currency swap contracts, recorded at the hedge rate.

On the closing date of the financial statements, when the application of the conversion rate on 31 December serves to modify the previously recorded euro amounts, the foreign currency adjustments are recorded as balance sheet liabilities when the difference corresponds with an unrealised gain, and as balance sheet assets when the difference corresponds with an unrealised loss. Unrealised losses result in the preparation of a provision for exchange risks.

2.6. DERIVATIVE FINANCIAL INSTRUMENTS

RFF manages the market risks related to variations of interest rates and exchange rates through the use of derivative financial instruments, notably interest rate swap contracts, options on interest rate swap contracts, foreign exchange contracts, currency swap contracts and exchange options.

RFF uses nearly all of its derivative financial instruments in order to hedge operations. The proceeds and expenses from these instruments are recorded symmetrically upon the recognition of the expenses and proceeds of the hedged element.
Interest differentials to be received or paid as a result of rate swap operations and caps, as well as the bonuses and adjustments related to these operations, are considered, for the lifespan of the contracts, as an adjustment of the interest expense on the financial debt.
For forward exchange transactions and currency swap contracts, the initial differences between the negotiated forward price and the cash price are recorded in profit or loss over the lifespan of the contract as exchange gains or losses.

2.7. FINANCIAL DEBTS

a) Transferred SNCF debt

Upon the RFF's creation on 1 January 1997, a debt of €20.5 billion relative to the SNCF was transferred and listed in the RFF liabilities. In terms of duration, interest rate and currencies, this debt represents the SNCF's financial debt on the creation date of RFF.
After having been modified in 2001, as a result of loan extension clauses that it contained, its consistency has not changed since then.

The expenses related to the issues comprising the SNCF debt and not amortised by the latter on 1 January 1997, i.e. approximately €21.4 million, are amortised by RFF over the average residual lifespan of this debt. The issue premiums and expenses resulting from operations carried out on its own are subject to state-line amortisation, prorated to the accrued coupon.

b) RFF debt

Since 1 November 2003, zero-interest coupon loans have been recorded amongst the liabilities at their issue price, and no longer at their redemption price. The redemption premium is settled. Capitalised accrued interest is recorded in the financial expenses and as a supplement of the dead on the liabilities side at the time of each closing.
With regard to inflation-indexed issues, RFF re-values the redemption premium on the basis of changes to inflation. A provision for risks and expenses is booked with each closing. It represents the amount of the unrealised loss during the financial year.

2.8. PROVISION FOR REMEDIATION AND ENVIRONMENTAL RISKS

The GCA and CNC opinion n°00-01 on liabilities not require the establishment of provisions for remediation or environmental risks when the company is subject to an obligation. This is the case for RFF.
This obligation can involve repairing any deterioration or preventing damages caused to the environment. This notably includes the provisions for asbestos removal as well as provisions related to eliminating creosote-treated railway sleepers.

2.9. INSURANCE

RFF first purchased insurance policies on 01/01/2007. These policies cover the civil liability risks related to all of its activities, as well as damage risks for its assets and the subsequent losses of tolls.

These policies, that are of the "all risks except" type, also cover natural catastrophes. They have been arranged through leading insurance companies.

3. METHOD CHANGES

No change of accounting method occurred during the 2013 financial year.

4. SIGNIFICANT EVENTS

Brétigny-sur-Orge accident

On Friday 12 July 2013, Paris-Limoges train n°3657 derailed in the Brétigny-sur-Orge (Essonne) station. At this point, only the origin of the accident is known. The investigations in order to determine the causes are still in progress. The Bureau d'Enquêtes sur les Accidents de Transports Terrestres (BEA-TT) released its progress report in January 2014. This report, that examines the events and their causes, was presented to the SNCF and RFF directors on 13 January 2014. It will be used to strengthen the safety-related actions for the benefit of the rail system. This intermediate document constitutes a technical investigation. Determining liability is the task of the ongoing legal proceedings.

Correction of the impact of delays in the accounting entry into service on projects delegated to the SNCF

The new automated system for accounting entries into service encountered implementation and then operating difficulties related to the information systems as of April 2012. These difficulties prevented the performance of the accounting entries into service that should have been completed in the operation systems in 2011 and 2012.

To ensure that the financial statements present an image of the economic reality of the entries into service, additional entries were posted in 2011 and 2012:

- assets entered into service: €8,198.6 million
- subsidies entered into service: €3,099.3 million

At the same time, depreciation expenses and reversals of corresponding subsidies were posted in 2011 and 2012 for respective amounts of €326.8 million and €131.1 million.

To 31/12/2013, the entries into service were caught up in the information systems in the total amount of €7,794.6 million and €1,980.9 million. At the same time, the depreciation expenses and subsidy reversals were reintegrated into the information system.

To 31/12/2013, additional entries into service once again had to be posted by "OD" in order to account for the efforts to finalise the entry into service files carried out in December 2013. As such, the amounts entered into service are €1,047.9 million for assets and €587.3 million for subsidies. Depreciation expenses and subsidy reversals were also recognised by OD for respective estimated amounts of €24.3 million and €14.1 million.

These entries into service will be regularised in the information systems in the first half of 2014. By 30/06/2014, the accounting entries into service will therefore have been completely regularised in the information systems.

Rail reform

The major outlines of the rail system reform were presented to the Council of ministers on 29 May 2013. The first reading of the draft law will take place on 16 June 2014 in the National Assembly.

5. COMPARABILITY OF THE ANNUAL FINANCIAL STATEMENTS

No event likely to affect the comparability of the financial statements occurred during the 2013 financial year.

6. EVENTS AFTER THE CLOSING

There is no event after the closing to be pointed out.

7. SUPPLEMENTARY INFORMATION RELATIVE TO THE BALANCE SHEET, THE PROFIT AND LOSS STATEMENT AND THE CASH FLOW TABLE

7.1. ADDITIONAL INFORMATION RELATIVE TO THE BALANCE SHEET

7.1.1. TABLE OF TANGIBLE AND INTANGIBLE FIXED ASSETS

NATURE In € millions	Gross book value on 31/12/2012	Increases	Transfers from item to item	Entries into service	Reclassification as expenses	Reductions	Gross book value on 31/12/2013
Intangible fixed assets							
Software	88.0	3.1		20.2	(0.0)	(0.0)	111.3
Software programs being developed	23.2	29.8		(20.2)	(2.2)		30.7
Intellectual property rights	25.0	0.0					25.0
SEA intangible assets	399.2	280.7					679.9
TOTAL OF THE GROSS VALUES OF THE INTANGIBLE FIXED ASSETS	**535.5**	**313.6**	**0.0**	**0.1**	**(2.2)**	**(0.0)**	**847.0**
Lands	4,929.1	3.0		63.0	0.0	(18.0)	4,977.0
Development of land	1,194.4	0.0		254.9	(0.2)	(1.5)	1,447.6
Local fittings	32.0	1.8		(0.2)	(0.0)	(1.2)	32.3
Earthworks for the lines	5,457.1	0.0		201.9	0.0	(1.2)	5,657.8
Buildings	950.0	0.0		371.9	(0.1)	(4.0)	1,317.8
Layout of the structures	87.8	0.0		0.0	0.0	0.0	87.8
Tracks	21,113.4	56.5	(7,150.7)	4,595.3	17.7	(7.1)	18,625.1
Level crossings	559.2	12.0		85.2	5.3	(1.8)	659.9
Engineering works	9,807.6	13.1		951.6	2.0	0.0	10,774.2
Electrification	3,280.6	0.0		507.8	(6.4)	(9.6)	3,772.4
Signalling	4,110.8	0.0		668.4	(2.6)	(18.5)	4,758.2
Telecommunications	1,093.1	0.9		248.5	(2.1)	(2.9)	1,337.6
IT hardware	23.5	2.1		3.7	(0.0)	(0.1)	29.2
Advertising panels	3.8	0.0		0.0	0.0	0.0	3.8
Equipment and tools	3.3	0.2		0.4	0.0	(0.1)	3.8
Transport equipment	4.5	0.8		0.0	0.0	0.0	5.3
Office equipment	1.5	0.0		(0.3)	(0.0)	(0.0)	1.2
Furniture	6.0	0.9		0.3	(0.0)	(0.1)	7.1
TOTAL OF THE GROSS VALUES OF THE TANGIBLE FIXED ASSETS	**52,657.7**	**91.4**	**(7,150.7)**	**7,952.4**	**13.5**	**(66.1)**	**53,498.2**
Assets under construction	8,297.6	5,449.7	7,150.7	(7,950.4)	(5.8)	(0.6)	12,941.1
Assets under construction made available to the concession holder	189.6	0.0		0.0	0.0	0.0	189.6
Advances on fixed assets under construction	22.4	0.2		(2.0)	0.0	0.0	20.6
TOTAL OF THE GROSS VALUES OF THE TANGIBLE FIXED ASSETS UNDER CONSTRUCTION	**8,509.6**	**5,449.9**	**7,150.7**	**(7,952.4)**	**(5.8)**	**(0.6)**	**13,151.4**

The "item to item transfer" column includes the impact of all of the regularisation "OD" pursuant to making up for the delays with the accounting entries into service.

Investment expenses

The total amount of the expenses for tangible investments for 2013 is equal to €5,541.3 million.

This amount includes:

- €5,449.9 million of investment expenses under RFF project ownership, consisting of:
    - €5,448.1 million of expenses on infrastructure investment projects
        - including €3,542.1 million of mandated production (including €0.6 million relative to the DCF activity)
        - including €742.9 million of direct production
        - including €1,163.1 million of production via PPP (GSMR €171.2 million, BPL €813.4 and CNM €178.5 million)
    - €0.2 million of increased advances pursuant to real estate reserves
    - €1.6 million of expenses relative to real estate and property management
- €91.4 million of other acquired investment expenses
  including €81.8 million of infrastructure investment

The amount of the intangible investment expenses for the 2013 financial year is equal to €313.6 million, including €280.7 million relative to the SEA concession contract and €29.8 million for internal software production.

Entries into service for the financial year :

The amount of the tangible fixed assets put into service is primarily related to the "catch-up" explained in the paragraph "Significant events".

The additional entries into service involve:

- €5.1 million of projects through delegated project ownership excluding SNCF
- €60.5 million of projects through direct project ownership
- €83.7 million pursuant to the GSMR PPP
- €1.3 million pursuant to investments for the DCF activity
- €8.6 million for operations and other

The amount of intangible assets put into service is equal to €20.2 million for the 2013 financial year, versus €4.5 million in 2012.

7.1.2. DEPRECIATION TABLE

NATURE In € millions	Total amortisations to 31/12/2012	Allowances	Transfers from item to item	Reductions	Total amortisations to 31/12/2013
Intangible fixed assets					
Software	79.7	15.0		(0.0)	94.6
TOTAL AMORTISATION OF INTANGIBLE FIXED ASSETS	**79.7**	**15.0**	**0.0**	**(0.0)**	**94.6**
Earthworks for the lines	1,259.9	120.7	0.0	0.0	1,380.6
Development of the lands	166.2	51.8	0.0	0.0	218.0
Buildings	183.7	39.2	0.0	(0.6)	222.3
Local fittings	19.8	2.1	0.0	(0.4)	21.5
Layout of the structures	74.3	4.4	0.0	0.0	78.7
Tracks	4,993.3	619.7	(78.4)	0.0	5,534.6
Level crossings	486.9	13.8	0.0	0.0	500.8
Engineering works	1,806.6	165.2	0.0	0.0	1,971.8
Electrification	1,291.6	137.2	0.0	0.0	1,428.8
Signalling	2,219.6	173.1	0.0	0.0	2,392.7
Telecommunications	824.8	62.4	0.0	(0.1)	887.2
IT hardware	19.4	4.4	0.0	(0.1)	23.7
Advertising panels	3.8	0.0	0.0	0.0	3.8
Equipment and tools	0.4	0.4	0.0	0.0	0.7
Transport equipment	0.6	0.6	0.0	0.0	1.2
Office equipment	0.7	0.2	0.0	0.0	0.9
Furniture	4.0	0.6	0.0	(0.1)	4.5
TOTAL AMORTISATION OF TANGIBLE FIXED ASSETS	**13,355.6**	**1,395.8**	**(78.4)**	**(1.3)**	**14,671.7**
TOGETHER	**13,435.3**	**1,410.7**	**(78.4)**	**(1.3)**	**14,766.4**

The "item to item transfer" column includes the impact of all of the regularisation "OD" pursuant to making up for the delays with the accounting entries into service.

7.1.3. PRESENT VALUE OF THE ASSETS ON THE CLOSING DATE:

Infrastructure CGU

An impairment test was performed on 31/12/2013.

Change of estimate: the horizon beyond which the cash flows are projected in order to calculate the terminal value was deferred from 2025 to 2030, at which point the consistency of the network should be stabilized. This offset is related to the renewal trajectory for the network anticipated as part of the Great Network Modernization Project ordered by the deputy minister for transportation and the sea, released on 19 September 2013. The consequence of this offset is an increase of the network's value by €8.8 billion.

The value is also dependent on the long-term inflation rate used in order to project the flows beyond 2030 as part of the terminal value calculation. The sensitivity is in the area of +€0.9 billion per increase of 10 basis points of inflation. It is recalled that the inflation rate projected until 2030 is the railway inflation rate.
The other structuring hypotheses regard the pricing of the freight activity, that would at least make it possible to cover its marginal cost in parallel with the stability of this activity's volume.

Adopted discounting rate : 5.5% after tax, no change relative to 31/12/2012. A rate change of +/- 0.1% results in a variation of -/+ €1 billion of the discounted value of the flows.

The network's value in use is equal to €38.8 billion for a reference net book value on 31/12/2013 of €31.9 billion.

Property CGU

RFF has seen no indication that this CGU's assets had lost any value.

7.1.4. DEPRECIATION TABLE FOR ASSETS UNDER CONSTRUCTION

In € millions	Amounts of aggregated expenses to 31/12/2013	Amount of depreciations to 31/12/2012	Allowances	Reversals	Amount of depreciations to 31/12/2013
Dormant projects	32.5	26.8	11.2	(14.3)	23.7
Port rail lines Assets under construction	0.0	43.9		(43.9)	(0.0)
Other	0.0	0.5			0.5
TOTAL	**32.5**	**71.2**	**11.2**	**(58.2)**	**24.1**

7.1.5. FINANCIAL FIXED ASSETS

In € millions	31/12/2013	31/12/2012
- Non-current investment subsidy to be called	583.9	144.7
- Security deposits	5.9	5.8
- Investment securities	0.5	0.5
TOTAL FINANCIAL FIXED ASSETS	**590.3**	**151.0**

On 31/12/2013, the financial assets included €583.9 million of subsidies still to be called for PPP projects, including €444.6 million for the BPL project and €139.2 million for CNM.

These financial assets represent the subsidies to be received by RFF from the State, that will allow it to reimburse its debts firstly to Eiffage for BPL, and secondly to Oc'Via for CNM. These subsidies will be received as of 2017.

At the same time, RFF has booked financial debts for the same amounts that it will also have to reimburse as of 2017 (cf § 7.1.17).

The amount of €583.9 million represents the progress of the projects to 31/12/2013.

Subsidiaries and equity interests

RFF has a €500,000 equity interest, i.e. 50% of the capital, in the Simplified Joint Stock Company Lyon Turin Ferroviaire (LTF), the head office of which is located at 1091 avenue de la Boisse in Chambéry (73). In compliance with the agreement of 29 January 2001 between the Government of the French Republic and the Government of the Italian Republic, the company's purpose is to carry out studies, reconnaissance work and preliminary works on the common French-Italian part of the international section in order to create a new rail line between Lyon and Turin.

The net income of LTV is nil for the 2013 financial year; the capitalised production for the period is €78.2 million. The company's shareholders equity is equal to €693.6 million on 31/12/2013. No impairment loss was recorded to 31/12/2013.

Since 2013, RFF has held a 33% equity interest, in the amount of $33,000, in the capital of the SAS AIREFSOL Energies, a simplified joint stock company also held by Eolfi for 67%. RFF provides access to properties that are not needed for its railway activities, for the design and development of energy production plants.

As a founding director, RFF participated in the creation of the RAILENIUM Scientific Cooperation Foundation. The SCF was created by the decree of 26 October 2012, and its purpose is to define and implement a common cooperation policy in the field of rail transport infrastructures.

As a founding director, RFF has firstly committed to endowing this Foundation with €2.84 million over five years, including a total of €1.4 million paid in 2012 and 2013, and secondly an additional commitment of resources of €0.8 million over 2 years starting in 2015.

RFF also has interests in the following EIG and EEIG:

- ERTMS EEIG: 16.67% share
- S2IF EIG: 50% share
- SEA Victoria Dax EEIG: 50% share
- RFC2 EEIG: 49% share
- RFC6 EEIG: 20% share
- NAF GCT EEIG: 50% share
- CFM4 EEIG: 33.33% share

ADVANCES AND DEPOSITS PAID ON CURRENT ORDERS

In € millions	31/12/2013	31/12/2012
- Advances and instalments paid	102.3	147.9
	102.3	**147.9**

The decline recorded on this item relative to 2012 can primarily be explained by the variation of the sums paid in advance for the BPL and CNM PPP projects, respectively -€42 million and +€16 million, and the reversal of an advance pay to the SNCF, for -€20 million.

7.1.7. OTHER RECEIVABLES

OTHER RECEIVABLES In € millions		31/12/2013	31/12/2012
- VAT credit reimbursement request		96.1	80.9
- VAT to be regularised on invoices not received		221.2	155.8
- Deductible VAT		124.9	113.4
- VAT on credit notes to be prepared		1.2	1.0
- Receivables relating to other taxes		34.8	0.3
- Receivables on financial asset disposals		70.6	37.0
- State subsidy to be called		9.3	14.2
- Other subsidies to be collected		1,193.6	841.6
- Subsidies to be called	(1)	880.6	713.0
- Proceeds to be received on debt instruments		243.8	272.0
- Accrued income		1.5	0.9
- [Receivables involving the personnel]		0.0	0.1
- Supplier credit notes to be received and advances		24.7	24.7
- Other sundry debtors		9.3	55.6
Of which : RSI		0.0	31.4
Of which : LTF		*0.0*	*17.7*
Other		*9.3*	*6.6*
TOTAL		**2,911.6**	**2,310.7**

(1) of which in service on 31/12/2013 : €120.8 million (€114.0 million on 31/12/2012)

The increase of the subsidies to be collected primarily results from the SEA concession contract, i.e. €567.2 million to 31/12/2013 versus €270.8 million to 31/12/2012, to the extent that RFF is the intermediary between the financiers and the concession holder LISEA.

7.1.8. REPORT ON THE DUE DATES OF THE RECEIVABLES

RECEIVABLES In € millions	Gross amount to 31/12/2013	Due in less than one year	Due in more than one year
Trade receivables and related accounts:	**853.3**	**853.3**	
Other receivables:	**2,911.6**	**2,903.8**	**7.8**
- Other operating receivables:	2,667.8	2,660.0	7.8
Tax and social debts	*478.2*	*478.2*	
Receivables on financial asset disposals	*70.6*	*62.8*	*7.8*
Subsidies to be collected	*1,193.6*	*1,193.6*	
State subsidy to be called	*9.3*	*9.3*	
Subsidy to be called	*880.6*	*880.6*	
Accrued revenues	*1.5*	*1.5*	
Other	*34.0*	*34.0*	
- Other financial receivables:	243.8	243.8	
Proceeds to be received on debt instruments	*243.8*	*243.8*	
TOTAL	**3,765.0**	**3,757.2**	**7.8**

7.1.9. DEPRECIATION OF RECEIVABLES

PROVISIONS / DOUBTFUL LOANS In € millions	Amounts on 31/12/2012	2013 allowances	2013 reversals		Amounts on 31/12/2013
			Used	Unused	
- Provisions for trade receivables	32.9	8.1	6.3	5.4	29.3
- Provisions for other receivables	26.1	14.9	0.5	2.1	38.3
TOTAL	59.0	23.0	6.8	7.5	67.7

The depreciations for other receivables primarily involve the subsidy receivables and receivables relative to the disposal activity.

7.1.10. MARKETABLE SECURITIES AND SIMILAR, CASH

In € millions	31/12/2013	31/12/2012
Marketable securities	**3,874.7**	**3,171.8**
- NDI	2,703.6	1,984.0
- UCITS	1,171.0	1,187.5
- [[ICNE] NDI deferred EUR]	0.1	0.2
Banks	**28.4**	**58.7**
- Banks (accounts in euros)	28.4	58.7
- Banks (accounts in foreign currencies)	0.0	0.0
TOTAL	**3,903.2**	**3,230.5**

The UCITS consist entirely of money market FCP (mutual funds) with a low risk profile.

7.1.11. DEFERRED EXPENSES

In € millions	31/12/2013	31/12/2012
- Interest on commercial papers in foreign currencies and euros	1.3	1.6
- Interest on treasury bills	0.1	0.0
- Adjustments on rate swap contract	608.2	427.3
- Premiums and discounts	0.0	0.0
- Other, including rents and expenses	5.7	6.3
TOTAL	**615.2**	**435.2**

7.1.12. DEFERRED CHARGES

In € millions	Gross amount to 31/12/2013	Depreciation allowance	Amortisation of the premium	Total amortisations	Net amount on 31/12/2013
Shares premium and issue charges on operations performed on own behalf	405.7	20.4		241.4	164.3
SUBTOTAL	**405.7**	**20.4**	**0.0**	**241.4**	**164.3**
Redemption premium from bonds on operations performed on own behalf	12.6	0.8		11.4	1.2
TOTAL	**418.3**	**21.2**	**0.0**	**252.8**	**165.5**

7.1.13. CONVERSION LOSSES

Nature In € millions	Amounts on 31/12/2012	Allowances	Reversals		Amounts on 31/12/2013
			Used	Unused	
Provisions related to inflation-indexed borrowings	270.5	12.3	0.0	0.0	282.8
TOTAL Translation gains or losses on Assets	**270.5**	**12.3**	**0.0**	**0.0**	**282.8**

7.1.14. STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY

In € millions	Capital endowment	Carry-forward	Profit or loss for the financial year	Subsidies (1)	Subsidies transferred to profit and loss	Total
Shareholders equity on 31/12/2012	**9,764.6**	**(13,900.9)**	**18.1**	**17,665.5**		**13,547.3**
Retained earnings (debit)		18.1	(18.1)			0.0
Profit or loss for the financial year			(139.7)			(139.7)
Net investment subsidies on assets in service				(470.3)	(340.9)	(811.2)
Investment subsidies on assets under construction				3,020.5		3,020.5
Net subsidy for renovation and bringing up to standards relative to fixed assets in service				0.0	(61.8)	(61.8)
Net subsidy for renovation and bringing up to standards relative to fixed assets under construction				0.0	(74.8)	(74.8)
31/12/2013	**9,764.6**	**(13,882.9)**	**(139.7)**	**20,215.7**	**(477.5)**	**15,480.3**

(1) see details § 7.1.15

7.1.15. INVESTMENT SUBSIDIES

1) Subsidies on fixed assets put into service

In € millions	Gross to 31/12/12	Transfer from item to item	Commissioning	Port rail lines transfer	Gross to 31/12/13
- Lands and layout	821.8		105.7	(1.6)	926.0
- Earthworks for the lines	1,617.9		52.8	(1.0)	1,669.7
- Buildings	328.6		202.7	(1.5)	529.9
- Layout of the structures	23.6		0.3		23.9
- Engineering works	2,930.9		424.9		3,355.7
- Tracks	5,040.6	(2,511.9)	745.1	(5.8)	3,267.9
- Level crossings	55.7		30.0	(1.5)	84.1
- Electrification	861.1		140.4	(7.8)	993.8
- Signalling	922.9		243.3	(15.0)	1,151.2
- Telecommunications	295.4		132.7	(2.2)	425.9
- Intangible fixed assets	14.4		0.2		14.6
TOTAL SUBSIDIES	**12,912.8**	**(2,511.9)**	**2,078.0**	**(36.3)**	**12,442.5**

In € millions	Balance on 31/12/12	Transfer from item to item	Share transferred to earnings	Balance on 31/12/13
- Land and layout	(161.0)		(38.1)	(199.1)
- Earthworks for the lines	(157.1)		(33.8)	(190.9)
- Buildings	(49.5)		(14.5)	(63.9)
- Layout of the structures	(18.5)		(1.8)	(20.4)
- Engineering works	(351.1)		(50.9)	(402.0)
- Tracks	(538.0)	38.7	(116.0)	(615.2)
- Level crossings	(30.3)		(5.2)	(35.6)
- Electrification	(180.9)		(31.1)	(212.0)
- Signalling	(312.1)		(55.5)	(367.6)
- Telecommunications	(126.9)		(32.7)	(159.5)
- Intangible fixed assets	(14.2)		(0.1)	(14.3)
TOTAL REVERSALS	**(1,939.7)**	**38.7**	**(379.6)**	**(2,280.5)**

	31/12/12	31/12/13
TOTAL NET SUBSIDY (gross - reversals)	**10,973.2**	**10,162.0**

2) Subsidies on assets under construction

The total of the merited subsidies, relative to assets under construction, is based on the progress of the works. This amount is recorded in the "investment subsidies on assets under construction" item and presented in the shareholders equity.

In € millions	Gross amount to 31/12/2012	Increase	Item to item transfer	Commissioning	reclassification	Gross amount to 31/12/2013
Investment subsidies on assets under construction	2,886.9	2,558.7	2,511.9	(2,078.0)	(8.8)	5,870.7
Total investment subsidies on assets under construction	**2,886.9**	**2,558.7**	**2,511.9**	**(2,078.0)**	**(8.8)**	**5,870.7**

In € millions	Amount on 31/12/2012	Increase	Total to 31/12/2013
Reversal investment subsidies on port rail lines under construction	(37.3)	37.3	
Reversal investment subsidies on port rail lines in service	(1.6)	1.6	
Reversal investment subsidies on port rail lines under construction	**(38.9)**	**38.9**	

3) Subsidy for renovation and bringing up to standards : (cf. note 2 2.b)

GROSS RENEWAL SUBSIDY

Year In € millions	Subsidy for the year	Amount recognised in 2004	Amount recognised in 2005	Amount recognised in 2006	Amount recognised in 2007	Amount recognised in 2008	Total amount recognised
2004	900.0	675.0	225.0				900.0
2005	900.0		675.0	225.0			900.0
2006	970.0			970.0			970.0
2007	985.2				985.2		985.2
2008	805.2					805.2	805.2
TOTAL	**4,560.4**	**675.0**	**900.0**	**1,195.0**	**985.2**	**805.2**	**4,560.4**

USAGE OF THE RENEWAL SUBSIDY

Commissioning year In € millions	Commissioning date	[Recovery duration]	Amount in service	Total recovery	Net in shareholders equity
2004	01/07/2004	38	675.0	(159.9)	515.1
2005	25/03/2005	42	573.9	(113.0)	460.9
2006	09/05/2006	42	878.4	(149.5)	728.9
2007	21/03/2007	35	734.2	(131.8)	602.4
2008	17/04/2008	33	68.8	(11.1)	57.7
2009	17/01/2009	42	844.4	(120.4)	724.0
2010	22/01/2010	38	435.5	(73.0)	362.5
2011	01/01/2011	51	20.5	(1.4)	19.1
2012	01/01/2012	28	254.8	(25.4)	229.4
2013	01/01/2013	41	74.8	(69.2)	5.6
TOTAL			**4,560.4**	**(854.8)**	**3,705.6**

The share transfer to earnings as at 31 December 2013 is equal to €136.7 million.

4) Summary of the investment subsidies as at 31/12/2013

In € millions	Net in shareholders equity
Investment subsidies put into service	10,162.0
Subsidies on assets under construction	5,870.7
Renewal subsidies on fixed assets put into service	3,705.6
TOTAL	**19,738.2**

PROVISIONS FOR CONTINGENCIES AND LOSSES

Nature In € millions	Amounts on 31/12/2012	Allowances	Reversals		Amounts on 31/12/2013
			Used	Unused	
Provisions for contingencies and charges :	**448.4**	**20.9**	**48.7**	**10.0**	**410.6**
Disputes	290.0	19.8	4.3	10.0	295.5
Tax & social charges	40.4		40.4		0.0
Remediation and environmental risks	118.0	1.1	4.0		115.1
Provisions for retirement commitments	**10.4**	**0.4**	**0.2**		**10.6**
Provisions related to financial risks :	**271.2**	**11.8**			**283.0**
TOTAL	**729.9**	**33.2**	**48.9**	**10.0**	**704.2**

The provisions for contingencies and losses relate to:

- environmental risks,
- disputes affecting firstly the infrastructure-related activities, and secondly the activities related to property management,

Despite the updates of provisions carried out in 2013, it should be recalled that uncertainty remains regarding the valuation of the amount of two specific provisions:

- Disputes regarding the flooding in Arles in December 2003 : the litigation expertise procedure is in progress. RFF has booked a provision for expenses on the basis of the amount of the damages known on the closing date of the financial statements, for the share that it will likely have to pay.

- Remediation and environmental risks : the provision recognised on the closing date is calculated on the basis of the knowledge, on this date, of the assets having to be treated; this provision will have to be updated as RFF continues with its efforts to identify the programmes to be implemented, and to quantify the corresponding remediation costs.

  Moreover, since 2012, RFF has undertaken an initiative to identify and quantify the open land installations, platforms, walkways and underground passages within the Stations perimeter that are likely to include an asbestos risk, even though this perimeter does not fall within the scope of the current regulations. This mission is ongoing and is entrusted to a specialised service provider.

The provision for pension commitments shows a balance of €10.6 million as at 31 December 2013, versus €10.4 million as at 31 December 2012.

The hypotheses used for the calculation of the discounted value of the obligation are the following:

Main hypotheses for the calculation of the bond's discounted value	31/12/2013	31/12/2012
Rate of salary increases	2.00%	2.50%
Rate of social security charges	47.00%	48.00%
Discounting rate	2.54%	2.21%
Turnover	3.28%	3.18%

7.1.17. FINANCIAL DEBTS

By turning to the bond market, RFF is able to entirely cover its long-term financing need.
As such, the long-term resources raised in 2013 represented a total amount of €4.9 billion, consisting of 30 operations carried out on the bond markets, denominated in euros and pounds sterling.

To manage its cash, RFF uses short-term financing instruments on the domestic and international money market, such as Treasury Bills and Commercial Papers.

FINANCIAL DEBTS	31/12/2013	31/12/2012	Change
In € millions	N	N - 1	N-(N-1)
SNCF debt	**1,223.9**	**1,650.0**	**(426.1)**
Outstanding capital:	1,199.2	1,617.1	(417.9)
- Transferred debt (historical cost)	*1,019.4*	*1,436.8*	*(417.4)*
- Exchange impact on debt in CHF	*0.0*	*0.0*	*0.0*
- RIF loans	*5.6*	*6.1*	*(0.5)*
- EIB renewal	*174.2*	*174.2*	*0.0*
Accrued interest	24.8	32.9	(8.2)
Own debt	**37,073.8**	**33,782.8**	**3,290.9**
Outstanding capital:	36,418.1	33,130.7	3,287.4
- Short term	*1,529.8*	*1,376.3*	*153.5*
- Long term			
at the hedged rate	*34,194.2*	*31,086.0*	*3,108.2*
share of inflation	*282.8*	*270.5*	*12.3*
- RIF loans	*47.7*	*51.1*	*(3,4)*
- Zero-interest coupon	*363.6*	*346.8*	*16.8*
Accrued interest	649.7	643.5	6.3
Bank overdraft	1.7	4.8	(3.1)
Deposits and surety bonds received	4.2	3.9	0.4
Total debts (A)	**38,297.7**	**35,432.8**	**2,864.9**
PPP debt BPL and CNM	**583.9**	**144.7**	**439.2**
Total balance sheet debts (C)	**38,881.5**	**35,577.5**	**3,304.1**
Cash - [VMP] (B)	**3,903.2**	**3,230.5**	**672.7**
Of which [ICNE]	*0.1*	*0.2*	*(0.1)*
Net financial debt (A) - (B)	**34,394.5**	**32,202.3**	**2,192.2**
Net financial debt excluding [ICNE], deposits and surety bonds received	**33,715.8**	**31,522.1**	**2,193.7**

The BPL and CNM loan line relates to the Brittany Pays de Loire and the Nimes Montpellier Bypass PPPs. It represents RFF's debt to its partners that are pre-financing part of the projects. RFF will have to reimburse these debts as of 2017. The progress of the projects to 31/12/2013 represents €583.8 million.

It should be noted that the reimbursement of these RFF debts will be financed by the State as of 2017 according to the same payment schedule.

RFF financial debts

The tables shown below give a distribution of RFF's short-term and long-term financial debts by currency and rate type:

Debt before swap	**In € millions**	**Gross amount**	**Up to one year**	**More than one year and five years at most**	**More than five years**
A - RFF DEBT		**36,418.1**	**3,785.6**	**3,299.3**	**29,342.4**
1- Bond issues		**34,888.3**	**2,255.8**	**3,299.3**	**29,342.4**
	Fixed rate total :	**29,897.6**	**1,972.4**	**2,885.5**	**25,049.0**
	Inflation total:	**2,793.7**			**2,793.7**
	Variable rate total:	**2,197.0**	**283.5**	**413.8**	**1,499.7**
	EUR fixed rate	22,191.4	1,900.0	1,800.0	18,491.4
	EUR inflation	2,793.7			2,793.7
	EUR variable rate	2,114.3	283.5	413.8	1,417.1
	EUR total	27,099.4	2,183.5	2,213.8	22,702.1
	AUD fixed rate				
	AUD variable rate				
	AUD total				
	CAD fixed rate	192.1			192.1
	CAD variable rate				
	CAD total	192.1			192.1
	CHF fixed rate	1,411.8	32.4	107.2	1,272.3
	CHF variable rate				
	CHF total	1,411.8	32.4	107.2	1,272.3
	GBP fixed rate	5,421.7		737.3	4,684.4
	GBP variable rate	82.6			82.6
	GBP total	5,504.3		737.3	4,767.1
	HKD fixed rate	30.7		30.7	
	HKD variable rate				
	HKD total	30.7		30.7	
	JPY fixed rate	383.2	40.0		343.2
	JPY variable rate				
	JPY total	383.2	40.0		343.2
	NOK fixed rate	65.7		0.0	65.7
	NOK variable rate				
	NOK total	65.7		0.0	65.7
	USD fixed rate	201.1		201.1	
	USD variable rate				
	USD total	201.1		201.1	
2- NDI		**1,529.8**	**1,529.8**	**0.0**	**0.0**
	Treasury Bills	75.0	75.0		
	Euro Commercial Paper	1,454.8	1,454.8		
	EUR				
	CHF				
	GBP	*296.2*	*296.2*		
	USD	*1,158.6*	*1,158.6*		

Debt before swap In € millions		Gross amount	Up to one year	More than one year and five years at most	More than five years
B - ACCRUED INTEREST		**652.8**	**652.8**	**0.0**	**0.0**
Bond issues		**649.7**	**649.7**	**0.0**	**0.0**
	Fixed rate total	577.6	577.6		
	Inflation total	57.9	57.9		
	Variable rate total	14.3	14.3		
	EUR fixed rate	456.1	456.1		
	EUR inflation	57.9	57.9		
	EUR variable rate	13.3	13.3		
	EUR total	527.3	527.3		
	AUD fixed rate				
	AUD variable rate				
	AUD total				
	CAD fixed rate	0.7	0.7		
	CAD variable rate				
	CAD total	0.7	0.7		
	CHF fixed rate	27.3	27.3		
	CHF variable rate				
	CHF total	27.3	27.3		
	GBP fixed rate	86.3	86.3		
	GBP variable rate	1.0	1.0		
	GBP total	87.3	87.3		
	HKD fixed rate	0.0	0.0		
	HKD variable rate				
	HKD total	0.0	0.0		
	JPY fixed rate	2.3	2.3		
	JPY variable rate				
	JPY total	2.3	2.3		
	NOK fixed rate	2.3	2.3		
	NOK variable rate				
	NOK total	2.3	2.3		
	USD fixed rate	2.6	2.6		
	USD variable rate				
	USD total	2.6	2.6		
NDI		**3.1**	**3.1**	**0.0**	**0.0**
	Treasury Bills	0.0	0.0		
	Euro Commercial Paper	3.0	3.0		
	EUR				
	CHF				
	GBP	*0.3*	*0.3*		
	USD	*2.7*	*2.7*		

C - DEFERRED INTEREST	4.4	4.4		
Treasury Bills	0.1	0.1		
Euro Commercial Paper	4.4	4.4		
EUR				
CHF				
GBP	*0.8*	*0.8*		
USD	*3.6*	*3.6*		

SNCF debt

The following table provides a distribution of the transferred SNCF debt by major categories:

SNCF debt **In € millions**	**Gross amount**	**Up to one year**	**More than one year and five years at most**	**More than five years**
A - Transferred SNCF debt	**1,199.2**	**5.7**	**528.6**	**664.9**
Fixed rate total	788.1		174.9	613.2
Variable rate total	411.1	5.7	353.8	51.7
EUR fixed rate	613.2			613.2
EUR variable rate	236.9	5.7	179.6	51.7
Of which RIF loans	*5.6*	*0.5*	*1.9*	*3.3*
EUR total	850.2	5.7	179.6	664.9
CHF fixed rate	174.9		174.9	
CHF variable rate				
CHF total	174.9		174.9	
GBP fixed rate				
GBP variable rate	174.2		174.2	
Of which EIB renewal of lines	*174.2*		*174.2*	
GBP total	174.2		174.2	
B - Accrued interest	**24.8**	**24.8**	**0.0**	**0.0**
Fixed rate total	24.6	24.6		
Variable rate total	0.2	0.2		
EUR fixed rate	21.3	21.3		
EUR variable rate	0.1	0.1		
EUR total	21.5	21.5		
CHF fixed rate	3.3	3.3		
CHF variable rate				
CHF total	3.3	3.3		
GBP fixed rate				
GBP variable rate	0.0	0.0		
GBP total	0.0	0.0		
TOTAL (A) + (B)	**1,223.9**	**30.4**	**528.6**	**664.9**

LONG-TERM FINANCIAL DEBTS (SUMMARY ELEMENTS)

The distribution of the long-term financial debt after hedging is the following :

Currencies	Fixed rate outstandings		Inflation-index outstandings		Variable rate outstandings		TOTAL outstandings	
	31/12/2012	**31/12/2013**	**31/12/2012**	**31/12/2013**	**31/12/2012**	**31/12/2013**	**31/12/2012**	**31/12/2013**
EUR	24,666.1	28,242.8	1,908.5	1,920.8	6,796.9	5,923.8	33,371.5	36,087.5
RFF	*23,291.6*	27,280.6	*1,908.5*	1,920.8	*6,554.3*	5,686.9	*31,754.4*	34,888.3
SNCF	*1,374.5*	962.3			*242.6*	236.9	*1,617.1*	1,199.2
CHF	0.0	0.0			0.0	0.0	0.0	0.0
Total :	**24,666.1**	**28,242.8**	**1,908.5**	**1,920.8**	**6,796.9**	**5,923.8**	**33,371.5**	**36,087.5**
As % :	**73.91%**	**78.26%**	**5.72%**	**5.32%**	**20.37%**	**16.42%**	**100.00%**	**100.00%**

	31/12/2012	31/12/2013
Total debt outstandings	**33,371.5**	**36,087.5**
Amounts of the own debt ICNE	643.5	649.7
Amounts of the transferred debt ICNE	32.9	24.8
TOTAL AMOUNT	**34,047.9**	**36,762.0**

7.1.18. ADVANCES AND PAYMENTS ON ACCOUNT RECEIVED

In € millions	**31/12/2013**	**31/12/2012**
- Advance on financial asset disposals	7.1	22.1
- Customer toll advances	258.0	200.8
TOTAL	**265.1**	**223.0**

The "toll customer advances" relate to the payment by Railway company customers of an advance corresponding with 20% of the reservation fees relative to the new service schedule, on the date of its publication, in compliance with the provisions of the order of 25 November 2008. Each month, these advances are deducted from the settlements of the invoices for the reservation fees.

7.1.19. OTHER DEBTS

In € millions	31/12/2013	31/12/2012
Other operating debts:	**2,173.5**	**2,239.2**
- Subsidies called in advance (1)	1,951.1	2,090.2
- Debts on equity interests *(LTF)*	27.6	0.0
- Other debts	194.8	148.9
Other debts on financial instruments:	**266.6**	**404.5**
- Accrued expenses on debt instruments	189.5	199.0
- Cross Currency SWAP	(3.2)	0.1
- Co-lateral security deposit	80.4	205.5
TOTAL	**2,440.1**	**2,643.7**

(1) of which €167.1 million in operation in 2013 versus €139.6 million in 2012

7.1.20. STATUS OF MATURITIES OF RECEIVABLES AND DEBTS

DEBTS In € millions	Gross amount	Due in less than one year	Due between 1 and 5 years	Due in more than 5 years
- Trade creditors and other accounts payable	**2,787.6**	**2,787.6**		
- Tax and social security liabilities	**185.4**	**185.4**		
Other debts:	**2,440.1**	**2,440.1**		
Other operating debts:	**2,173.5**	**2,173.5**		
- Subsidies called in advance	1,951.1	1,951.1		
- Debts on equity interests *(LTF)*	27.6	27.6		
- Other debts	194.8	194.8		
Other debts on financial instruments:	**266.6**	**266.6**		
- Accrued expenses on debt instruments	189.5	189.5		
- Cross Currency SWAP	-3.2	-3.2		
- Co-lateral security deposit	80.4	80.4		
TOTAL	**5,413.1**	**5,413.1**		

7.1.21. DEFERRED INCOME

In € millions	31/12/2013	31/12/2012
- Deferred income on occupancy fees	38.3	40.3
- Deferred income on infrastructure fees	211.5	189.7
- Issue premium on the bonds	935.8	533.0
- Adjustments on rate swap contracts	118.9	137.5
- Deferred income on bonds and other instruments	12.8	12.7
- Premiums / Discounts	1.0	1.1
TOTAL	**1,318.3**	**914.3**

7.2. ADDITIONAL INFORMATION RELATIVE TO THE PROFIT AND LOSS STATEMENT

7.2.1. BREAKDOWN OF THE TURNOVER

In € millions	31/12/2013	31/12/2012
Sales of old materials	**36.2**	**41.0**
Sold production of services	**5,654.0**	**5,514.7**
- Infrastructure usage fees	5,227.9	5,085.0
- Electricity transportation	169.5	181.2
- Additional electricity services	96.8	95.1
- Additional services	34.9	29.6
- Proceeds relative to industrial sidings	14.7	14.6
- Proceeds of from direct invoicing of occupancy fees	82.4	82.9
- Other proceeds from related activities	27.9	26.3
TOTAL	**5,690.2**	**5,555.7**

7.2.2. OPERATING SUBSIDIES

In € millions	31/12/2013	31/12/2012
- State operating subsidy	110.6	280.3
- Other operating subsidies	53.9	36.2
TOTAL	**164.5**	**316.5**

The decrease of the State subsidy can be explained by the budget freeze applied by the State in 2013.

7.2.3. COST OF THE MANDATED MANAGEMENT

In € millions	31/12/2013	31/12/2012
- Network management cost	3,029.5	3,030.3
- Cost for managing platforms	63.2	51.8
- Property management cost	100.6	101.9
TOTAL	**3,193.3**	**3,183.9**

COMPENSATION PAID TO DELEGATED STRUCTURE MANAGERS

Performance three major tasks on behalf of RFF:

1. set-up of the organisational system for all rail traffic on the network, known as the "traffic chart",
2. management of the regulation, safety and operational management systems for the traffic,
3. surveillance, regular maintenance, repairs, troubleshooting and other measures needed for the operation of the network and of all technical installations.

The recognised amount of expenses relative to the network management to 31 December 2013 is €3,029.5 million, after capitalization on 31/12/2013 of €81.6 million of expenses relative to the IMIS contract and other investment expenses. The recognised expenses to 31 December 2012 were equal to €3,030.3 million after capitalization of €84.4 million of IMIS expenses.

This amount consists of:

- €2,136.4 million for the network maintenance tasks, with this amount breaking down as:
  - €2,204.1 million for the maintenance domain including the OGEs (excluding IDF protocol)
  - -€81.6 million of capitalization of investment expenses for 2013
  - €45.0 million of additional IDF protocol OGE expenses
  - -€22.5 million of decreased expenses related to the effect of the CICE (Competitiveness and Employment Tax Credit)
  - €9.9 million of miscellaneous and research expenses
  - -€18.5 million of prior regularisation (including -€25.6 million of IMIS 2012 capitalization)
- €864.5 million to hedge the expenses related to the traffic and circulation management missions on the national railway network versus €875.4 million to 31/12/2012.
- €23.2 million for GSMR maintenance costs entrusted to SYNERAIL
- €5.4 million for other maintenance expenses

OTHER COMPENSATION PAID AS PART OF THE MANAGEMENT MANDATES

RFF has divided all of the property management tasks between the SNCF and new service providers. The service agreement defines the tasks performed by the SNCF. The amount recognised as an expense for 2013 relative to the CPS is €67.4 million (including €0.8 million of regularisation for previous years), plus an additional €1.6 million of expenses relative to an agreement relating to the examination of temporary occupancy authorisation requests, with the amount recognised as an expense in 2012 being €73.2 million (including €4.4 million of prior regularisations).

The financial agreement for reimbursement of real estate expenses on SNCF surfaces as well as the SNCF compensation for the management of these expenses, is equal to €19.6 million for 2013, versus €17.5 million for 2012.

For the asset management tasks entrusted by RFF to the companies YXIME and NEXITY, each for a geographical zone, as well as the update of its asset inventory entrusted to the ADYAL-IBM consortium, RFF booked an expense of €12.0 million in 2013, versus €11.2 million in 2012.

The platform management agreement represents an expense of €63.2 million, versus €51.8 million for 2012.

7.2.4. OTHER PURCHASES AND EXTERNAL EXPENSES

In € millions	31/12/2013	31/12/2012
- Purchases of non-storable supplies	171.8	180.4
- External services	262.0	229.9
- Bank services and equivalents	9.4	11.3
TOTAL	**443.2**	**421.7**

The purchases of non-storable supplies include, for €168.9 million, the supply of electrical energy used in the RFF installations, i.e. primarily losses due to the Joule effect, as well as the transportation service for the energy used by all of the actors in the railway industry over the high and medium voltage electricity networks, upstream of the sub-stations.

As all of these services, including an annual CSPE (Electricity Public Service Contribution) capped at €0.6 million, as well as certain costs relative to the management of network access contracts, are distributed each month to the users in proportion with their traffic, in the form of an additional electric traction fee (French acronym: RCTE). The amount of proceeds recorded by RFF for the financial year is €169.5 million.

External services amounted to €262.0 million as at 31 December 2013, compared with €229.9 million as at 31 December 2012. The €32.1 million increase is primarily due to the strong rise of expenses for subcontracting relative to project management and IT.
They include:

- the compensation for service providers
- lease payments and additional property expenses
- upkeep and repair expenses
- and miscellaneous operational expenses.

7.2.5. TAXES AND LEVIES

In € millions	31/12/2013	31/12/2012
- Direct taxes	72.1	68.9
- Corporate solidarity contribution (1)	50.1	
- Other taxes	3.7	3.3
TOTAL	**125.9**	**72.2**

(1) At the same time, a provision reversal of €40.3 million was booked in 2013

7.2.6. PERSONNEL EXPENSES

In € millions	31/12/2013	31/12/2012
- Wages	83.6	79.3
- Welfare contributions	41.8	39.8
TOTAL	**125.4**	**119.1**

The CICE (Competitiveness and Employment Tax Credit), in the amount of €0.8 million, is applied against the "social charges" item.

The CICE (Competitiveness and Employment Tax Credit) established by the rectifying finance law for 2012 (n°2012-1510) of 29 December 2012, is intended, according to the provisions of article 244 c of the CGI, to finance the improvement of the competitiveness of companies, notably through efforts involving investment, research, innovation, recruiting, prospecting of new markets, ecological and energy transition, and replenishment of working capital.
The CICE applies against the income tax owed for the year during which the compensation taken into account for the tax credit's calculation were paid.

With this framework, the company and the State signed a framework agreement "Emplois d'Avenir" (Jobs of the future), the objective of which is to provide unqualified or poorly qualified young people with initial professional experience and some time to acquire skills or recognised qualifications.

The company's commitment involves the hiring, before 30 June 2015, 15 young people in jobs of the future. This will result in the signing of fixed term [CUI-CIE], whether full-time or part-time. These contracts will be for at least 12 months, and can be renewed without exceeding 36 months.

The cost relating to the seconded personnel is booked under the **"Other purchases and external expenses" item.**

In € millions	31/12/2013	31/12/2012
Seconded personnel	8.5	7.9

Personnel and payroll

To 31 December 2013, the personnel consists of 1600 RFF agents, including 57 seconded civil servants and 87 agents made available (including 84 agents by the SNCF, 1 agent by the SCET, and 2 agents from the RATP). As a reminder, the personnel consisted of 1495 agents on 31/12/2012.

The average staff consists of 1,558.6 agents including 64.5 made available in 2013 versus 1,459.1 agents including 58.5 seconded in 2012.

For the 2013 financial year, the overall compensation of the RFF Executive Committee Members amounted to €1,997,543 for an average staff of 10.92 people.
The amount of the benefits in kind, i.e. exclusively the supply of vehicles, is equal to €121,673 for 2013.

Individual Training Entitlement (French acronym "DIF")

The volume of training hours accumulated by the employees and corresponding with the rights acquired for the DIF amounts to 117,529 hours on 31 December 2013.
The volume of training hours that did not result in a request in 2013 is equal to 9,379 hours.

7.2.7. STATUTORY AUDITORS' FEES

For the Mazars and PWC firms, the amounts of the statutory auditors' fees were respectively equal to €125,840 and €151,280 for the 2013 financial year.

EXCEPTIONAL INCOME
The exceptional income for the 2013 financial year of €138.6 million includes the proceeds from disposal of assets for €136.7 million, as well as accounting entries closing out the operations related to the assets transferred to port authorities.

CORPORATION TAX

The RFF tax loss carried over remains €10.2 billion to 31/12/2013.

The establishment recognised a tax expense after taking into account tax credits of €12.4 million for the 2013 financial year, versus €48.2 million for the 2012 financial year.

Despite the loss-making accounting result, the tax expense for the financial year can primarily be explained by the application of the provisions relative to:
- The set-up of the mechanism for carrying tax deficits forward
- The add-back of net financial expenses into the taxable earnings subject to income tax in the amount of 15%.

The increase from 5% to 10.7% of the rate of the exceptional contribution serves to increase this expense (by €0.5 million to 31/12/2013).

7.3. SUPPLEMENTARY INFORMATION RELATIVE TO THE CASH FLOW TABLE

The cash generated during the financial year increased by €676.0 million, after decreasing by €1,176.3 million in 2012.
It is recalled that the cash includes the available cash net of bank overdrafts as well as marketable securities.

7.3.1. BUSINESS-RELATED CASH

The internal financing capacity, before the cost of the debt and after payable income tax, is equal to €1,924.3 million on 31/12/13 versus €2,002.1 million on 31/12/2012, i.e. a decline of €77.8 million.

Analysis of the business-related change in WCR:

In € millions	WCR as at 31/12/2012	WCR as at 31/12/2013	Change
Other creditors	-439.59	-522.19	-82.60
Other debtors	82.56	9.29	-73.27
Customers	1,035.28	852.68	-182.60
Tax and social debts	151.97	160.93	8.96
Tax and social security liabilities	-234.64	-152.69	81.96
Suppliers	-389.62	-343.40	46.21
Operating subsidies Assets	178.83	170.31	-8.52
Operating subsidies Liabilities	-139.59	-167.08	-27.49
TOTAL	**245.2**	**7.9**	**(237.3)**

The business-related WCR change led to a €237.3 million increase of the cash, primarily due to the collection, in 2013, of the customer receivable relating to the invoice for the 20% advance of the reservation fee.

7.3.2. CASH RELATED TO INVESTMENT OPERATIONS

The cash related to investment operations involved, firstly, the disbursements related to rail infrastructure works and, secondly, the collections related to the proceeds from asset disposals.
The deterioration of the cash is primarily linked to increased expenses for acquisitions of fixed assets, partly offset by higher disposal proceeds.

7.3.3. CASH RELATED TO FINANCING OPERATIONS

The cash related to financing operations involve the flows related to:

- loan issues and repayments
- collections of investment subsidies
- net financial interest paid
- collateral received / paid as part of hedging operations

The improvement of the cash is primarily linked to an increase of the resources obtained by issuing loans.

8. INFORMATION ON RELATED PARTIES

The perimeter of the entities related to RFF includes the State and the SNCF. The impacts on the earnings and on the balance sheet are presented below.

<u>Relations with the State (excluding duties and taxes)</u> :

RFF invoices the State for the access fees relative to TER traveller regional trains and to the territory equilibrium trains (TET).

The State provides RFF with operating subsidies. Also, from 2004 to 2008, the State paid investments subsidies relative to renewal operations. The latter continue to be brought into service and transferred progressively through profit or loss.

Impact on the earnings:

In € millions	31/12/2013	31/12/2012
- On Turnover - access fees (AF)	1,730.4	1,699.5
- Operating subsidy	110.6	280.3
- Reversal of renewal subsidy	136.7	135.4
- Corporate tax expense	12.4	48.2
- CICE (Competitiveness and Employment Tax Credit) proceeds	0.8	0.0

Impact on the balance sheet:

In € millions	31/12/2013	31/12/2012
- Renewal subsidy	3,705.6	3,842.2
- Operating subsidy to be received (freight compensation)	9.3	14.2
- Subsidy receivables (investment and operations)	665.3	434.9
- Corporate tax instalments	34.8	0.0
- Corporate tax debt	0.0	36.1

Relations with the SNCF :

The SNCF is RFF's main customer of RFF and, as such, invoices it for toll fees.

RFF has also signed a certain number of agreements with the SNCF, delegating to it:

- the management of the traffic and circulation
- the operation and maintenance of the network's technical and safety installations
- the management of platforms, major passenger halls and related structures
- the property management

Finally, RFF provides the SNCF with mandates to perform investment operations involving rail infrastructures. In connection with these mandates, the SNCF organises and performs purchases of centrally managed supplies as well as services for works, delegated project management and project ownership related to these operations.

Main impacts of the activities together with the SNCF

In € millions	31/12/2013	31/12/2012
- Proceeds: tolls	3,439.7	3,339.6
- Expenses: management agreements	3,152.6	3,153.0
- Fixed asset production mandated to the SNCF (*)	1,761.8	1,567.8

(*) The purchases made by SNCF in the name and on behalf of RFF are excluded from the presented amounts

9. OFF-BALANCE SHEET COMMITMENTS

9.1. COMMITMENTS GIVEN AND RECEIVED ON FINANCIAL INSTRUMENTS

RFF is exposed to the following risks related to the management of its debt. Based on an analysis of its general risk exposure, primarily related to fluctuations of interest rates and exchange rates, RFF uses various financial instruments within the limits determined by its Board of Directors, with the objective of optimising its financing cost.

Management of the long-term debt:

► Fixed rate, variable rate, inflation-indexed distribution:

RFF manages a structural fixed rate / variable rate / inflation-indexed rate position in euros in order to reduce the cost of its debt and, for this purpose, it uses firm and optional interest rate swap instruments (interest rate swap contracts, options on interest rate swap contracts) within the limits determined by the Board of Directors.

Management of issuer and counterparty risk:

► Principles and limits

The management of the operations and financial risks within RFF is strictly governed by the "intervention principles and limits on the capital markets" set down by the Board of directors. This document in particular describes the guidelines of the financing, cash and overall debt management policy, the management principles and authorised limits for the rate, exchange and counterparty risks, the optimisation operations, the authorised instruments, the amounts of the ceilings of the financing programmes, the investment supports, the delegations of powers granted by the board of directors as well as the granted signature delegations.

RFF also has a compendium of procedures that outlines the controls to be performed, as well as their implementation provisions, in order to provide daily assurance of the adequacy of the negotiated operations relative to the defined principles and limits, and relative to the target debt structure.

At the same time, RFF prepares various weekly or monthly reports in order to report on the completed operations and the results of the verifications.

► Exposure limits per counterparty

The risks incurred by RFF relative to its counterparties are related to the usage of off-balance sheet exchange and rate instruments, traded over-the-counter. They correspond with the risk of the counterparty default thing at the deadlines of a contract in case of a differential that would be favourable for RFF.

An exposure limit per counterpart is determined according to the counterparty's rating and equity capital. RFF assesses these risks by valuing, at the market price ("Marked to Market"), the commitments that it holds on its counterparties.

► Collateralization

With all of its counterparties, RFF has set up a collateralization contract. The collateralization is triggered as soon as the counterparty's long-term rating drops below AA- / Aa3 / AA- (respectively Fitch / Moody's / S&P). The rating assigned by at least two of the three following rating agencies is taken into account: Standard & Poor’s, Moody’s, and Fitch.

Notional amount of the derivative financial instruments

The contracts or notional amounts presented below do not represent the amounts to be paid or received and, consequently, also do not represent the risk incurred by RFF relative to the usage of derivative instruments:

I - FINANCIAL INSTRUMENTS FUTURES MARKET In foreign currency millions	31/12/2013	MtM	31/12/2012	MtM
OTC negotiated hedge operations:				
Rate swaps in EUR :				
Micro-hedge				
< 1 year	2,161.0 EUR	46.3 EUR	1,087.5 EUR	27.2 EUR
from 1 to 5 years	1,050.0 EUR	52.5 EUR	2,150.0 EUR	150.9 EUR
> 5 years	3,188.5 EUR	-142.9 EUR	3,060.0 EUR	- 137.1 EUR
Macro-hedge				
< 1 year	0.0 EUR	0.0 EUR	0.0 EUR	0.0 EUR
Trading operations:				
< 1 year	0.0 EUR	0.0 EUR	0.0 EUR	0.0 EUR
> 5 years	50.0 EUR	0.6 EUR	50.0 EUR	-0.3 EUR

II - FOREIGN CURRENCY OPERATIONS In foreign currency millions		31/12/2013	MtM	31/12/2012	MtM
OTC negotiated hedge operations:					
Forward exchange against EUR:	< 1 year	0.0 AUD	0.0 EUR	0.0 AUD	0.0 EUR
		0.0 CHF	0.0 EUR	0.0 CHF	0.0 EUR
		0.0 GBP	0.0 EUR	0.0 GBP	0.0 EUR
		0.0 JPY	0.0 EUR	0.0 JPY	0.0 EUR
		1,992.0 USD	-2.6 EUR	1,030.0 USD	-18.7 EUR
	from 1 to 5 years	0.0 USD	0.0 EUR	-	-
	> 5 years			-	-
Foreign currency swaps against EUR :	< 1 year	50.0 CHF	8.2 EUR	0.0 CHF	0.0 EUR
		0.0 USD	0.0 EUR	320.0 USD	7.1 EUR
		5,000.0 JPY	-4.7 EUR	0.0 JPY	0.0 EUR
		0.0 GBP	0.0 EUR	0.0 GBP	0.0 EUR
		0.0 AUD	0.0 EUR	0.0 AUD	0.0 EUR
	from 1 to 5 years	0.0 AUD	0.0 EUR	0.0 AUD	0.0 EUR
		431.0 CHF	76.1 EUR	381.0 CHF	75.1 EUR
		729.4 GBP	-55.3 EUR	554.4 GBP	-57.7 EUR
		0.0 JPY	0.0 EUR	5,000.0 JPY	5.9 EUR
		300.0 HKD	-1.8 EUR	300.0 HKD	-0.2 EUR
		250.0 USD	-10.7 EUR	250.0 USD	1.0 EUR
	> 5 years	276.6 CAD	22.3 EUR	276.6 CAD	82.5 EUR
		1,845.0 CHF	333.0 EUR	1,945.0 CHF	511.9 EUR
		3,244.8 GBP	-1.100.8 EUR	3,219.1 GBP	-1.285.6 EUR
		0.0 HKD	0.0 EUR	0.0 HKD	0.0 EUR
		45,000.0 JPY	-26.3 EUR	45,000.0 JPY	58.5 EUR
		500.0 NOK	-4.8 EUR	500.0 NOK	5.8 EUR
		0.0 USD	0.0 EUR	0.0 USD	0.0 EUR

III - OTHER OFF-BALANCE SHEET FINANCIAL COMMITMENTS In foreign currency millions	31/12/2013		31/12/2012	
Financing commitments received:				
Syndicated loan	1,250.0	EUR	1,250.0	EUR
Île-de-France region loan	0.0	EUR	0.0	EUR

The syndicated credit line set up on 19 July 2012 in the amount of €1,250 million with a maturity of five years was not drawn upon as at 31 December 2013.

Moreover, RFF has options for renewal or early reimbursement of certain debt lines for which the value is not significant. RFF can decide whether or not to exercise these options.

RFF also has an option on a loan for which the decision whether or not to exercise the option belongs to the counterparty.
Option on a loan line maturing in 2015; if it is not exercised, extension in 2015 of the Euro debt converted into GBP at a defined exchange rate of 0.652, over 14 years at the fixed rate of 5.35%; on 31 December 2013, this option was valued at €(73.7) million.

9.2. OTHER COMMITMENTS GIVEN AND RECEIVED

BANK SURETIES

RFF has a first demand guarantee from a banking institution in the amount of €3.4 million relative to the annual fees owed for the usage of branch line terminal installations by its main debtor, the SAS Ciments Calcia.

OTHER COMMITMENTS GIVEN WITH REGARD TO ASSET DISPOSALS

On a regular basis, RFF is required to sell off real estate assets that are of no railway purpose.

The amount of the promises signed but not yet exercised to 31 December 2013 is equal to €89.3 million (€167.8 million on 31 December 2012), notably including €69.3 million of promises for the sites Paris-Rive-Gauche, Paris-Semavip and Paris-La-Chapelle.

COMMITMENTS RELATIVE TO PPP AND CONCESSIONS

1. GSMR

- Bank security:

RFF has a first demand guarantee from a banking institution in the event of a breach by SYNERAIL. This guarantee is provided progressively in keeping with the commitment of the network roll-out phases. To 31/12/2013, RFF has a guarantee in the amount of €48.2 million.

- Other commitments:

To 31/12/2013, the investment fees still to be paid by RFF pursuant to the contract are equal to €304.3 million (present value). At the same time, the financing still to be collected is equal to €267.4 million (present value).

2. BPL

The amount of the fixed assets under construction to be posted is equal to €1,577.7 million in view of the percentage of completion to 31/12/2013.

The amount of the fixed assets under construction to be posted is equal to €1,055.6 million in view of the percentage of completion to 31/12/2013.

3. CNM

The amount of the fixed assets under construction to be posted is equal to €1,282.1 million in view of the percentage of completion to 31/12/2013.

The amount of the fixed assets under construction to be posted is equal to €1,290.0 million in view of the percentage of completion to 31/12/2013.

4. SEA

RFF guarantor:
The guarantee issued by RFF in favour of the Caisse des dépôts-Direction des Fonds d'Epargne is equal to €757.2 million, effective July 2011. This guarantee has been compensated since July 2011.
RFF public contributor to financing:
The amount still to be paid by RFF with regard to its contribution to the financing is equal to €490.7 million to 31/12/2013.

RFF collector of funds from third party financiers:
The amount of subsidies still to be called from third party financiers and to be remitted to the concession holder is equal to €1,269.8 million to 31/12/2013.

Other commitments: contract early ending clauses
The concession contract includes several contract early ending clauses that will require RFF to pay compensation to the concession holder and to replace the latter for the contract's fulfilment.

Lapse clause: the contract indicates that the licensor can declare the concession holder's lapse in case of violation by the latter. In this case, RFF must pay minimum compensation to the licensor, corresponding with approximately 85% of the financing supported by the concession holder.

Termination clause for force majeure or unforeseeability: in case of termination for force majeure or unforeseeability, RFF must pay compensation to the concession holder, as fixed under the conditions and according to the principles set down by the case law of the Council of State.

In these early ending hypotheses, the financing agreement indicates that the State reimburses RFF for the amount of the compensation owed to the concession holder, less the value for RFF of the future earnings from the infrastructure that it will be managing.

Clause for termination for reasons of general interest: this mechanism can be implemented as of the 12th year after the start of commercial operations. In this case, RFF pays compensation to the concession holder, a part of which will be paid on a half-yearly frequency. The financing agreement calls for this compensation to be covered by the public entity that is behind the decision to implement the clause.

Other commitments related to the operational period:

Major Projects for the Southwest (French acronym: GPSO) clause: one year after the start of the exploitation of the 3 high speed lines, Bordeaux-Toulouse, Bordeaux-Hendaye, Poitiers-Limoges, the concession holder is required to remit to RFF part of the traffic proceeds generated on the Line during the previous year by the start of operations of each of the 3 lines mentioned above. This remittance corresponds with approximately 25% of the difference between the actually generated proceeds and expected theoretical proceeds.

If the difference becomes negative, the concession holder pays nothing to RFF. RFF is not required to remit anything to the concession holder.

Return to better fortunes clause: as of the 5th year of implementation, the concession holder is required to pay a "good fortune fee" to RFF. This fee corresponds with a remittance of the traffic proceeds that varies based on the recorded difference between the actual and expected proceeds. If the difference becomes negative, the concession holder pays nothing to RFF. RFF is not required to remit anything to the concession holder. Each year, RFF remits the amount of this fee to the State and to the regional authorities that signed the financing agreement, in proportion with their participation in the project.

II. Management report on the annual financial statements to 31 December 2013

MANAGEMENT REPORT

Annual financial statements to 31 December 2013

The 2013 financial year resulted in **net income of - €139.7 million, including extraordinary profit or loss of +€138.6 million and corporate tax of -€12.4 million.**

The operating earnings stood at **+€1,081.2 million** on 31 December 2013 versus +€1,338.8 million on 31 December 2012.

The financial result was equal to **-€1,347.1 million** on 31 December 2013 versus -€1,361.9 million on 31 December 2012.

The operating expenses relative to railway infrastructure projects are equal to **€5,530.1 million** for 2013, versus €4,075.6 million for the 2012 financial year.

Including the enough and subsidies, the shareholders equity was equal to **15.48 billion euros** on 31 December 2013.

I - BUSINESS DURING THE ELAPSED YEAR AND COMMENTS ON THE QUANTIFIED DATA

1. Earnings

Net income of the financial year

The results for the 2013 financial year is a loss of -€127.3 million before tax, given an extraordinary profit or loss of €138.6 million, versus a pre-tax profit of €66.3 million as at 31 December 2012 and an extraordinary profit or loss of €89.3 million.

Profit and loss statement In € millions	31/12/2013	31/12/2012	Change
Gross operating surplus (GOS)	**1,897.7**	**2,032.3**	**(134.6)**
Operating income	1,081.2	1,338.8	(257.6)
Financial result	(1,347.1)	(1,361.9)	14.8
Exceptional income	138.6	89.3	49.3
Income tax	(12.4)	(48.2)	35.8
Net income	**(139.7)**	**18.1**	**(157.8)**

The operating earnings of +€1,081.2 million as at 31 December 2013 consists of a decline relative to the amount of €1,338.8 million recorded in 2012. The following table provides details of the main changes of the operating earnings.

The financial results of -€1,347.1 million as at 31 December 2013 consists of a slight improvement relative to the 2012 financial year.

The extraordinary profit or loss of the 2013 financial year primarily includes the proceeds from the disposal of property assets and the impact of the regularisations of the assets sold to port authorities.

The tax expense of €12.4 million for 2013, despite the accounting deficit recorded for the financial year, primarily results from the application of the new provisions relative firstly to the set-up of the mechanism for carrying tax deficits forward and, secondly, to the 15% add-back of the net financial expenses into the taxable income.

Evolution of the operating expenses and proceeds

In € millions	2013	2012	Change
- Infrastructure usage fees	5,359.6	5,209.6	150.0
- Property rental proceeds	82.4	82.9	(0.5)
- Operating subsidy – State	110.6	280.3	(169.7)
- Other operating income	250.3	274.3	(24.0)
- Capitalised production	43.2	37.1	6.1
- Cost of the mandated management	(3,193.3)	(3,184.0)	(9.3)
- Costs for Studies and works net of subsidies	(60.7)	(55.0)	(5.7)
- Other external purchases	(443.2)	(421.7)	(21.5)
- Other operating expenses	(251.3)	(191.3)	(60.0)
GOS variation	**1,897.6**	**2,032.3**	**(134.7)**
- Allowances for depreciation of assets	(1,332.4)	(1,257.7)	(74.7)
- Allocation to provisions for depreciation of projects in progress (net of reversals)	3.1	0.0	3.1
- Allocations to provisions for operating contingencies and losses (net of reversals)	34.3	61.3	(27.0)
- Allocation to provisions for depreciation of current assets (net of reversals)	(8.7)	(4.5)	(4.2)
- Total subsidy reversals	477.6	496.0	(18.4)
- Other	9.6	11.3	(1.7)
Change of operating balance	**1,081.2**	**1,338.8**	**(257.6)**

1.1- Evolution of the operating income

1.1.1- Infrastructure fees

The infrastructure fees are equal to €5,359.6 million, including:

- €5,220.4 million pursuant to minimum services
- €96.8 million pursuant to the additional electricity fee (€95.1 million in 2012)
- €34.9 million pursuant to the additional services (€29.6 million in 2012).
- €0.9 million for services involving usage of IT systems
- €4.7 million relative to the platform fee implemented with the HDS 2014
- €1.9 million relative to the specific usage fee.

In € millions	2013	2012	change (%)
Access fee (AF)	1,941.3	1,909.7	1.7%
Reservation fee (RF)	1,863.5	1,783.7	4.5%
Circulation fee (CF)	1,413.7	1,387.6	1.9%
Proceeds from prior fiscal years	1.9	3.9	-
Total minimum services (*)	**5,220.4**	**5,084.9**	**2.7%**

** net of freight compensation*

In terms of the fees for minimum services, 97.2% are collected pursuant to the travellers activity that represents 84% of the traffic, and 2.3% pursuant to the freight activity that represents 14.8% of the traffic.

- The fees for the travellers activity are divided between trains suitable for high speeds (36.2%), main line trains (11.9%), regional express trains (38.6%) and the Transilien activity (13.2%).

- In terms of the fees for freight activities, 29.5% are now paid by alternative rail companies, that represent 33% of the traffic.

The 2.7% increase of minimum services is primarily related to the evolution of the pricing that offsets the decrease of activity volumes (freight and travellers).

With regard to the other railway fees collected from railway companies:

- The RCE is up by +1.9% relative to 2012, to €96.8 million,
- The fees for additional services are up by 17.9% to €34.9 million, relative to 2012, in view of the change of pricing and invoicing provisions.

Finally, the following are collected:

- The traction energy transportation and distribution fee (French acronym: RCTE) for €162.9 million, versus €165.8 million in 2012;
- The traction current supply fee (French acronym: RFE), collected only from companies obtaining electricity from RFF. It is equal to €6.6 million with a decrease relative to the previous year (€15.4 million in 2012), since a RC discontinued procurements from RFF in 2013;

The following table provides the evolution of the circulation patterns by activity:

EVOLUTION OF THE CIRCULATION PATTERNS BY ACTIVITY

In millions of train-km	2013	2012	Change
Trains suitable for high speed rail	***139.5***	***140.8***	***-0.9%***
SNCF	*134.6*	*135.9*	***-1.0%***
EUROSTAR	*5.0*	*4.9*	***2.0%***
Mainline trains (French acronym: TGL)	***40.2***	***42.8***	***-6.1%***
SNCF	*39.5*	*42.4*	***-6.8%***
THELLO	*0.8*	*0.4*	***95.0%***
Regional traveller trains	***238.5***	***243.3***	***-2.0%***
Travellers activity	***418.2***	**426.9**	***-2.0%***
Freight activity	***73.5***	**75.7**	***-2.9%***
SNCF	*49.1*	*53.9*	***-8.9%***
Alternative Rail Companies (French acronym: EFA)*	*24.3*	*21.8*	***11.5%***
Other	***6.2***	**9.3**	***-33.3%***
Various (AEF, equipment, shuttles…)	*0.9*	0.8	***12.5%***
Infra	*5.3*	8.5	***-37.6%***
Total	***497.9***	**511.9**	***-2.70%***

* *including authorised candidates*

The 2013 circulation rate increased by 1.3 points relative to 2012, to 95.1%, despite a 2.7% traffic decrease.

The activity involving trains suitable for high speed rail dropped by 0.9% notably as a result of the historical operator (-1%). This evolution is primarily situated on the Atlantic (-2.8%), Southeast (-3.6%) and North (-6%) axes, that represent nearly 3/4 of TGV high speed traffic. The increase of Eurostar traffic is primarily linked to a one-time summer operation.

The TGL activities down by 6.1%, a lower decrease relative to the changes seen in 2011 / 2012, i.e. -10%. The TET traffic is notably down in the Centre-Limousin (-3.7%) and Ile de France (-3,6%) regions. This partly results from the difficulties with installing the train paths due to works (impact on the South “cross-country line” on Bordeaux <-> Nice).

The activity of the Regional Express and Transilien Trains is down relative to 2012. This decline is primarily attributable to works and certain exogenous factors, such as the accident in Saint-Cloud and the derailment in Brétigny-sur-Orge.

The freight activity (in trains-km) dropped by 2.9% relative to 2012. This decline is across all freight activities (rail motorway, combined transport, conventional…). Circulation experienced a lesser decline than reservations (-9%). This decline is primarily seen in the regions of Alsace-Lorraine and Champagne-Ardennes (-8,7%), Bourgogne-Franche-Comté (-8,3%), Rhône-Alpes and Auvergne (-9,1%), that represent 50% of freight traffic.

1.1.2- Property rental proceeds

The amount of the 2013 rental proceeds, excluding re-invoicing of expenses, was equal to €82.4 million, as opposed to €81.8 million in 2012.

The rental proceeds are grouped into 4 major categories: rail (9.3% versus 9.9% in 2012), property and real estate (57.9% versus 58.7% in 2012), telecommunications (24.5% versus 24.2% in 2012), networks and miscellaneous facilities (8.2% versus 7.2% in 2012).

In € millions	2013	2012
Rental proceeds – Rail	7.7	8.1
Rental proceeds – Property & Real Estate	47.7	48.0
Rental proceeds – Telecommunications	20.2	19.8
Rental proceeds – miscellaneous authorisations & networks	6.8	5.9
TOTAL	**82.4**	**81.8**

The "property and real estate" proceeds or equal to €47.7 million, down 0.6% relative to 2012. 53% consist of advertising proceeds ("in station" and "outside station" perimeters) that are equal to 25 but a very slight decline relative to 2012 (€25.7 million).

The 2013 "telecommunication" proceeds or equal to €20.2 million, as compared with €19.8 million in 2012 (2% increase).

The "rail" proceeds are divided between fees invoiced for the combined transport jobsites (48.5%) and occupancy fees paid by SNCF Entreprise Ferroviaire, for traveller parking and freight-related occupancy (51.5%).

1.1.3- State operating subsidy

The evolution of the State operating subsidy is shown below, while taking into account the rate change that occurred in 2013:

In € millions	2013	2012
Freight *	110.6	280.3
Total	**110.6**	**280.3**

* of which freight compensation of €110.6 million in 2013, and €226.6 million in 2012

The decrease of the State subsidy can be explained by the recognition, in 2013, of the single payment of the compensation intended to ensure the financial neutrality of the rate reform for Freight RCs, with this payment having been the subject of an additional State budget freeze for the 2013 financial year. The other Freight assistance did not result in any payment in 2013.

1.1.4- The other operating income

a) The specific branch lines

To 31 December 2013, the recognised amount of the proceeds from terminal installations on branch lines is equal to €14.7 million. This amount is comparable with the amount recorded to 31 December 2012.

b) Sales of supplies

These proceeds primarily correspond with sales and recoveries of old materials by the SNCF on behalf of RFF, as part of upkeep or renewal operations.

These proceeds were equal to €36.2 million on 31 December 2013, a lower amount compared with the €41 million recorded on 31 December 2012.

1.1.5- Capitalised production

Capitalised production relates to the operating expenses and, for the 2013 financial year, is equal to €43.2 million versus €37.1 million on 31/12/2012, an increase of €6.1 million.

1.1.6- Subsidy share transferred to the profit and loss statement

Investment subsidies are transferred to the profit and loss statement in keeping with the completed amortisations.

The reversal recorded on 31/12/2013 is equal to €477.5 million; it includes a share relative subsidies for renewal and coming up to standards, for €136.7 million.

1-2 Evolution of the operating expenses

1.2.1- Cost of the mandated management

a) The management of rail infrastructures and platforms

The delegated infrastructure manager is paid, firstly, within the framework of a management agreement for the upkeep of the national rail network and, secondly, under the agreement for the management of traffic and circulation on the national rail network; these two agreements determine the amount of the annual bases for the compensation.

For 2013, the compensation for the network operation and maintenance services are equal to €2,136.4 million after capitalization, in 2013, of €81.6 million of expenses relative to the IMIS contract and other investment expenditures.

The compensation breaks down as follows:
- €2,204.1 million for the maintenance domain including the OGEs (excluding IDF protocol)
- -€107.2 million of capitalization relative to investment expenditures
- €45.0 million of additional IDF protocol OGE expenses
- -€22.5 million of decreased expenses related to the effect of the CICE
- €9.9 million of miscellaneous and research expenses
- €7.1 million of regularisations for previous financial years

For 2013, the compensation for traffic and circulation management was equal to €864.5 million.

The new traveller station services agreement (French acronym: CSG) was signed in October 2012. It replaces the old platform management agreement (French acronym: CGQ) and took effect on 1 January 2012, until 31 December 2014.

Its cost was equal to €63.2 million as at 31 December 2013 versus €51.8 million in 2012, i.e. an increase of €11.4 million primarily as result of a harsh winter that required snow and ice removal (+€2.9 million), maintenance efforts and small repairs (+€2.8 million), the implementation of a maintenance programme for elevators and escalators (+€0.2 million) and major works (+€3.2 million).

Moreover, since 2013, amendment 1 covers the rail safety signage, and represents an additional cost of €1.6 million.

b) Property management

The property management tasks are divided vertically between the SNCF, and secondly the managers (primarily NEXITY and YXIME).

They include the real estate management (rental, expenses, works), assistance with disposals, taxation management, as well as the management of the property and urban planning procedures.

Three agreements are in place with the SNCF with regard to this property management:

- a service agreement for the tasks entrusted to the SNCF. The cost of this agreement is equal to €67.4 million for the 2013 financial year, with €0.9 million of prior regularisations, including the compensation for the taxation management and the reimbursement of claims. Down relative to 2012 (€73.2 million), a year impacted by €4.9 million of regularisations relative to 2011. Excluding the impact of these regularisations, the 2012 expense is €68.3 million.
- A financial agreement for repayment of the real estate expenses of the SNCF's assets occupied by infrastructure installations or by SNCF services performing DIM tasks. For the 2013 financial year, the cost of this agreement is equal to €19.6 million (€17.5 million in 2012). Overall, this €2.1 million increase results from the switch of fluids to actual (+ €7.0 million) and the identification of services used by the DCF within the SNCF buildings (-€4.9 million).
- An agreement relative to the examination and operational follow-up of occupancy authorisations relating under-track and aerial crossings and on longitudinal borrowings has existed since 2013, in the amount of €1.6 million.

Overall, the expense relative to the agent SNCF is equal to €88.6 million as to 31 December 2013, versus €90.7 million as to 31 December 2012.

For the other service providers, the amount is equal to €12.0 million. They primarily consist of NEXITY and YXIME, for which the management cost booked the 31 2013 is equal to €11.3 million (€10.4 million in 2012).

Finally, the property rehabilitation effort is continuing (€19.7 million in 2013 versus €19 million in 2012). This primarily involves major works and demolitions carried out on assets not occupied by infrastructure technical installations.

1.2.2- Expenses for studies and works net of subsidies

a) Expenses for studies

In € millions	2013	2012	Discrepancies	Variations
Operating studies	49.8	45.0	4.8	10.6%
General studies	16.3	15.6	0.7	4.4%
TOTAL	**66.1**	**60.6**	5.5	**9.1%**

The expenses for studies are equal to €66.1 million, a 9.1% increase relative to 2012. They are distributed between studies on the formative phase of an identified investment project (75%), and general and strategic studies (25%).

Studies on investment projects

The expenses for project-related studies are equal to €66.1 million, consisting of development projects for 64%, and projects to improve the network quality and renewal for 18%. The remaining 18% consist of investment projects for other activities.

ACTIVITIES	Amount as at 31/12/2013	
DEVELOPMENT	**32.1**	
Major national projects before works		16.1
Major national projects undergoing works		0.4
Major national PPP projects		1.9
Regional development projects		13.7
Network compliance upgrade	**4.4**	**4.4**
Renewal and performance	**4.3**	**4.3**
Other	**8.9**	**8.9**
TOTAL	**49.8**	**49.8**

The 2013 financial year was marked by a 10.5% increase of the study-related expenses. The supposition conveys:

- a significant increase of regional development project (studies on the projects in the Ile de France, such as the EOLE project),
- a slowdown, to a lesser degree, of studies on major LGV project in the upstream face, notably as a result of awaiting political guidelines on the prioritization of these major projects and of the conclusions of the Mobility 21 Commission report.

The main studies to the following projects:

- €7.7 million for the PACA LGV (Nice and Marseille rail nodes),
- €6.9 million for the project to extend the EOLE to the west,
- €2.1 million for the Poitiers-Limoges LGV,
- €1.7 million for the Montpellier-Perpignan modernization,
- €1.6 million for the Roissy-Picardy connection,
- €1.2 million for the Lyon rail node,
- €1 million for the new Brittany West Pays-de-Loire connection.

On the other hand, study expenses increase in 2013 relative to the network compliance upgrade, notably regarding technological development (€1.4 million in 2013) and safety (€1.8 million in 2013), with the studies for train access remaining stable in the amount of €1.2 million.
With regard to renewal and performance, the studies performed in 2013 primarily relate to engineering works and earthworks, equal to €20 million and, to a lesser degree, to the signalling programme and CCR for €0.7 million.

For the other activities, the bulk of the expenses relate to project ownership assistance for IT projects.

b) The expenses for rail works and equipment

In an overall amount of €48.4 million to 31/12 4 / 2000, this item primarily includes expenses on projects not yet in a phase that can be activated, as well as expenses related to claims and malicious acts.

The consequences of malicious acts carried out by third parties, identified or not, as well as the consequences of accidents and damages due to bad weather are equal to €39.4 million on 31/12/2012, versus -€20 €6 million of regularisations for previous years.

c) Operating subsidies

The other operating subsidies are equal to €53.9 million versus €36.2 million in 2012, namely an increase of €17.7 million over the financial year. And they have to be viewed relative to the expenses on investment projects, still in a phase that cannot be activated.

1.2.3- Other external purchases

The “other external purchases and expenses” amounted to €443.2 million as at 31 December 2013, compared with €421.7 million as at 31 December 2011. This line item notably includes:

1. The supply of the electrical energy used in the RFF installations in the amount of €168.9 million versus €178.1 million in 2002.
2. The other external services, compensation of service providers, rental expenses, expenses for upkeep and repairs, and miscellaneous operating expenses amounted to €253.5 million as at 31 December 2013, versus €222.0 million as at 31 December 2012.
3. Overall, the more cost related to personnel seconded to RFF is equal to €8.5 million as at 31 December 2013, versus €7.9 million as at 31 December 2012.

1.2.4- Other operating expenses

a) Personnel expenses

The staff is increasing. There were 1,600 agents on the payroll as at 31 December 2013 versus 1,495 agents as at 31 December 2012, meaning an increase of 7% over one year.

On 31 December 2013, the personnel expenses represented an amount of €125.4 million versus €119.1 million for the 2012 financial year, i.e. an increase of 5.3%.

b) Duties and taxes

this line item includes the taxation managed on its behalf and re-invoiced by the SNCF, as well as other duties and taxes directly managed by RFF, in the overall amount of €125.9 million.
This amount includes the regularisation of a RSI expense prior to 2013 of €40.1 million with no impact on the 2013 earnings. Excluding this regularisation, the tax expense is of €85.8 million versus €72.2 million in 2012.

1.2.5- Depreciation allowances

The allocations are equal to €1,332.3 million versus €1,257.7 million for the 2012 financial year.

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1.2.6- Depreciation of ongoing projects

The establishment records depreciation provisions on projects in the pre-project and post pre-project phase in the event of any risk regarding their completion.

On 31 December 2013, the provision stands at €23.7 million versus €26.8 million on 31 December 2012. It involves 487 projects and covers the share of expenses financed by RFF.

1.2.7- Provision allowances for operating contingencies and losses

a) Remediation

The GCA and CNC opinion n°00-01 on liabilities not require the establishment of provisions for remediation or environmental risks when the company is subject to an obligation. This notably includes provisions for the removal of asbestos from property assets, the elimination of PCBs within the equipment in the rail domain, and the retreatment of creosote-treated railway sleepers.

RFF has implemented programmes for asbestos removal, for coming into compliance with standards and for decontamination of its assets and waste. These programmes include buildings that are part of its property, signalling bungalows, battery boxes and accumulated shelters.

The amounts booked as provisions for remediation and environmental risks are discounted on the basis of the establishment’s knowledge at the time of each closing of the financial statements.

In 2012, RFF also launched an initiative to identify and quantify these non-built facilities, platforms, footbridges, and underground passageways within the perimeter of the train stations. Its installations could potentially be subject to an asbestos risk even though they are outside of the application perimeter of the current regulations. Entrusted to specialised operators, this mission is ongoing.

The balance of the provision relative to asbestos removal from the real estate stock is equal to €26.1 million as at 31 December 2013. The works to bring the insulation on the Gobelins site up to standards are continuing. The balance of the provision created for this purpose stands at €0.1 million on 31 December 2013, after a recovery of €1.2 million corresponding with expenses incurred during the financial year.

The balance of the provision for asbestos removal from equipment and for the decontamination or disposal of equipment or installations from the rail domain that contain PCBs is equal to €1.7 million on 31 December 2013 after a recovery of €0.3 million relative to expenses during the financial year.

The risks related to ground pollution in the parcels that have been sold is now equal to €18.6 million after an additional €1 million allocation after the detection of a new risk.

The provision relative to the obligation to carry out the retreatment of wooden creosote-treated sleepers stands at €68.6 million on 31 December 2013, after a total recovery of €2.5 million relative to expenses incurred by RFF.

Though the provisions have been updated, it should be recalled that uncertainty remains regarding the valuation of the amount of these provisions.

b) Other risks

RFF also updated the other provisions existing at the time of the previous closing, based on the evolution of the risks for the various files in question.

1-3 Financial result

The financial result was virtually stable at -€1,347.1 million on 31 December 2013 versus -€1,361.8 million on 31 December 2012.

In € millions	**31/12/2013**	**31/12/2012**	**Change**
Short-term debt	**0.7**	10.1	-9.4
Long-term debt *Of which inflation indexing provision variation*	**-1,352.7** -12	-1.367.0 *-45*	14.3 *33.2*
Financing activity result	**-1,351.9**	**-1,356.9**	**4.9**
Other financial results	4.8	-4.9	9.8
Financial result	**-1.347.1**	**-1,361.8**	**14.7**

The financial result represents an expense of 1,347.1 million euros, that is nevertheless lower by 14.7 million euros relative to 2012. This slight improvement can be explained by a market context with continuing very low rates in 2013.

Indeed, the average cost of RFF's debt stands at 4.13% versus 4.56% the previous year.

For example, in 2013, the average of the Euribor 3 months and of the OAT rates at 10 years respectively stood at 0.22% and 2.20% versus 0.57% and 2.52% in 2012.

The structure of the total debt as at 31 December 2013 is the following: 83% fixed rate, 11% variable rate and 6% inflation-indexed.

1-4 Exceptional income

The exceptional income primarily includes the earnings from asset disposals. The capital gain generated on these asset disposals is equal to €136.7 million for 2013, compared with €106.3 million for 2012.

The most significant disposals carried out in 2013 involved:

1. Paris 17th "Batignolles" involving a mixed programme of offices and dwellings;
2. Paris 14th "passage Gergovie" involving a programme of dwellings
3. Salon-de-Provence involving a mixed programme of offices and dwellings.
4. Rueil-Malmaison "RATP" involving an infrastructure programme
5. Toulouse "Raynal ERM" involving a construction programme for a new workshop reserved for the maintenance of the REGIOLIS trains.

The other elements comprising exceptional income are related to the operations needed to settle the transfer of the assets to the port authorities.

1-5 Expenses not fiscally deductible

The amount of the non-tax deductible expenses indicated in article 39-4 of the GTC is equal to €435,578.60 for the 2013 financial year.

2 - Balance sheet

2-1 Fixed assets

2.1.1- Production and acquisition of the railway network's fixed assets

On 31 December 2013, the total amount of expenses for tangible investments was equal to **€5,541.3 million** versus €4,092.6 million for the same period in 2012, meaning an increase of €1,448.7 million. This amount includes:

- **€5,448.3** million of ongoing investment expenses
  - This year carried out by agents in the name and on behalf of RFF stood at €3,541.5 million on 31 December 2013 versus €2,622.4 million for 2012, a 35% increase.
  - RFF's direct production was equal to €742.9 million as at 31 December 2013 (of which €369.7 million for the LGV East phase 2, €42.3 million for GSMR and €61.4 million for the Moirans-Valence electrification works), versus €870.4 million for the same period in 2012, meaning a decrease of 14.7%.
  - The share performed for the DCF is equal to €0.6 million.
  - PPP-related production stands at €1,163.1 million (GSMR €171.2 million, BPL €813.4 million and CNM €178.5 million) as at 31 December 2013, versus €497 million as at 31 December 2012 (GSMR €122.9 million, BPL €334.2 million and CNM €39.9 million).
  - The advances relative to real estate reserves are equal to €0.2 million.
- **€1.6** million of agent ongoing property expenses
- **€91.4** million of other acquired investment expenses
  - including €81.8 million of infrastructure investment

The amount of the intangible investment expenses for the 2013 financial year is equal to €313.6 million, including €29.8 million of intangible capitalised production.

The amount of intangible assets acquired in 2013 also includes, for €280.6 million, the share of the subsidy paid by RFF to the concession holder of the SEA project relative to its article 4 financing, representing future economic benefits expected by RFF as a result of the set-up of this concession contract.

DETAILS OF THE ACTIVATED INVESTMENT EXPENDITURES

In € millions	2013	2012	Change
MAJOR DEVELOPMENT PROJECTS	**1,708.0**	**1181.6**	**526.4**
Major National Projects BEFORE Works	26.8	40.0	
Major National Projects UNDERGOING Works	415.1	583.3	
Major PPP Projects (RFF project ownership)	276.8	184.2	
Major PPP Projects (partners project ownership)	989.2	374.1	
REGIONAL DEVELOPMENT PROJECTS	**995.2**	**708.0**	**287.2**
Regional Development Projects	995.2	708.0	
NETWORK COMPLIANCE UPGRADES	**158.4**	**121.8**	**36.6**
Safety	71.5	57.1	
Access to Trains	63.5	35.6	
Interoperability (ERTMS and ETCS)	14.4	18.5	
Environment (PNB Acoustics and Others)	9.0	10.6	
RENEWAL AND PERFORMANCE	**2,516.6**	**2049.8**	**466.8**
Tracks	1,424.5	1241.4	
Signalling and Operation (CCR, GOC, DCF, productivity programme)	304.2	227.8	
Telecom (including GSM-R in RFF project ownership and fibre plan)	161.6	91.4	
GSMR telecom (partners project ownership)	171.2	122.9	
Electric traction	81.1	70.5	
Works of art and earthworks	210.0	144.1	
Stations (RGHV and REM)	4.9	14.7	
Improvement of the regularity (QSRP, QIDF and other regularity)	27.4	27.3	
Commercial investments (ICF and ITE)	22.7	22.6	
Other programmes (regional programmes, Bad weather, CEEF)	109.0	87.1	
(including OGE-IRAI)	107.2	84.4	
OTHER PERIMETERS	**139.4**	**80.2**	**59.2**
Real estate / Property perimeter	74.6	39.7	
Other works	64.8	40.5	
OTHER	**23.7**	**-48.7**	**72.4**
Miscellaneous	23.7	-62.2	
Other investment expenses	0	13.5	
TOTAL including PPP	**5,541.3**	**4,092.6**	**1,448.7**

The capitalised expenditures as at 31 December 2013 are equal to €5,541.3 million and are up by +€1,448.7 million (+35.4 %) relative to 31 December 2012 (€4,092.6 million). They result primarily from higher expenses within the framework of **partnership contracts**, as well as **regional development and track renewal projects**.

With regard to **development projects**, the increase of capitalised expenditures was equal to +€813.6 million (+43.1 %), and can primarily be explained by:

1. a significant +€707 million impact on the projects LGV Brittany Pays de Loire and the Nîmes-Montpellier bypass (one complete year of work), as well as the junction projects involving the existing network, there were all in the realisation phasing 2013.

2. an increase of €287.2 million (+41%) on the regional development projects, notably due to a few significant projects, such as the 2nd phase of the Sillon-Alpin-Sud (+€59 million), the modernization of Calais-Dunkirk (+€41 million), as well as of the projects in the Ile-de-France: Tangentielle-Nord (+€36 million), the Evangile Station (+€28 million), Massy-Valenton (+€26 million), the extension of the EOLE (+€25 million). Moreover, most of the projects financed as part of the 2007-2013 CPER are now in the realisation phase.

3. a change of -€168 million with national projects, in keeping with the schedule of the works for the 2nd phase of the LGV East high speed line.

4. A slowdown of the expenses capitalised on major projects in the upstream phase, notably linked to the pending political guidelines and the report from the Mobility 21 Commission relative to these projects.

The expenses for the network compliance upgrade are up by 30%, primarily relative to safety a level crossings and train access in the Ile-de-France.

The renewal and performance activity is also up by 23%, i.e. +€466.8 when compared with 31 December 2012. The main changes are the following:

- +€183.1 million for track operations (of which €130 million on the lines of the main LGV and UIC 1 to 6 network);
- +€119 million for Telecoms (including GSMR and Fibre Plan)
- +€76 million for signalling and operations
- +€65.9 million for engineering works and earthworks.

2.1.2- Entries into service

Investment projects: cf. paragraph II "2013 SIGNIFICANT EVENTS".

The additional entries into service of tangible fixed assets involve:

- €60.5 million of projects through direct project ownership
- €83.7 million for the 4 completed strands of the GSMR PPP
- €5.1 million of projects through delegated project ownership excluding SNCF
- €1.3 million of investment for the DCF activity
- €8.6 million for operations and other

The amount of intangible assets put into service is equal to €20.2 million for the 2013 financial year, versus €4.5 million in 2012.

2.1.3- Valuation of the assets on the closing date of the financial statements

Infrastructure CGU

An impairment test was performed on 31/12/2013.

Adopted discounting rate: 5.5% no change relative to 31/12/2012. A rate change of +/- 0.1% results in a variation of -/+ €1 billion of the discounted value of the flows.
The benchmark net book value on 31/12/2013: €31.9 billion.

Property CGU

RFF has seen no indication that this CGU's assets had lost any value.

2-2 Investment subsidies

2.2.1- For renewal and bringing up to standards

The amount of this subsidy put into service as at 31 December 2013 is €74.8 million. It will be recovered through profit or loss over a period of 41 years.

The amount of this subsidy's recovery through profit or loss is equal to a total of €136.7 million as at 31 December 2013.

The net renewal subsidy included in the shareholders equity was equal to €3,705.6 million as at 31/12/2013,

2.2.2- The other investment subsidies

The other subsidies listed in the shareholders equity amount to €16,032.7 million as at 31 December 2013 versus €13,823.3 million as at 31 December 2012, i.e. an increase of €2,209.4 million (15.9%).

- **The net subsidies on fixed assets put into service** are equal to €10,162.0 million as at 31 December 2013 versus €10,973.7 million at the end of 2012.
  Cf. paragraph II "2013 Significant events"

- **The investment subsidies on assets under construction (merited subsidies),** calculated on the basis of the progress of the works, are equal to €5,870.6 million as at 31 December 2013, versus €2,849.6 million at the end of 2012**.**

2-3 – Situation of the financial debt

Outstandings **In € millions**	**31/12/2013**	**31/12/2012**	**Change**
LT financial debt			
- Debt outstandings issued by the SNCF	1,199.2	1,617.1	-417.9
- Debt outstandings contracted by RFF	34,888.3	31,754.4	3,133.86
Total LT financial debt (A)	**36,087.5**	**33,371.5**	**2,716.0**
ST financial debt (B)	**2,204.30**	**2,052.6**	**151.7**
PPP (BLP and CNM) (C)	**583.9**	**144.7**	**439.2**
Cash net of bank overdrafts (D)	**3,901.5**	**3,225.7**	**675.8**
Of which bank overdrafts (D')	*1.7*	*4.8*	*-3.1*
Total balance sheet debts (A) + (B) + (C) + (D')	**38,877.3**	**35,573.7**	**3,303.6**
Net financial debt (A + B - D)	**34,390.3**	**32,198.5**	**2,191.8**
Net financial debt excluding ICNE	**33,715.8**	**31,522.1**	**2,193.7**

RFF raised €4.9 billion in 2013 on the international capital markets in 30 public or private operations denominated in foreign currencies: euro or pound sterling or Japanese yen.

3 – Cash flow table

The cash generated during the financial year increased by €676.0 million in 2003, after decreasing by €1,176.3 in 2012.

It is recalled that the cash includes the available cash net of bank overdrafts as well as marketable securities.

In € millions	2013	2012	Change
Internal financing capacity	**1,924.3**	**2,002.1**	**(77.8)**
Variation of the business working capital requirements	237.3	(108.3)	**345.6**
Net cash flows linked to activities	**2,161.6**	**1,893.8**	**267.8**
Net investment cash flow	**(4,939.3)**	**(4,287.6)**	**(651.7)**
Net flows on financial operations	**3,453.7**	**1,217.7**	**2,236.0**
Cash position variation net of bank overdrafts	**676.0**	**(1,176.3)**	**1,852.3**
Cash at the start of the fiscal year	**3,225.4**	**4,401.7**	
Cash at the closing	**3,901.4**	**3,225.4**	

The internal financing capacity, before the cost of the debt and after income tax, is equal to €1,924.3 million on 31/12/13 versus €2,002.1 million on 31/12/2012, as a result of the decline of the State subsidy relative to freight.

The cash related to investment operations involved, firstly, the disbursements related to rail infrastructure works and, secondly, the collections related to the proceeds from asset disposals.

The cash related to financing operations involve the flows related to:

- loan issues and repayments
- collections of investment subsidies
- net financial interest paid
- collateral received / paid as part of hedging operations

4- Payment interval for supplier settlements

As at 31 December 2013, the debts owed to suppliers represent €952.5 million, reconciled as follows with the amounts shown in the financial statements (in € millions):

In € millions	2013	2012	Change
Trade creditors and other accounts payable amongst the balance sheet liabilities	2,787.6	2,016.6	771.0
Accrued expenses (FNP) included under this heading	(1,816.6)	(1,074.8)	(741.8)
Guarantee withholdings and contract penalties included under this heading	(18.6)	(15.6)	(3.0)
To wit:	**952.5**	**926.2**	**26.3**

To comply with the regulations, the breakdown of the debts to suppliers by due date at the closing is the following:

In millions of euros	2013	2012	Change
Due dates	**Amount**	**Amount**	
Invoices not past due	903.0	822.8	80.2
Outstanding for < 30 days	13.6	60.2	(46.6)
Outstanding for > 30 days	35.9	43.2	(7.3)
Total	**952.5**	**926.2**	**26.3**

The amounts past-due and not yet settled relate to disputed invoices. These disputes are being processed, with for objective of discharging the invoices past due for more than 30 days before the end of the 1st half of 2014.

II - 2013 SIGNIFICANT EVENTS

Correction of the impact of delays in the accounting entry into service on projects delegated to the SNCF

The new automated system for accounting entries into service encountered implementation and then operating difficulties related to the information systems as of April 2012. These difficulties prevented the performance of the accounting entries into service that should have been completed in the operation systems in 2011 and 2012.

To ensure that the financial statements present an image of the economic reality of the entries into service, additional entries were posted in 2011 and 2012:

- Assets entered into service: €8,198.6 million
- Subsidies entered into service:€3,099.3 million

At the same time, depreciation expenses and reversals of corresponding subsidies were posted in 2011 and 2012 for respective amounts of €326.8 million and €131.1 million.

To 31/12/2013, the entries into service were caught up in the information systems in the total amount of €7,794.6 million and €1,980.9 million. At the same time, the depreciation expenses and subsidy reversals were reintegrated into the information systems.

To 31/12/2013, additional entries into service once again had to be posted by “OD” in order to account for the efforts to finalise the entry into service files carried out in December 2013. As such, the amounts entered into service are €1,047.9 million for assets and €587.3 million for subsidies. Depreciation expenses and subsidy reversals were also recognised by “OD“ for respective estimated amounts of €24.3 million and €14.1 million.
These entries into service will be regularised in the information systems in the first half of 2014. By 30/06/2014, the accounting entries into service will therefore have been completely regularised in the information systems.

Brétigny-sur-Orge accident

On Friday 12 July 2013, Paris-Limoges train n°3657 derailed in the Brétigny-sur-Orge (Essonne) station.
At this point, only the origin of the accident is known. The investigations in order to determine the causes are still in progress. The Bureau d’enquêtes sur les accidents de transports terrestres (BEA-TT) released its progress report in January 2014. This report, that examines the events and their causes, was presented to the SNCF and RFF directors on 13 January 2014. It will be used to strengthen the safety-related actions for the benefit of the rail system. This intermediate document constitutes a technical investigation. Determining liability is the task of the ongoing legal proceedings.

III - METHOD CHANGE

No change of accounting method occurred during the 2013 financial year.

IV - EVENTS AFTER THE CLOSING

None.

V – OTHER INFORMATION

In application of article L. 225-37 of the Commercial code, the chairman of the board of directors of Réseau Ferré de France drafts a report on the composition of the board, the conditions for the preparation and organisation of the board’s efforts as well as on the internal control and risk management procedures implemented by the company, while notably including details of the procedures that relate to the preparation and processing of accounting and financial information relative to the corporate financial statements.

VI – PROSPECTS FOR THE FUTURE

The major outlines of the rail system reform were presented to the Council of ministers on 29 May 2013. The first reading of the draft law will take place on 16 June 2014 in the National Assembly.

2014 will see the construction of the SNCF Network, as the new sole manager of the infrastructure, with the preparation of the Network 2020 company project, the finalising of the organisations and of the target operating modes, as well as the preparation for the new entity’s operational implementation.

VII – Report on CSR (Corporate social responsibility) Grenelle II law to 31 December 2013

In application of article 225-102-1 of the Commercial code, the report on the company's social responsibility is provided below.

Réseau Ferré de France (RFF) performs its industrial and commercial activities while pursuing progress and integrating sustainable development concerns. Indeed, lawmakers have positioned RFF as a major player in sustainable development. In its article 1, the law of 3 February 1997 that established the RFF indicates that the purpose of the public corporation is *"the development, coherence and enhancement of the national rail network, while adhering to the principles of public service and while promoting rail transport in France, with the aim of sustainable development." »*

RFF has therefore chosen to report on its performances in terms of social, environmental and societal responsibility using the format provided by article 225 of the Grenelle II law as of 2012 even though the implementing decree for the article applicable to public establishments and corporations had not been published.

By publishing the first CSR component in its 2012 management report, RFF committed itself to verification of its published information by independent third party institutions. The RFF statutory auditors that the 2012 management report contains the information required by article R. 225-105-1 of the Commercial code.

For the 2013 financial year, RFF continued by implementing a CSR report that targets:

- relevance, with its indicators having to be defined according to their specific stakes;
- reliability, by relying on guidelines and information systems that guarantee the quality, credibility and comparability of the published information;
- integration, i.e. putting such information into perspective with the accounting and financial information, such as to provide the senior executives, partners and stakeholders with a more global view of the performance.

In concrete terms, a series of indicators was prepared in response to the decree's 42 subjects. Also, a protocol was prepared in order to describe the reporting perimeter, the information collection process, the governance of the initiative and to present all of the indicators. A summary of this protocol can be found in the third part of this CSR component, in the form of a methodological note.

The first part of this CSR report presents the company governance and, in particular, its oversight of sustainable development stakes. The second part is devoted to the year's commitments and achievements in social, environmental and societal terms. At the end of the report, noteworthy achievements from 2013 are presented. The relevant indicators are shown at the end of each topic. The third part notably provides a summary table of the indicators and a correspondence table with the topics in the decree, the ISO 26000 standard and the GRI.

1 Sustainable development governance and oversight

1.1. Continuous improvement governance and oversight

1.1.1. General organisation of the company

The company's general organisation revolves around the chairman, the deputy chief executive officer and of six deputy general managers: "marketing and planning", "operations", "major projects", "finance and purchasing", "secretary-general" and "Ile-de-France".

Twelve regional departments reporting directly to the chairman and to the deputy chief executive officer look after, within their respective territories, the implementation of the strategic orientations and the company's operational responsibilities, under the direction of the deputy general managers. In general, they are organised around four services, in charge of the network's technical and commercial management, investment projects, real estate and property development, as well as administrative and financial affairs. In view of the specific stakes within the Ile-de-France, this regional department has its own organisation.

The general organisation is notably based on the conclusions of the September 2011 report under the joint aegis of the Inspectorate-General for Finance and the Environment and Sustainable Development General Council, recommending better management of the interface between RFF and the SNCF, improved governance, the removal of redundancies and greater clarification on the different head office functions.

1.1.2. Corporate governance

RFF is a national public establishment of an industrial and commercial nature, the articles of incorporation and duties of which are listed in the amended decree n° 97-444 of 5 May 1997; this implies certain specific features, notably in terms of:

- <u>Composition of the Board of directors</u> (BD): seven State representatives, five persons chosen on the basis of their competence, six representatives elected by the company employees; The State's representatives to the RFF BD and the persons chosen on the basis of their competence are appointed by decree subsequent to a report from the deputy minister in charge of transportation.
- <u>Independence of the directors</u>: as a supplement to the provisions of the decree, the Charter of relations with the Agence des Participations de l'Etat (APE) indicates that "*a director is said to be independent when this person maintains no relations of any kind with the company, its group or its management that could compromise the performance of his/her freedom of judgment*". ».
- <u>Compensation of the directors</u>: the chairman's compensation is set by ministerial decision; the chairman relies on three persons from the BD relative to the objectives of the COMEX members and their annual assessment (system inspired by the AMF recommendations and the corporate governance principles set down by the Association Française des Entreprises Privées (AFEP)/ Mouvement des Entreprises de France (MEDEF)).
- <u>Organisation of the RFF external oversight</u>: as a public corporation, the company is subject to economic, financial and technical oversight by the State (ministers in charge of the economy and budget, that the minister in charge of transportation), and by the Etablissement public de sécurité ferroviaire (EPSF); it also falls within the scope of investigation of the IGF, and is subject to inspections by two independent administrative authorities: the Court of Auditors and l'Autorité de régulation des activités ferroviaires (ARAF). Its financial statements are certified by statutory auditors.

The company's governance rules target compliance with the provisions of the Charter of relations with the APE and public undertakings, and are inspired by the principles included in the corporate governance code for listed companies and are based on the principles enacted in the code of corporate governance of the listed companies under the joint aegis of the AFEP and the MEDEF.

In application of article L.225-37 of the Commercial code, the chairman of the RFF board of directors drafts a report on the composition of the board and the application of the principle of the balanced representation of women and men within the board, on the conditions for the preparation and organisation of the board's works, as well as on the internal control and risk management procedures set up within the company.

1.1.3. Overall steering of the sustainable government initiative

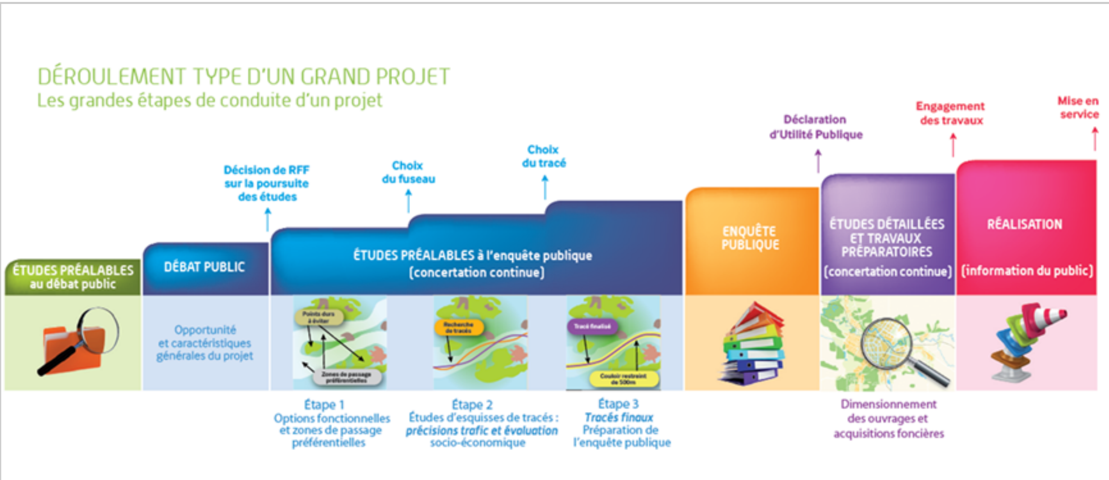
Within the Strategy department, the Sustainable development strategy unit defines the company's strategic orientations with regard to sustainable development. It has relays in all of the company's departments in order to implement the selected orientations and to disseminate best practices, both within the support or transversal functions, and in the operational functions.

To promote the stakes of sustainable development within the future unified infrastructure manager, an Environment and Sustainable Development department will be created in 2014. The blueprint for this department was entrusted to Christian Dubost, previously the regional director of the RFF Midi-Pyrénées Region.

1.2. Consultations with our external stakeholders

At the start of the 2000s, RFF initiated an ambitious consultation policy. In the general context of growing environmental consciousness and the desire of people to be informed and involved in the decision-making processes that have an impact on their lifestyle, bringing together the conditions for the social and societal acceptance of the management and development of the rail infrastructure is a key challenge for the network manager.
The RFF stakeholders are presented on the page "actors in the railway world" on the site rff.fr.

Since its creation, RFF has worked to develop consensus-building has an initiative that will make it possible to consult with and involve both public and private partners, users – companies or individuals – and, beyond that, all citizens in the definition of railway projects. Thirteen public debates were organised on rail-related projects, and more than 70,000 people participated.



RFF developed consultation initiatives individual company the preparatory studies for the public debate, followed by "post-debate" studies, through to the preliminary inquiry for the Declaration of public interest (French acronym: DUP). To this end, the company has implemented innovative tools (local consultation charters, consultation guarantor, Internet sites for expressing views, etc.) and deployed significant resources. RFF has set up a charter for carrying out consultations, that includes precise commitments in order for the provisions for the implementation of the consensus-building to adhere to a quality requirement.

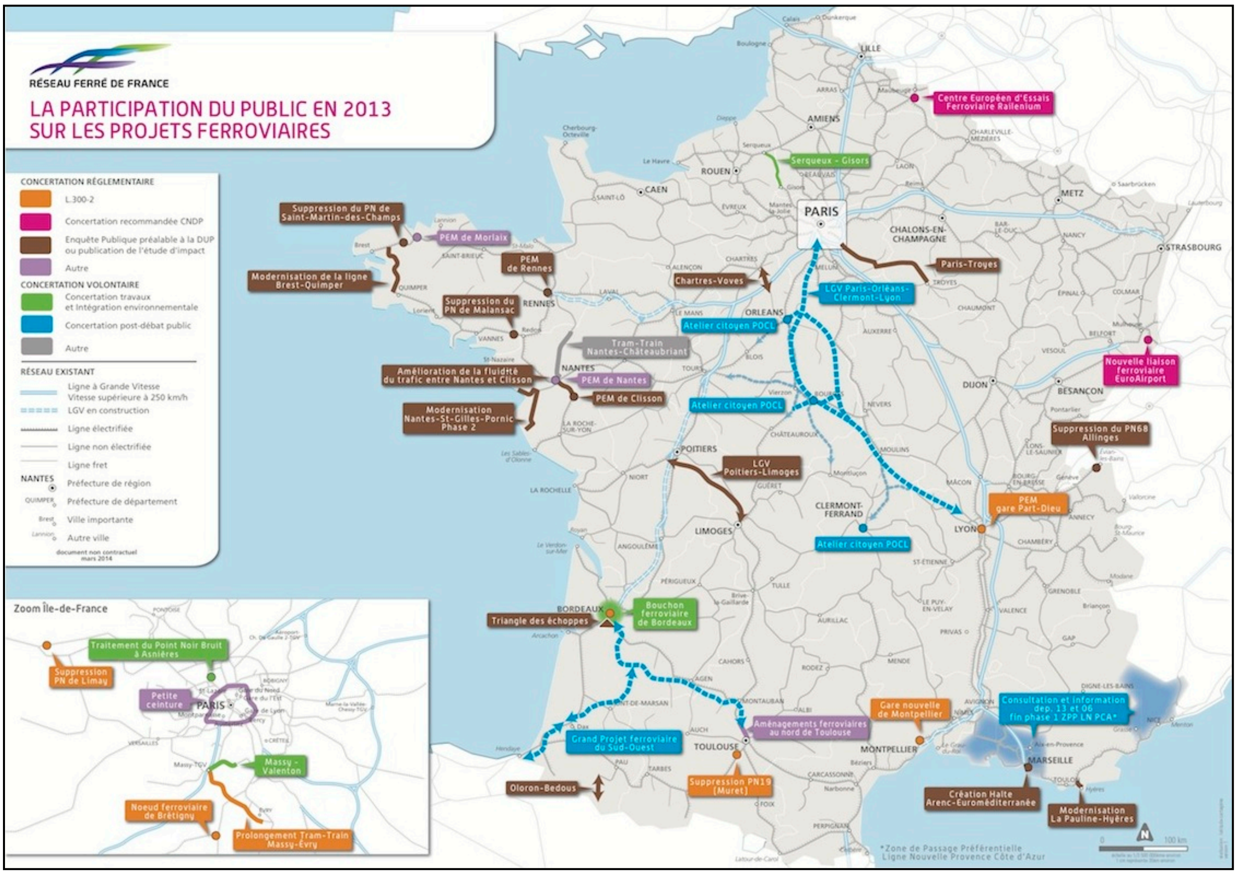
These initiatives have been extended to projects outside of the construction of lines, notably the development of railway rest stops, as well as the company's main business lines such as the preparation of schedules, the work timeslots with a high impact, and notably consensus regarding acoustic protection.

Focus: Consultation regarding acoustic protection on Eole

The public inquiry on the EOLE project resulted in a favourable opinion from the inquiry commission, but with two reservations. Pursuant to its commitments, in 2013, RFF initiated a consultation with the concerned communities, under the aegis of a mediator, in order to reach an agreement on the maximum noise levels that would have to be respected, and on the necessary protective provisions. RFF has committed to a guarantee of results and, consequently, to an overall improvement of the current situation.

The results of updated models were presented, along with a multi-criteria analysis of the relevance of acoustic strings, and the principle of an iterative treatment of railway Noise Black Spots (rNBS).
The main ideas expressed no opposition to this treatment principle. A pedagogical booklet describing the project in the results of the acoustic studies was left with each community for analysis.
A review meeting with the 5 leading communities concerned by this system will be organised in 2014 in order to implement, under the prefect's authority, this treatment principle in order to be able to extend it to all of the communities concerned by the project.

Each year, RFF publishes a ***charter on its consultations*** *with the public throughout the national territory.*



2 Commitments and achievements

The challenges of sustainable mobility require a lasting railway network

The national railway network is a key component of any sustainable development policy, since it provides the territories and their population with sustainable low-carbon mobility using a varied energy mix that therefore has a low dependency on oil, that is respectful of the environment since it consumes less space and energy while being favourable for biodiversity, and that is safe, high-performing in its service areas and accessible to all members of the public, including the most fragile members such as persons with reduced mobility.

This sustainable mobility requires a quality infrastructure network that is present throughout the national territory, that is open in order to receive new services and capable of supporting, without incident, growing traffic with modern commercial practices in order to maximize value, with refurbished industrial techniques that provide for cost control and compliance with environmental and social standards, and with an economic model that is as balanced as possible in order to ensure its sustainability.
It therefore requires high-performing services that are differentiated according to the needs of customers, travellers or shippers, adapted to the requirements of the territories and to the serviced audiences. It controls its costs and is transparent with regard to them, while being open to innovation in order to ensure the traffic's development.

Improving the network's quality contribute to developing the traffic numbers, which will allow for better financing of the network.

RFF strives to provide its customers with services that suit their needs, in order to encourage the development of traffic numbers, increase its proceeds and thus better finance the network. To this end, the company carries out three types of actions: adaptation of the commercial offer to customer needs and enhancement of the competitiveness of rail versus other modes, renewal and modernization for safe and efficient management of the network, and development in order to improve the accessibility of the territories and promote balanced economic development.

2.1. Societal information: responding to the challenges of sustainable development for goods and persons

To meet the differing expectations of its customers, of the local and territorial communities, of Europe and more generally of its stakeholders, RFF places research and innovation at the heart of its infrastructure development policy in order to "Develop and adapt the rail infrastructures for tomorrow". The aim is for the company to develop modern rail infrastructures that are respectful of the environment, socially responsible and economically viable, in order to:

- increase the competitiveness and attractiveness of rail services;
- transport a larger volume of passengers and merchandise;
- increase energy efficiency and reduce the environmental footprint of rail services;
- accompany the development of the territories;
- harmonize the infrastructures within Europe.

2.1.1. Offering a safe and quality of network in order to meet the expectations of customers and stakeholders

Including sustainable development concerns at the very heart of its industrial and commercial activities confirms RFF's desire to improve the quality of its service while satisfying the expectations of its stakeholders.

a) Guaranteeing safety

It is the task of RFF, as manager of the national railway network, to design, develop, ensure the consistency and promote the value of the national railway network, on which many rail companies are now operating. Maintaining the high level of the safety of persons on the national railway network is one of the company's strong commitments, as demonstrated by the constant decline in the number of persons killed or seriously injured on the network (excluding suicides). RFF's responsibility in the area of railway safety has translated into 3 fundamental requirements:

- guaranteeing, on the level of the design, modernization and maintenance of the network, infrastructure usage conditions that will allow rail companies to assure that they can circulate safely;
- providing rail transport operators with reliable and suitable information relative to the status of the infrastructure and its usage provisions, as well as the operating documentation so that they can take this information into account or put it into practice in the safety procedures that are incumbent upon them, as part of the transportation service that they provide;
- ensuring the safety of users, the personnel, third parties, the transfer the goods and the environment, by means of defining and implementing procedures unnecessary resources, both with regard to RFF and in terms of the recourse to service providers and the supply of equipment.

Focus: Renewal of the safety authorisation

In compliance with decree n°2006-1279 of 19 October 2006 relative to the safety of railway circulations and the interoperability of the railway system, RFF and SNCF, as delegated infrastructure manager (SNCF DIM), must have a safety authorisation provided by the EPSF, that confirms their ability to meet the regulatory safety requirements and to control the risks related to the management and operation of the infrastructure open to public circulation.
RFF and SNCF DIM received their first safety authorisation in February 2008, for a duration of 5 years. In 2012, RFF and SNCF DIM worked together in order to pursue a renewal of their safety agreement by the EPSF, that was obtained on 14 February 2013.

Improving the safety of level crossings

As most accidents these days involve the users of level crossings (LC), as well as persons authorised to circulate within the railway rights-of-way, the policy implemented in the last several years notably targets improving or doing away with level crossings, as well as implementing systems in order to prevent third parties from accessing the railway rights-of-way. RFF also strives to ensure the protection of travellers in the stations, by ensuring that tracks can only be crossed safely.

The national railway network includes approximately 15,000 level crossings open to road traffic. 98% of accidents between a vehicle or a pedestrian and a train are due to failure to comply with the highway code and with basic road safety rules. Even though the number of deaths (32 in 2011, 33 in 2012, 29 in 2013) confirms the general downward trend, this figure cannot help but recall the importance of the need for prevention and the safeguarding of level crossings.

In recent years, the policy for improving LC safety has revolved around the following main points:

- the **safeguarding of LCs**, with a substantial financial effort (the actions to bring them up to standards and to improve safety cost approximately €20 million per year);

- **prevention and communication**: in 2008, RFF initiated the "National road safety day at level crossings" in order to increase the awareness of road users regarding the dangers generated by risky behaviour in the vicinity of level crossings. In 2009, this day was extended across Europe. It is now worldwide under the leadership of the International Union of Railways (UIC), and now involves some 40 countries focusing on this societal challenge;

- **repression and dissuasion:** after works carried out by RFF, by the Road Safety and Circulation department and by the track managers, radars were installed alongside the LCs included in the national safety programme in order to punish roadway users who do not come to a stop at the flashing lights of a LC (crossing radar) or adhere to the speed limit when approaching LCs (speed radar).

Focus: Level crossings, vigilance objective

On 24 September 2013, the sixth National road safety Day was held, with one major innovation: co-producing the prevention messages with road users. (http://www.rff.fr/fr/gestion-page-d-accueil/actualites/passages-a-niveau-objectif-vigilance).

For this year, the aim was to work with users in order to prepare the safety messages for tomorrow. As such, the campaign involved:
- *1000 displays in the cities, on the topic of Roadway prevention;*
- *on 24 September: 12 sites in France and approximately 300 participants mobilized in the regional departments (Roadway prevention volunteers, SNCF agents, RFF employees, elected officials, State representatives, road safety, etc.);*
- *direct discussions with uses of the road on the sites of level crossings, with road and rail safety agents;*
- *the installation of temporary level crossings in the city centre of Marseille and Chalon-sur-Saône, in order to meet with new audiences and to raise their safety-related awareness.*

This policy, revolving around the major topics, has helped to cut the number of accidents at level crossings in half over the course of the last 10 years. It is RFF's ambition to continue and enhance this risk control policy regarding accidents at level crossings. As a continuation and supplement to the efforts indicated above, the Board of directors validated new orientations in December 2013, with the aim of rolling out a programme of actions based on the following principles and objectives:

- **Improving** knowledge:
    - of the LC grounds and its environment, since the surroundings of level crossings can have a direct impact on the conditions for its crossing by road users;
    - of the public's behaviour at level crossings, in order to adapt the structures and prevention / communications campaigns that will help to improve safety of the new behaviours of the various users;
    - an improvement of the location of level crossings, in place since 2009 in order to continue and further the efforts to map level crossings within GPS programs.

- **Strengthened prevention**

- **Increased security and improved risk control**, in order to safeguard all level crossings in a lasting manner (whether or not they are listed in the national safety programme). The safety problems seen at certain level crossings justify modifications of the infrastructure (road and rail) in order to prevent accidents. The radical solution involves removing the level crossing, while deviating the road traffic or altering the level of the crossing. When this is not possible, an in-depth assessment of the causes of accidents, near accidents or incidents, as well as analysis of user behaviour, makes it possible to carry out modifications of the infrastructures in order to increase the safety level. The set-up of a national and territorial master plan ensures prioritization and a better follow-up of the works involved in the improvement or removal of level crossings.

The Allinges ruling

In April 2013, the so-called Allinges trial began: on 2 June 2008, the collision of a school bus and an express regional train at level crossing "68" that services the Evian-les-Bains / Geneva-les-Eaux line caused the death of 7 students.

This ruling resulted in an in-depth change in terms of liability, both criminal and civil, while imposing on the infrastructure manager (IM) a general safety obligation that goes beyond mere compliance with the applicable legislative and regulatory texts. This evolution of the case law requires clarification and a framework for the liabilities for each of the actors concerned - SNCF DIM and RFF - with safety at level crossings.

Without waiting for this clarification requested jointly from the relevant ministers by the Chairmen of RFF and of SNCF, RFF has begun working on changes to its policy for level crossings, in close collaboration with SNCF Infra and the Direction des Circulations Ferroviaires (DCF), looking ahead to the unification of the infrastructure managers. These changes are in line with the action plan announced by the deputy minister in charge of transportation on 24 September 2013, along 4 lines:

- eliminating forced crossings;
- responding to the specific needs of heavy goods vehicles and coaches;
- Improving the information for users of the road;
- firstly securing the level crossings that have been identified as priorities for removal or equipment.

The Brétigny-sur-Orge accident and the launch of the Vigirail programme

On Friday 12 July 2013 at 5:11 PM, Intercity train 3657 Paris-Limoges derailed in the Brétigny-sur-Orge (Essonne) station, causing the deaths of seven people and hospitalising another 30. Nearly 1000 SNCF and RFF agents volunteered, in the Paris region as well as in the Centre and Limousin regions, to look after the victims and their relatives, to provide information to travellers, and to set up alternative transportation means. More than 200 people worked constantly in 3x8 hour shifts to replace the tracks, catenaries, platforms, signalling installations, etc., so that all traffic was once again moving by 30 July, for all railway companies and all activities. Taking full responsibility, and before the end of the inquiries regarding this dramatic accident, SNCF and RFF launched several actions in order to strengthen the maintenance of the railway network. The switching verification plan was implemented as of 14 July 2013. In 2 weeks, nearly 5,000 core units, 100,000 rail joiners, 250,000 bolts and 520,000 attachments were verified. On 5 August, a programme was launched in order to assess the "loosening" phenomena. 181 switches were examined and an international panel of experts was gathered.

RFF and SNCF decided to launch a preventive programme in order to strengthen the safety of the switches and to modernize the maintenance. The 8 October 2013, the programme Vigirail was launched. This programme, committing €410 million over 4 years, includes an in-depth overhaul of the upkeep and maintenance methods for the railway network. It notably includes:

- a strong acceleration of the programme for the renewal of switches on the heavily travelled zones;
- innovative surveillance methods such as analysis and verification of the rails by video,
- digital recording of the observations made by the personnel during local rounds;

- in-depth review of the personnel training with new technologies, while enhancing and simplifying the maintenance guidelines.

By adopting this Vigirail programme, RFF and SNCF are accelerating the renewal of track equipment on the heavily travelled or dense zones of the network, in keeping with the State's decision to devote financial efforts to the existing network.

Finally, RFF and SNCF have committed to the transparency of this programme. In addition to placing the safety reports online, a continuous information blog is available on the SNCF Internet site, while an update of Vigirail is planned for February 2014.

b) Offering a reliable and quality infrastructure

RFF is managing, modernizing and developing a network at the heart of Europe. Continuously evolving for more than 150 years, this network requires constant adjustments in order to meet the travel requirements of both travellers and merchandise.

Since 2008, the company has been implementing a vast modernization programme for the network national, while signing a performance contract with the public authority relative to the modernization effort, involving €13 billion through to 2015, a leading to the replacement of 1000 km of tracks per year versus 500 km beforehand. Under the impetus of the State and the regions, the significant efforts served to stop the ageing of the network, but without sufficiently rejuvenating it to reach an optimal average age.

On 15 October 2012, the production of a Grand Network Modernization Project (French acronym: GPMR) was requested of the RFF by the deputy minister in charge of transportation, at the time of the study carried out by the École Polytechnique Fédérale de Lausanne (EPFL). This study considered the implementation of the audit performed in 2005 on the condition of the network, that resulted in the launch of the network renovation plan.

The proposal of this modernization plan led to 6 major ambitions, building on 4 major action levers.

Six major ambitions
The first is to guarantee the control technical condition of that right and effective financial balance, so that the country has a railway tool that meets its expectations. This objective constitutes the basis of the GPMR.

It is accompanied by five longer-term ambitions:
- consolidating the network safety;
- putting regular service at the heart of the infrastructure manager's concerns;
- facilitating usage of the train;
- providing a response to the capacity stakes;
- contributing to the energy and ecological transition, and better inserting the network into its environment.

Four major action levers
In response to the challenges, 4 major levers have been identified:
- ensuring a lasting view of the network, shared with all actors;
- implementing an industrial infrastructure policy that focuses on renewal over current maintenance, while pursuing productivity and service quality gains;
- modernizing the operation through automation with available new technologies in order to increase the reliability, economics and performance;
- guaranteeing the "system" approach by pursuing, with the SNCF and other rail companies, optimisation set include all of the rail system components.

These levers are completed by innovation or a comparison with the other major infrastructure managers. The GPMR roll-out will take into account the network's considerable diversity and the long timeframes specific to the rail sector.

Four sub-networks
There are strong contrasts within the network. The need is therefore to provide consistent responses that suit the stakes and needs of the four sub-networks that have been identified, namely:
- the Ile de France networks, for which modernization is a priority and the major rail nodes;
- the High Speed network;
- the structuring network;
- the territory's extended service lines;

Across the network, specific stakes have been identified with regard to freight.

Three timeframes
The proposal is to work while focusing on horizons of 6 years (2020), 12 years (2025) and the longer term, and to update the plan every three years in order to ensure its relevance over time.

To produce its proposals, RFF worked with its partners in the future unified infrastructure manager (French acronym: GIU): DCF and SNCF Infra. RFF also contacted the SNCF and the other rail companies meeting within the Union des Transports Publics (UTP) and, more broadly, with the main actors in the mail system.

During its session on 19 September 2013, the RFF Board of directors approved the guidelines presented in the draft of the network major modernization plan and asked to continue the initiative in collaboration with the other stakeholders, notably through a territorial extension. The approved guidelines constitute the basis of an ongoing reflection both within the railway infrastructure manager and with all system actors, in order to bring to light orientations that are shared, accurate and quantified. It is then planned that the GPMR will be implemented on the territorial level.

The first action launched in September 2013 involved in adaptation of the GPMR guidelines by axis. As such, RFF organised the production of master plans for the network's main axes while involving the various components of the future unified infrastructure manager. Half of the axis master plans had been produced by the end of 2013. Using the same principles, the GPMR guidelines will be extended to the major rail notes in 2014, also in the form of master plans. The aim is for the master plans for the axes and nodes, as well as the territorial extension, to be submitted for consultation with the rail system's stakeholders.

As such, the GPMR constitutes the collective work and mobilisation framework for the employees from RFF, SNCF Infra and DCF, in order to ensure the modernity of the railway network and to offer new opportunities to the French railway sector.

c) Responding to a growing need for mobility

In a context of upwardly trending energy prices and a growing environmental constraints, rail transportation will grow and relevance in order to better deal with mobility requirements. Companies and the general public demand a modern and accessible network that is consistent with the other transportation modes and technical / commercial services, that are always adapting to their needs.

Indeed, since its creation, the company's aim has been to provide high-performing transport services that combine better usage of the network and consideration of the needs of its direct and indirect customers, i.e. the network's users. These needs relate to service continuity, the frequency and reliability of the travel times, as well as the consistency of the transport multimodal chain.

To meet this demand, the company is working to improve the fluidity of the roots and to increase the competitiveness and attractiveness of rail services for the final customer, by increasing – with a constant network – the offer available to both travellers and freight. Many challenges must be met:

- working on the urban nodes, congested areas, notably within the Ile de France network, in order to make the traffic more fluid and thus to accommodate more trains under better operating conditions;
- continuing the roll-out of the phasing of the schedules, for trains that are sufficiently frequent and regular, optimised connections and good intermodality conditions;
- ensuring balance between the allocation of train paths to customers and safeguarding the capacity for upkeep and regeneration works on the network, that are needed in order to ensure its safety and sustainability;
- harmonizing the infrastructures within Europe: the interoperability and harmonisation of the national structures is an objective that the instructor managers must meet in order to promote rail transportation in Europe.

Focus: Customer satisfaction, an objective at the heart of all of our concerns

The satisfaction level of our customers is an important criterion for the network's performance. Since 2010, RFF has worked to measure the satisfaction level of its customers through a biennial opinion survey on the quality of its commercial relations (legibility of the organisation, management of customer demands, legibility of the pricing, etc.). The surveys make it possible to measure improvement of overall customer satisfaction, with the score increasing from 5.5/10 in 2010 to 6.2/10 in 2012.

In 2013, against the backdrop of the rail reform, an ad hoc survey was carried out on the perception of the unification of the infrastructure manager. Performed in September with 154 customers, the survey indicates that RFF is a legitimate establishment, but that it remains "complex" in the eyes of customers. The outcome is that the future institutional groups are positively perceived by RFF's customers.

d) Considering the specific needs of persons with reduced mobility

Each day, a growing number of persons with reduced mobility (PRM) uses the transportation infrastructures. It is therefore important to contribute actively to the continuity of their overall travel experience. The resulting improvements, such as level-changing equipment or access ramps on the platforms, are not limited only to PRM. The facility train access for all travellers and increase the fluidity of the traffic on the busiest lines.

The performance contract signed between the State and RFF between 2008 and 2012 headset on objective of 250 stops on the network made accessible by 2012. Using the public financing provided to RFF over the period, 66 train stations included in the Accessibility National Master Plan (SDNA) and 82 stations included in the Accessibility Regional Master Plans (SDRA) were made accessible. In addition, new stations and stop were put into service that meet the PRM accessibility requirements, along the lines of the "Créteil-Pompadour" (94) station commissioned in December 2013, along with the stops arranged within the framework of the safety project, intended to do away with Track Crossing by the Public (French acronym: TVP). In late 2013, the accessibility arrangements for 91 stations were in progress, and nearly 400 stations were undergoing or had undergone accessibility studies.

Moreover, to accelerate the project implementation rhythm, in October 2013, the RFF Board of directors validated a financing policy for investments in the stations, that notably strengthened RFF's level of financial participation with regard to the increasing PRM accessibility. As such, over and above the financing provided by the Agence de Finance des Infrastructures de Transports de France (AFITF) until 2013, RFF is ready to add equity financing, with the agreement of the partners, and notably the regional Transportation organising authorities (French acronym: AOT).

The financial stakes are considerable for RFF, as ensuring accessibility within the RFF perimeter of stations listed with the SDNA and SDRA will cost more than €4 billion. As such, in the Ile-de-France, the cost of accessibility upgrades for 143 stations on the SDA list was equal to €1,090 million (2009 economic conditions) for the infrastructure manager's perimeter, with financing from RFF for €273 million (25%).

Focus: Urbaccess, RFF is renewing its presence

For the second consecutive year, RFF was one of the main partners of Urbaccess, the European Accessibility Trade Fair that was held at the CNIT in Paris on 13 and 14 February 2013 in the presence of Marie Prost-Coletta, Ministerial delegate for accessibility to the MEDDE, of several representatives of Urbaccess' partners as well as associations of persons with reduced mobility.

*Located just opposite the trade fair's entrance, the RFF teams staffed a stand that was visited by more than 130 visitors wishing to discuss matters relating to accessibility. Moreover, nearly 250 people asked many questions during the roundtable entitled "*Transport and Accessibility*", in which RFF participated.*

e) Protecting the population from adverse noise effects

Adverse noise effects related to railway traffic

Adverse noise effects are a subject of concern people residing near transportation infrastructures. The noise generated by the train traffic is primarily due to the rolling sound generated by irregular contact between the wheel and the rail. In the vicinity of stations already crossing metallic bridges, other types of noise can prove to be disturbing. Even though the sound disturbance related to rail transportation noise is limited when compared with the noise generated by road or airplane traffic, controlling these disturbances is necessary in order to promote the network's best possible integration into the lives of our co-citizens.
In Ile-de-France, where the issue of adverse noise effects is particularly important, coming to terms with rail noise within an "infrastructure system / rolling stock" vision has now been encouraged thanks to the set-up of 2-level governance that includes:

- a regional railway noise committee, the objective of which is to encourage exchanges and decision-making between stakeholders;

- a technical committee that includes the Direction Régionale et Interdépartementale de l'Équipement et de l'Aménagement Ile-de-France (DRIEA), the Ile-de-France Region, RFF and SNCF, that meets on a regular basis in order to review the progress of the operations and prioritize the necessary actions.

In compliance with the regulations relative to limiting the level of emitted noise, RFF complies with the noise levels perceived in the vicinity of the infrastructure for which it is responsible.
In the development phases for new rail projects, the risk of adverse noise effects is considered by RFF as of the initial study phases of projects, so that the acoustic aspect will be an integral part of the project's design, while notably complying with the indicators and threshold values established by the regulations.
On the existing network, RFF pairs classification data for noisy tracks: these data are provided to the prefects for the purposes of classifying these tracks and their transfer into the local urban planning

documents, in order to control the development of residential zones along the existing tracks. In application of article R571-48 of the environmental code, RFF is required to comply with the maximum noise levels authorised by a direct treatment of the infrastructure or its immediate surroundings. If this is not economically or environmentally possible, a treatment of the structure “that takes into account the actual usage of the parts exposed to noise” is performed, such as acoustic insulation.

In compliance with the Grenelle objectives, the company has also undertaken, for many years, to deal with railway Noise Black Spots (rNBS) on the existing network by implementing screen-type acoustic protection, or even façade protective structures when the construction of screens is technically impossible or unreasonable in terms of costs. This represents a considerable investment: from 2008 to 2013, RFF committed to devoting €140 million, all financing sources taken together, in order to deal with certain of the most critical zones. To illustrate, 829 PNB buildings have been treated or are in the process of treatment, which is equivalent to protective measures for the benefit of 11,214 people, and 6000 linear metres of screens built by the end of 2013.

Focus: The treatment of adverse noise effects in the Ile de France and Rhône Alpes

In Ile-de-France, the construction of protective structures as part of the PNB pilot sites is continuing with the end of the works at Quincy-sous-Sénart and the acceptance of a screen of 2 m high and 460 ml, financed 25% by RFF (25% State, 25% IDF Region, 20% Essonne General Counsel and 5% Urban community of Le-Val-d’Yerres), and the start of the construction works on acoustic screens in Bondy and Noisy-le-Sec. In 2013, this project, with financing by the ADEME (ADEME 43%, RFF 13%, State 20%, IDF Region 20%, Seine-Saint-Denis Regional Council 2%, Noisy-le-Sec 2%, Bondy 1%), saw the installation of 325 ml of screens 2 to 3 metres high and the performance of diagnostics for the accommodations that are to be the subject of an additional façade treatment.
In Rhône-Alpes, just in 2013, 1000 ml of acoustic screens were built and 7 operations to deal with NDS PNB are in progress (valley of Rhône, valley of Maurienne and Lyon) for the benefit of 1000 dwellings protected by façade insulation.

Adverse noise effects related to worksites

The limitation of adverse noise effects during the worksite phases is also controlled by a national policy.

When the project requires an environmental assessment, the project owner must provide the departmental prefects and the mayors of the communities within the territory where the works and jobsite installations are planned, with a document “consideration of noise during the worksite” that summarizes the useful information elements on the nature of the worksite, its anticipated duration, the expected adverse noise effects as well as the measures taken to limit these disturbances. These regulations regarding “ambient noise”, for its part, verses compliance with the “normal usage” rules relative to equipment on worksites.

In the specifications for companies, RFF imposes the use of approved worksite machinery that complies with the noise standards. These rules apply on all worksites relative to projects subject to an environmental assessment. On the renewal and maintenance worksites, this initiative is part of a voluntary process, notably in dense urban zones.

Recap table of the relevant indicators for the topic
“Offering a safe and quality of network in order to meet the expectations of our customers and stakeholders”

Indicators	2011	2012	2013
Arrival punctuality rate 5 minutes (%)	88.4	88.3	87.3

Number of minutes lost per 100 km by the RC (min.): - For RC reasons - For IM and external reasons		-	1.95 1.20
Investment expenses intended to improve service regularity (M€)	23.6	27.3	27.4
Share of freight commercial proceeds originating with railway companies other than Fret SNCF (%)	20.4	25	38
Customer satisfaction (score out of 10)	-	6.2	-
Amount of investment expenses capitalised by the major development projects (€M)	1,844.6	2,531.5	4,150.4
Amount of investment expenses capitalised by the regional development projects (€M)	692.5	708.0	995.2
Amount of the investment expenses capitalised for network compliance upgrades (€M)	110.6	121.8	158.3
Amount of the investment expenses capitalised for network renewal and performance (€M)	1,777.0	2,899.6	2,321.2
Amount of duties and taxes (€M)	76.9	81.2	85.5
Number of accidents involving people on the network (number of persons killed)	88	73	84
Number of accidents involving people on the network (number of persons seriously injured)	53	37	64(*)
Number of accidents involving people on the network (number of suicides)	332	356	288
Total safety investments (€M)	42.5	57.77	73.8
LC on the National safety programme that have been eliminated (number)	4	4	8
Investments devoted to dealing with NBS, outside of development and modernization projects (€M)	6	8	9

(*) The significant increase in the number of serious injuries in 2013 is primarily due to the Brétigny-sur-Orge accident: 23 people seriously injured only thing that event.

2.1.2. Promoting the balanced servicing of the territories and accompanying the planning policies

a) An interconnected and networked infrastructure, present throughout the national territory

The heart of RFF's mission, network access, the definition of schedules and rail services, the modernization of the infrastructure or the development of new lines, will all bring the mobility of persons in circulation of goods into play. Indeed, mobility is systematically in question any major considerations of territorial development, such as France's integration into Europe, the nature of the relations between cities and their large areas of influence, social and environmental fragility of areas away from metropolisation movements.

As owner and manager of the national railway network, RFF works, relative to these questions, together with all development actors, whether national, regional or local. The company must ensure the coherence of its network but, at the same time, it must consider the expectations of these actors. The latter are very often partners, since they are its customers or participants (for example, regions) in the financing of the network's modernization.

But RFF also wishes for the development actors to be aware that they cannot expect everything from the railway network. To ensure the greatest possible accessibility of the territory, the complementary nature of the various transportation networks must be envisaged while focusing the efforts on the most relevant places. For new line projects, the size of the investments is progressively leading to a reappraisal of the classical questioning: is no longer the effects expected from a new line in terms of development that justify a project, but rather the development project into which this new line is inserted that ensures its legitimacy as a result of the services that it provides to the territories that it serves.

In an effort to take these various dimensions into account, several actions were carried out in 2013. They can be grouped into three major categories:

- the quality ramp-up of the land-use planning studies, notably with design bureaus working on behalf of RFF, the project owner;
- the integration of RFF into development networks through cooperative efforts with the DATAR (Délégation interministérielle à l'Aménagement du Territoire et à l'Attractivité Régionale) or the IHEDATE (Institut des Hautes Etudes de Développement et d'Aménagement des Territoires en Europe);
- the involvement of the development actors around the subjects, with RFF as interface and driving force behind innovative initiatives.

Focus: the IHEDATE partnership

In 2013, RFF became a partner of the IHEDATE. Created in 1999 on the initiative of the DATAR, this Institute provides qualified professionals with training relative to:

- *Developing, amongst territorial decision-makers in France, and understanding of the systemic challenges (economic, social, ecological) faced by cities and territories, and contributing to the reflection on the conditions for sustainable development and planning;*
- *Raising awareness of territorial strategic management amongst professionals who are able to serve as conduits and magnets within their company, community, association or ministerial structure;*
- *Building a network based on mutual understanding between actors having to work together in the preparation of development strategies and on planning project (in 2012, the network of "veterans" has more than 500 people).*

In 2013, the starting year of the partnership with the IHEDATE, RFF wished to guarantee the scope and sense of this partnership. After the initial participation of two RFF auditors in the training cycle (the regional directors from Provence-Alpes-Côtes-d'Azur and Normandy), several actions were carried out, such as the posting of the monthly seminar "Who controls communication networks?" within the company's offices. ». In July, RFF organised a workshop for some 20 IHEDATE auditors who considered the following question: "How can a project for a new rail line encouraged the emergence of a territorial project? ». Over two days, the group reviewed issues surrounding the conduct of major railway projects, with the help of various project managers. In December, the fruits of their reflections resulted in an oral presentation and a written document that was disseminated to all RFF employees, via the internal communication site "Passerelles".

b) Valorisation of the property assets in order to accompany the territory's enhancement

As the second-largest property owner in France, RFF has a diversified estate of buildings and real estate, rural and urban, of approximately 103,000 ha, spread throughout the territory. It primarily consists of railway rights-of-way (97,000 ha) for 50,000 km of tracks and 4.7 million m^2 of buildings. The company must reconcile future railway needs and the development projects of the communities. In partnership with the local authorities, it notably contributes to the housing policy by releasing lands to the local authorities or to the State for the installation of public facilities, eco-neighbourhoods and housing units, including social housing.

In general, RFF is rarely the source of any pollution on the lands in its possession. Indeed, the company does not perform any operation of materials on these lands, and generally does not have the capacity as an operator of Classified installations for environmental protection (French acronym: ICPE). In case of an assignment of lands, in order to exhaustively inform the buyer and to secure the assignment process, RFF carries out soil examinations at its expense, in order to exactly determine the nature and scope of any pollution, an event that the land proved to be polluted (historical study and, if relevant, diagnostics with sampling). Additional studies, that can be carried out by the buyer, are intended to define the remediation objectives on the basis of the future usage or of the acquirer's project, and the techniques to be used in order to reach these objectives. Following the discovery of soil or subterranean pollution, in case of polluting waste within a parcel that is to be sold, investigations are performed so as to determine the nature and scope of the pollution, its origin and causes (waste related to non-rehabilitation by a previous operator, dumping site for third parties, etc.) and its authors. The investigations also allow RFF to define the various actions having to be implemented: waste removal, choice of the treatment method according to the results of the assessment and remediation works for possible pollution of the ground and/or underground water.

Focus: Preservation of the rights-of-way: lasting valorisation of unused lines

An extremely small part of the railway network consists of unused railway lines. In response to requests for reuse from the communities, RFF is contributing to their local projects by once again giving immediate collective usefulness to the rights-of-way or without giving up a hypothetical railway-related future. Transformations into green spaces or the usage of tourism rail traffic are contributing to sustainable mobility.

Recap table of the relevant indicators for the topic
"Promoting the balanced servicing of the territories and accompanying the planning policies"

Indicators	2011	2012	2013
Surfaces sold during the year (ha)	-	271	220
Surfaces sold during the year in order to create dwellings (ha)	-	8	14
Residential units created (number)	-	572	1,173
Social housing units created (number)	-	352	606
Share of the kilometres of lines closed during the year that have been the subject of protection of the right-of-way (%)	-	65	67

2.1.3. Participating in giving momentum to the economic and social fabric

a) Innovation at the heart of the industrial project

RFF intends to make innovation a key axis for the network's development, by helping young companies to create new products and services for the railway market, for the benefit of travellers and the territories. As such, in 2013, the company organised the first "Réseau Ferré de France Suppliers Innovation Challenge" in cooperation with the SNCF (Engineering team) and the DCF, and with the sponsorship of BPI France (Oséo) and of the "I-Trans" competitiveness cluster.

Directly targeting young innovative companies, SME and SMI, this Challenge serve to bring to light and recognise new ideas that are applicable to the national railway network, around two topics: the new energy technologies and information processing applicable to the railway sector.

On the leader board amongst SME/SMI, 3 companies were recognised:

- Grand Prize winner: ADETEL EQUIPMENT (system for intermediate storage of electrical energy at super capacities 1500VDC);
- Trophy for the best developed innovation: EPESEM (stand-alone level crossing);

- Jury’s Award Trophy: RINCENT ND TECHNOLOGIES (multi-frequency stand-alone radar for rail platforms).

On the leader board amongst young innovative companies, 3 were recognised:
- Grand Prize winner: SICONSULT (cable theft detection and geolocation system);
- Trophy for the best developed innovation: RHENOVIA PHARMA (information senses for a communicating network);
- Jury’s Award Trophy: ECOME (geothermics for buildings, platforms and tracks).

Focus: City of Paris Innovation Grand Prizes

Since 2010, the company has been a partner of the City of Paris Innovation Grand Prizes that are a source of motivation for the entire community of start-ups in Paris and the Ile de France. As such, RFF participates in the selection of files and their evaluation in terms of the development of innovation in France, whether technological, technical or social. This year, the first prize in the “Digital technologies” category was distributed by the RFF secretary-general to the company “Fasterize”, a start-up specialising in accelerating websites through the automatic optimisation of the content of their pages, which is also known as “Front-End Optimisation” or FEO.

b) Strong territorial footing

To assess its major infrastructure are projects, such as the construction of a LGV (high-speed line), network modernization, electrification of railways, RFF carries out socio-economic analyses on the basis of guidelines prepared by the State, in compliance with the transportation code (articles L1511-1 and L1511-2).
For the project owner, he can nevertheless be difficult to measure the effects of railway equipment on the territory’s regional development and planning.
It has many effects:
- improving the accessibility,
- image or renown of the newly serviced sites,
- effects on the economy and local development via new economic, cultural or tourism activities.

The transportation code calls for the preparation of an “*appraisal of the socio-economic and social results […] at the latest five years after [the] commissioning*” of certain projects (article L. 1511-6).

Since the Domestic transport orientation law (French acronym: LOTI) and its implementing decree of 1984, some 40 “ex post” assessments have been performed by the various project owners, including 7 high speed railway lines and the electrification of 6 existing lines. The analysis of the LOTI assessments indicates to what degree it is difficult to monetize a project’s externalities, even though the testimonials from users and local actors confirm the positive contribution on the local efficiency and socio-cultural development of the communities in question.

Focus: LOTI assessments

Produced by RFF, LOTI assessments are validated by the Conseil Général de l’Environnement et du Développement durable (CGEDD) and released to the public. This year, RFF completed the LOTI assessment of phase 1 of the LGV East European high speed line. In its opinion n° 009145-01 of July 2013, the CGEDD notably pointed out, relative to the impacts on the environment and the development of the territories, the “very complete system implemented by the SNCF, and then by RFF, in order to take into account the operation’s environmental impacts at its various steps, to ensure the correct implementation of the adopted measures in order to reduce or compensate for environmental impacts and, finally, to prepare the operation’s environmental appraisal five years after commissioning (…)”*, as*

well as the appraisal prepared by RFF relative to the development of the territories, which is "(…) well-documented, with references to many studies coming from different horizons" *and* "well-established" *conclusions.*
http://www.rff.fr/fr/gestion-page-d-accueil/actualites/publication-du-bilan-loti-de-la-lgv-est-europeenne-premiere-phase

c) RFF supports the long-term unemployed

RFF makes an effort to consider social, environmental and societal criteria in its purchasing policy and in the selection of its suppliers.

Project owner for the network's development, RFF entrusts the construction and modernization works for its infrastructures to agent companies that must meet its requirements in terms of societal development, notably with regard to solidarity, social integration or the dissemination of knowledge. Whether through direct project ownership or mandated project ownership, RFF strives to ensure that a share of the hours within the contracts will be allocated to jobs created through social integration.

RFF also calls on companies specialised in large infrastructure projects when carrying out its large-scale worksites. Eiffage, Vinci and Bouygues, involved through partnership of concession master contracts, notably on the LGV high-speed line projects, also apply RFF's requirements relative to CSR.

Finally, according to the law, RFF delegates the maintenance and renewal activities on the existing network to SNCF Infra, which benefits from the SNCF's structured responsible purchasing policy. This ambitious policy has been recognised since, in May 2012, the SNCF was awarded a European Sustainable development trophy for its responsible purchasing policy.

Focus: railway works as a lever for social integration

As the railway network is intended to provide much more than just a mode of sustainable transport, RFF has undertaken back its investments in the development and upkeep of it network will be levers for social integration. The RFF's PACA regional department has adopted the ambition of systematizing, during the works that it performs and I would be suitable, the recourse to persons requiring integration.
To this end, partnership agreements have been signed with certain structures looking after the deployment of Local Integration Plans: Emergences for the Marseille-Provence-Métropole conurbation and Maison pour l'Emploi for the Toulon-Provence-Méditerranée conurbation. These agreements have the following objectives:

- *advising RFF during the implementation of its social integration policy;*
- *promoting the inclusion of employment integration clauses into contracts for works, services or intellectual services that fall under the competence of RFF as the director mandated Project ownership, in order to develop the integration and qualification offer within the territory;*
- *providing a coherent response to partners in the economic world;*
- *inventorying and generally processing the job offers generated by the employment promotion clauses contained in the RFF contracts:*
- *promoting the integration of groups experiencing exclusion, by implementing employment assistance measures, as well as mobilisation and training actions;*
- *ensuring the tracking and correct performance of the employment promotion clause within companies, and preparing reports for RFF.*

As such, as part of the real thing of the Mourepiane (Marseille) connection, approximately 100 integration hours were worked, involving preparatory works and brush clearing; the works on the third track between Marseille and Aubagne, for their part, led to the contractor lies in of 8350 hours of integration hours worked.

In the Ile-de-France, for the 8th consecutive year, integration worksites for the maintenance of the Petite Ceinture were implemented with 4 associations, involving 40 persons for one year, in the amount of €124,000. Excluding the Petite Ceinture, a master contract "RFF, Transilien and Chantier Ecole" was signed in 2012-2013 for the upkeep of railway embankments with the help of integration worksites, with an annual budget for RFF of €115,000. En 2013, much worksites were used for the upkeep of the Aval, Stains and Blanc-Mesnil railway embankments in the total amount of €113,000, and of the Epinay and Deuil-la-Barre embankments in the amount of €102,000.

For its in-house operations, RFF has set objectives for each regional department and the head office relative to the recourse to adapted establishments (EA) and work-related establishments and assistance services (ESAT). The agreement of 28 June 2013 relative to the employment of disabled workers without objective in terms of beneficiary units (UB) within the following priority sectors: general means, communication, food services and rental of rooms, digitization / indexing / reprography.

d) Partnerships and sponsorship

RFF establishes many relationships with all kinds of stakeholders, that are described throughout this report (France Nature Environnement, IHEDATE, etc.). The sponsorship-related actions are relatively limited. RFF supports the French Fencing Federation and all French teams, thereby helping to promote a sporting discipline that conveys shared values.

Recap table of the relevant indicators for the topic
"Participating in giving momentum to the economic and social fabric"

Indicators	2011	2012	2013
Amount of the annual AGEFIPH tax (€K)	210.342	168.697	204.810
Amount of SNCF purchases allocated to the protected sector in the name and on behalf of RFF (€K)	-	-	82.91 (*)
Equivalent jobs (French acronym: EE) obtained by the protected sector for the SNCF INFRA activities carried out on behalf of RFF (number)	-	-	3.51 (*)
Contracts with social integration clause over the total number of SNCF INFRA activity contracts signed for RFF (number)	-	-	141 / 365 (*)
Number of social integration hours worked relative to the total number of integration hours contractualized by the SNCF INFRA activity on behalf of RFF (hours)	-	-	68,271 / 68,940 (*)

(*): These indicators are provided by the SNCF Purchasing department. Their perimeter is that of the purchases made by the Infra activity on behalf of RFF. Moreover, RFF carries out its own actions in support of the long-term unemployed. Reliable and relevant indicators to report on this are being prepared.

2.1.4. Developing the activities while implementing business best practices

RFF works exclusively within French territory and, accordingly, monitors the application of the law within its activities. As the project owner of its projects, RFF requires the various participants to undertake that they will comply with and ensure compliance, within their own perimeter of influence, with the international and European standards such as the conventions of the International Labour Organisation, the principles of the United Nations Global Compact and the Declaration of the Rights of Man and of the Citizen. Within the context of its geographical perimeter of intervention, the subjects relating to the elimination of forced or mandatory work or the effective abolition of child labour are not major stakes for RFF. Subjects relating to the freedom of association and the right to collective bargaining as well as the elimination of discrimination in employment and profession will be covered in part 2.3 "Social information" of this report.

a) Ethics

In terms of ethics, various documents call on the employees to adopt the correct behaviour when faced with an identified situation. They include the code of ethics adopted in 2008 and appended to the company's rules of procedure, that set out a certain number of ethical principles relative to the law and the respect for persons, instructions relative to corporate gifts, a Charter on the usage of information technology and communication resources, a memo relative to the conditions for covering hospitality expenses and, finally, since October 2013, a Social media usage charter.
RFF created the position of an ethics manager in 2008, and an Ethics committee in December 2012.

The ethics manager, appointed by the chairman, has the status of a director. Her role is to prevent risks of an ethical nature, to promote the implementation of ethical values, and to listen and to provide advice in these matters to RFF's employees. As relevant, she can also be contacted by any employee in case of a question or doubt on the application of the conduct principles and rules in specific situations.

The ethics manager relies on an Ethics committee that serves as a body for preparing and promoting ethics within RFF. This committee can issue recommendations and propose priority areas for efforts as part of the deployment and development of the ethics programme. Each year, the ethics manager submits an annual activity report to the chairman, which is presented to and discussed by the Executive committee.

In 2013, it was decided to strengthen the monitoring of the compliance with the values and principles covered by the ethics code. A supervised ethics whistleblowing system is to point out facts or questions from the employees regarding allegedly serious events has been set up. A whistleblowing mechanism has been designed in the form of an automated processing on the basis of a protected e-mail address *alerte.deontologie[@]rff.fr*, that can only be accessed by the ethics manager. This address will be operational in January 2014.

Focus: Social media usage charter

In November 2013, with the support of the RFF admin committee, the External Relations, Communication and Consultation department set up a Social media usage charter in order to raise employee awareness relative to this practice.
If the weather is made up of 3 key principles that will allow social media users to avoid any risk that could be a hindrance to themselves or to RFF:

Rule n°1: Always bear in mind that whatever you say becomes public and permanent;
Rule n°2: Always speaking your own name, making no commitment on behalf of RFF;
Rule n°3: Do not disclose confidential information and never use an official element without formal authorisation.

b) Preventing corruption and conflicts of interest

Various oversight mechanisms were implemented or strengthened, particularly relating to the oversight of contracts and the purchasing policy, at the end of a mission dedicated to preventing fraud and corruption, the conclusions of which were presented in 2005.

More specifically with regard to procurement contracts, the procurement contract quality verification service within the "Finance and Purchasing" division contributes, by means of primarily a priori verifications, to securing the procurement contract devolution and contractual management procedures. It facilitates the performance of its duties by the Procurement contracts and purchasing panel (COMA), by means of a prior examination of the files subject to its opinion, as well as the coordination and

selection of files for information. Chaired by a Chief counsellor at the Court of Auditors, representing the chairman of the Board of directors, the COMA includes, in addition to the latter, eight other members: four directors evenly distributed between directors appointed by the board from amongst the personalities chosen for their competence and representing the employees, and four civil servants respectively appointed by the ministers in charge of the economy, the budget, competition and transportation. The Government Commissioner and the head of the Mission de Contrôle Economique et Financier des Transports, or their representatives, also sit on this panel.
This panel gives a preliminary opinion on the awarding of any procurement contract in an amount greater than a threshold set by order of the deputy minister for transportation, which differs in the event that the procurement contracts include works, supplies or services.

Also, since 2012, the company has offered legal training specifically with regard to compliance of procedures over and above the contracts manual, which also includes appendix on “ethical principles applicable with regard to signing contracts and relations with suppliers” (chairman’s report on the company’s governance and risk management).

RFF promotes vigilance with regard to situations that could result in conflicts of interest. The company has a Director’s charter on conflicts of interest, appended to the Board of directors’ rules of procedure. The ethics code also devotes a specific chapter the conflicts of interest and prohibits any RFF employee from handling any business in which s/he has a direct or indirect personal, family or financial interest that could compromise his/her independence.

Recap table of the relevant indicators for the topic “Developing the activities while implementing business best practices”

Indicators	2011	2012	2013
Referrals to the ethics officer (number)	6	6	3

2.2. Environmental information: developing the ecological management of the national railway network

In terms of its environmental performances, notably with regard to reducing greenhouse gas emissions, energy efficiency and the consumption of space, railway transportation represents a true opportunity for the community, provided that its environmental footprint can be limited. Involved throughout the territory in view of its linear infrastructure, RFF must always strive to promote the best possible integration of its works into the environment, at a cost that is economically acceptable for the community. An overall environmental management of the infrastructure is the main challenge for decreasing the environmental footprints, controlling energy consumption, contributing to the preservation of biodiversity, water quality and aquatic environments, are some of the main challenges having to be met.

In principle, as the owner and manager of the national railway network, RFF should report on the environmental impact of all of the activities and sites that it controls. However, the legal and property separation between the railway network manager, RFF, and the historical operator, SNCF on the first hand, and the delegation to SNCF Infra of the maintenance and renewal of the network, secondly, complicate data access. As such, looking ahead to the infrastructure manager’s unification, it was decided, for example, it was decided to reproduce the information released to the public by SNCF with regard to raw material purchases that unambiguously involve the infrastructure (purchases of ballast and track ties).

2.2.1. Steering the environmental stakes

More than 2% of RFF’s total personnel is dedicated to environmental subjects.

In addition to the Sustainable Development Strategy unit within the Strategy department, the Development department and the Network Quality and Maintenance department have implemented operational policies and look after quality upgrade at environment tasks, respectively for investment operation and for renewal and/or upkeep operations on the existing network. The legal department looks after the company's legal safety; to this end, it is in charge of identifying and preventing legal risks, including with regard to environmental matters. The Real Estate and Property department notably identifies the activity's environmental impacts on the real estate property, specifically in the ground pollution and the energy consumption of the buildings.

Each RFF regional department has at least one environment officer who looks after the policy's regional adaptation.

Created in 2004, the Environment Business Line Coordination (French acronym: AME) includes all of the environment managers in the region and the head office, and representatives of the transversal departments (Legal Affairs department, Property department, External Relations, Communication and Consultation department, represented by the unit in charge of Consultation). This coordination encourages exchanges and information sharing between the head office services from the regional departments in order to develop and capitalise on the technical and legal expertise, with the objective of the legal and regulatory security of the projects, but also in order to support the company's development in its business lines as fully-fledged infrastructure manager. Links between the network of "Consultation correspondence" and the environment business line coordination exist and result in days of common exchanges.

Focus: The regional departments, laboratories of ideas for innovative local initiatives in order to promote exchanges and sharing around projects

To limit the disturbances from the Mourepiane (Marseille) rail connection project, RFF participated alongside the Ecole Nationale Supérieure du Paysage and a grade school in an initiative called "Archikids", that was intended to allow the inhabitants, local actors, and architectural students who will be the project designers of the future, as well as professional actors to jointly reflect on the valorisation of railway lands adjacent to the railway and to fully participate in the definition of the development and the future of their environment.

Frescoes in station underground passageways

To improve the services in the Biot-Antibes and Villeneuve-Loubet stations, and so as to avoid considerable graffiti on the underground walls, a partnership was set up in 2003, with an association involved in social life and education. Thanks to the efforts of a local graffiti artist, the production of frescoes in the underground passageways served to brighten up the passageways and to generate a good image and even create an identity for these stations, according to the project's partners.

An eco-responsible internal policy

- The management of waste from RFF's "life at the office"

In 2007, RFF began selective sorting in the offices have its headquarters and then, in 2012-2013, in the offices of its second Paris building. This action has been completed by various recovery and recycling programmes for other consumables: used batteries since 2007, consumables from copiers, lights and neon tubes since 2011 and, most recently, two machines for recycling cans, plastic bottles and goblets on one of two Paris sites. This can recycling system made it possible to make a donation to the association Bouée d'espoir, a civic mutual assistance association (€1,400 in 2013). This action will be extended to the head office building in 2014. Selective sorting is also carried out within the regional department, with containers for household waste, paper recycling, cardboard and glass.

To continue with this progressive initiative for the better management of raw materials and waste, the company is preparing to implement the collection of bio-waste, starting in 2015.

- Print rationalisation

An initiative to regulate printing was undertaken several years ago, as well as more recently as an experiment in certain regional departments. This action has a threefold objective: decreasing paper consumption, generating savings, and securing / ensuring the confidentiality of printouts relative to people outside the company, and even internally for certain documents. The confirmed lower number of printouts lends credence to the relevance of this system, that should be rolled out in 2014. The installation of a badge reader system on the copiers in order to protect printouts and to avoid useless printing is also being studied.

On 1 October 2013, the system was completed by the set-up of an integrated reprographic centre (French acronym: CRI) with the objective of:

- improving the service;
- decreasing the number of photocopiers and of wasted photocopies;
- renegotiating the paper cost (-8%);
- rationalizing the stock of individual printers;
- securing copies and printouts (usage of the badge);
- setting up a “routing” policy for printouts.

In place for the benefit of the occupants of both pairs buildings, this service will be progressively deployed throughout the region in 2014.

Focus: an ecological printing policy
As part of its Publishing activity, the External Relations, Communication and Consultation department produces more than 80,000 documents each year, which is in addition to the publications by the central and regional departments.
With the aim of the correct dissemination of these media, as well as of waste management and recycling, the DRECC launched a DD initiative entitled “Ecological printing policy”: the choice of paper, the search for “green” suppliers, the management of NPAI, each element contributes to this initiative’s effectiveness. Initiated at the head office in 2003, relative to the RFF’s institutional media, the initiative could then be deployed for all RFF publications. It has already been hailed during presentations given to other companies or suppliers, such as, for example, the European Board of the largest European paper company.
To illustrate, the use of recycled paper for the printing of the RADD and 2012 financial report, for issue n°19 of the magazine Lignes d’Avenir, and greeting cards (10,000 units) resulted in savings of:

- *7,687 kg of wood;*
- *99,851 L of water;*
- *8,431 kg of waste (for the rubbish tip);*
- *5,531 kWh of energy;*
- *708 kg of CO_2;*
- *5,571 km of travel by car.*

- Travel rationalisation

As in the regional department, recent years have focused on rationalising the need for travel. In addition to encouraging the usage of videoconferencing and audioconferences, in 2013, most RFF site worked on setting up a Company Travel Plan (French acronym: PDE), a mapping of the home-work commute, information initiatives on gentler methods (public transit), bicycling workshops and training in city driving. To illustrate, in Midi-Pyrénées, the RD therefore looks after the annual subscription to “Vél’O Toulouse”, with its self-serve bicycle rentals.

Environmental management system

RFF is not involved in a certification process, as such certification is not an objective in and of itself for the company. On the other hand, the quality management and environmental management procedures used by RFF in his capacity as project owner draw their inspiration from the ISO 9001 standard: Quality management systems - Requirements”, version 2008 and of the ISO 14001 standard: Environmental management system, version 2004.

More specifically with regard to a project’s environmental aspects, RFF ensures:

- that the main contractors necessarily submit, with their company consultation file, an *Environmental Respect Notification*, that is notably intended to define the provisions that each company must take in terms of environmental management and sustainable development within the framework of its contract, to clarify the points having to be taken into account by each company relative to the nuisances related to the performance of the works, on the basis of the sensitive nature of the sites in question;
- that each company performing works prepares a *Compliance Plan for Environmental and Sustainable Development Commitments*, that notably contains a description of the sensitivity and constraints related to the sites involved in the worksite and the implemented resources, the tasks that are part of the worksites and their impact on the environment, as well as the provisions that they are imposing on each company and subcontractor, along with the environmental protection systems;
- that each company prepares *Special Environment Procedures* when specific works have to be performed; they describe the potential nuisances that can be generated by the works, and the provisions adopted in order to avoid them.

All environmental damage is handled as a non-compliance, and each company must remedy, at its expense and as quickly as possible, any damage to the environment as a result of its actions.

In case of mandated project ownership, a *Sustainable Development Management Plan* describes the provisions adopted by the mandated project owner in order to manage and respond to RFF’s instructions, such as the resources and organisation, the measures intended to avoid, reduce or compensate / limit any ecological impact, to protect the environment and to benefit the project’s integration into its environment).

Recap table of the relevant indicators for the topic
“Steering the environmental stakes”

Indicators	2011	2012	2013
Noise training RFF agents provided with training in environmental subjects (number) Environmental training provided (hours)	-	33 231 hours	No session in 2013
Nature protection training RFF agents provided with training in environmental subjects (number) Environmental training provided (hours)	-	19 133 hours	5 (*) 35 hours
Water act training RFF agents provided with training in environmental subjects (number) Environmental training provided (hours)	-	64 84 hours	9 (*) 63 hours

(*) These modules have already been taken by nearly all of the target public.

2.2.2. Reducing our pressure on natural resources and decreasing our environmental footprint

Economic and demographic development is exerting increasing pressure on raw materials, ecosystems, the ground, the air and the water. On the level of RFF's activity, the renewal of the elements comprising railway infrastructures results in an inevitable drawdown on the planet's resources, while generating significant volumes of waste having to be treated. As such, to help preserve these natural resources, the company strives to optimise their usage while pursuing innovative solutions in which the waste and used products, re-inserted into the value-creation circuits through recycling and reclamation, become true resources.

Moving from a linear economy to a circular involving waste and its recycling is the challenge that must be met by 2020, by focusing the efforts on the search for new techniques that will notably make it possible to lengthen the lifespan of the infrastructure's components.

Focus: Launch of a RFF/SNCF study on industrializing the reclamation of removal products
Steered by RFF and SNCF and carried out by SNCF Consulting, this study is intended to produce a map of what already exists regarding the reclamation practices for ten selected removal products (track and signalling) with the aim of defining a target reclamation process for each, along with an economic model. Study brought to light the best practices having to be pursued, the action tickets and the experiments to be implemented in order to industrialize certain practices. These actions will be launched in 2014.

a) Sourcing of raw materials

The management of removal products from the national railway network (RFN) is part of this constant improvement initiative that firstly targets preventing the production of waste, while treating waste with recycling being the first choice. The main materials involved in RFF's activity cycle consumes significant quantities of raw materials, such as:

- the ballast, crushed stones on which the railway track is laid; 2,640 thousand tonnes purchased in 2012 (*);
- the sleepers, wood or concrete elements placed diagonally to the tracks and under the rails, to maintain the spacing and inclination,
  - wooden sleepers: 310,000 units purchased in 2012 (*);
  - concrete sleepers: 1,460 units purchased in 2012 (*);
- the rail, a profiled steel component that itself primarily contains iron ore.

(*) A reliable and relevant indicator on the quantity of raw materials purchased by the unified network manager is being prepared. The quantities of purchased resources shown above are the data taken from the 2012 SNCF CSR report (http://www.sncf.com/fr/rse/rapport-annuel-rse).

b) Optimisation of the waste management

To better control the pressure on these resources, RFF reuses its used products or recycle its waste whenever technically, legally and economically feasible, whether during its "day-to-day" activities or as part of its activity as the infrastructure manager, in compliance with the hierarchy of treatment methods defined by the regulations (articles L 541-1 et seq of the environmental code: preparation for the purposes of reuse, recycling, reclamation, notably waste-to-energy conversion, elimination). The aim is for the company to better manage and reclaim its waste through an industrial approach that is based on the reuse of its materials that have been disposed of, the implementation of waste treatment platforms, etc.

This steel rails are reused as long as their level of wear will permit it, which is notably the case for the rails from the High Speed Lines, offering more use for low traffic lines or even service tracks, or recycled (100%) through the local steel sectors, with this deal than being sold for recasting.
The ballast is partly reused for really purposes, after screening and even reprocessing. A portion of the cleaned but non-reuse ballast is sold, notably for the purposes of roadwork.

The creosote-treated wooden sleepers still in good technical condition are reused as soon as possible (need for immediate outlets for a rail operation) and in compliance with the regulatory requirements (notably article L 541-1 s. of the environmental code). With regard to creosote-treated wooden sleepers that have reached their end-of-life, RFF has committed to a responsible management policy for such waste considered to be hazardous by the regulations. As such, the prohibition on sales to professionals was decided upon in 2008, prior to being extended to individuals in October 2009. Two master contracts have been signed on the RFF by SNCF Infra, one relating to sleepers coming from the day-to-day upkeep and from the historical stock, i.e. sleepers spread randomly throughout the territory and often in poor condition, and the other relating to track renewal operations, meaning greater quantities in a more specific area, in order to send the sleepers that have reached their end-of-life to approved sectors that offer favourable reclamation from an environmental viewpoint.

To rationalise this policy and seek out a long-term solution that will serve to safeguard the process for eliminating sleepers, and notably while further increasing the traceability, and in order to optimise its economic balance, in the first half of 2014, RFF and SNCF Infra will be launching a call for proposals from industries for the treatment of creosote-treated wooden sleepers by means of cogeneration, i.e. the simultaneous production of steam and electricity by means of burning of the sleepers.

c) The usage of agrochemicals

Agrochemicals are used within the national really network for the weeding of 70,000 km of railways (95,000 ha), to prevent and/or destroy any and all education on the tracks within its network. Though necessary to ensure the circulation safety and reliability, the usage of agrochemicals remains a major challenge with regard to safeguarding water tables and surface waters. As such, in 20 years, RFF and its delegated infrastructure manager decreased the quantity of products purchased by nearly 40%. RFF is working to overhaul its industrial practices regarding the management and control of visitation, by developing alternative methods to the usage of agrochemicals in sensitive areas. In 2011, 134 tonnes of agrochemicals were purchased, versus 108 in 2012 (*).

The outsourcing of the vegetation treatment for the infrastructure's "green areas", i.e. the immediate vicinity that extends on average more than 3 m beyond the tracks, is currently in the experimentation stage. Three contracts have been signed with service provider specialising in vegetation maintenance: they undertake to subsequently define a master plan and management plans that will guarantee vegetation control that respects the environment and that is compatible with the network's operation.

On 14 June 2013, RFF and SNCF Infra signed an agreement on the use of pesticides on the railways, with the ministries of the environment (MEDDE), agriculture (MAAF) and health (MASS).
This agreement has three axes:
- improving knowledge with regard to design and maintenance,
- improving the treatment processes
- and improving the exchanges and communication with the general public.

This agreement also includes the integration of the MASS in order to improve the abstraction of drinking water, and its inclusion in the ECOPHYTO 2018 plan.

A challenge for RFF is to improve its knowledge regarding his water consumption. Beyond the use of domestic water by its personnel, RFF wishes to learn more about the water consumption associated with the spreading of agrochemicals, as well as the water used by the buildings involved in its industrial activity.

(*) The quantities of purchased resources shown above are the data taken from the 2012 SNCF CSR report (http://www.sncf.com/fr/rse/rapport-annuel-rse).

Accidental spills on the worksites

To the best of our knowledge, in 2013, there were no significant accidental spills of products that could be harmful to the environment.

Focus: Anti-vegetation geotextiles in order to safeguard water resources
Cognizant of the growing questions amongst the public and scientists regarding these molecules, and more generally regarding weeding (by chemical means), the railway world is displaying transparency in an effort to build a sustainable and responsible network, while reconciling economic performance and environmental performance. Together, RFF and SNCF have committed to an initiative to rationalise their practices and to experiment with new methods.
As such, in the PACA region, during the works to reopen the Avignon-Sorgues-Carpentras line, a section with a high ecological potential, 2 km of geotextile (anti-vegetation netting) were installed onto the track and path between Althen-des-Paluds and Entraigues-sur-Sorgues. The objective of the experiment, that began in November 2013, is to prevent vegetation from growing in order to avoid the spreading of agrochemicals within this particularly sensitive area. The results will be tracked over several years, until the renewal of the track, and feedback will be provided in order to judge the interest value of more extensively using this type of procedure.
In the Ile-de-France, this experiment with alternative technologies to classical upkeep methods was carried out within the protection perimeters in the immediate and nearby vicinity of the abstraction of drinking water from Dragon springs (Saint-Loup-de-Naud in department 77), with the installation of geotextiles under 3 km of track. The Seine-Normandy Water Agency is a financial partner in this on-site experiment.

Recap table of the relevant indicators for the topic
“Reducing our pressure on natural resources and decreasing our environmental footprint”

Indicators	2011	2012	2013
Volume of waste produced: creosote-treated wooden sleepers (tonnes)	-	78,000	82,988
Volume of waste produced: asbestos removed from the building stock (tonnes)	632	121	207(*)

(*) 72% of the 207 tonnes of asbestos removed from the RFF building stock was vitrified in order to be used as a sub-layer for roads, with the remaining 20% having been removed to specialised waste treatment installations.

2.2.3. Promoting the energy transition and taking part in the efforts to combat climate change

RFF is fully aware that the position of rail transport within the overall transport system creates a challenge with regard to controlling GHG emissions. Indeed, in order to comply with the Factor 4 objectives, it is particularly necessary for rail transport to play the greatest possible role in the policies to reduce greenhouse gas emissions, not because it consumes, given that the overall logical energy consumption of the national railway network accounts for less than 2% of the energy consumption in France (8 TWh vs. 450 TWh), but because it allows for savings. In view of all methods for transporting merchandise and persons across the territory, the railway network provides a more sustainable medium for alternative mobility, since it is less dependent on fossil fuels. Moreover, while the activity offers a worthwhile alternative within the framework of climate policies, it does not dispense the company from working in an effort to decrease its own GHG emissions.

a) Decreasing our Carbon footprint

RFF's "life at the office" carbon footprint

Every three years, pursuant to article 75 of the law of 12 July 2010 known as the "Grenelle II " law, RFF produces its "life at the office" GHG appraisal; it was prepared in 2012, using 2011 data. For the coming years, RFF is committing to a progress initiative that will see the annual measurement of its GHG emissions related to its tertiary activity.

The appraisal for the 2009-2011 period indicates that the emissions from the RFF head office and regional departments naturally follow the growth of the establishment's personnel, increasing from 5,900 tonnes of equivalent CO_2 in 2008-2009 to 6,900 tonnes in 2011, i.e. +17%. However, GHG emissions per staff member fell from 5.2 tonnes in 2008-2009 to 5.1 tonnes in 2011. RFF is committing to a progress initiative that includes an objective to reduce its GHG emissions per staff member by around 10% over the 2013-2015 period.

The carbon footprint for the LGV high speed line projects and the modernization of existing lines under RFF project ownership

The carbon footprint applied to major railway infrastructure projects confirms rail not only have a sustainable transportation mode but also as an efficient means for combating climate change. The carbon footprint perimeter for a LGV line considers the entire useful life of the transportation system (design, construction, operation), and even of a more extended perimeter that includes the infrastructures, stations and rolling stock. It is therefore used to identify the main emission stations related to construction, such as the operation of worksite machinery, transportation of materials, techniques for earthworks, and to reduce the effects by implementing action plans and associated optimisation tools.

From the viewpoint of climatic warming, if we now consider all of the emissions related to the construction and operation of a new line as well as the emissions avoided thanks to the change of mode from road or air transport to rail transport, the advantages of rail clearly predominate.

b) Controlling our energy consumption

80% of the energy consumed on the railway network is used for training traction. While part of this usage cannot be avoided, it is worthwhile to seek out sources of potential energy savings. While certain actions fall more within the remit of the railway companies, such as eco-driving training, other actions more directly involve the infrastructure manager. This clearly has to do with designing the infrastructures with the objective of consuming less energy, or electrical power supply installations that can be used to capture the energy generated during braking. However, improving the energy performances of the railway sector must be pursued while focusing on a system-wide approach, within the framework of suitable governance.

In 2013, the works to convert the 1500 V catenary to 25 kV between Bellegarde and La-Plaine-Genève illustrates the network manager's choice to focus on electrification systems that offer outputs that are up to three times higher.

A second source of energy savings could be found in the unified infrastructure manager's buildings. Measuring the energy consumption of buildings is of central importance.

In the future, the network manager's extended perimeter will serve to provide a complete overview of the GHG emissions related to its tertiary activity. It will then be possible to make it part of a virtuous circle, and therefore to more efficiently define the target priority actions for reductions.

c) Developing renewable energies: RFF encourages the production of green electricity

In 2011, RFF began working with EOLFI (subsidiary of VEOLIA ENVIRONNEMENT, purchased by the ASAH LM group in 2012) within a joint venture called AIREFSOL Energies, the aim of which is to design and develop green electricity production plants. As such, RFF provides access to lands that are useless for railway activities so that they can be used for the installation of photovoltaic electricity production plants, and EOLFI contributes its expertise relative to renewable energies.

The possibilities for the company to contribute to the development of renewable energies also include the development of the rental offer of lands, for example for biomass companies, the renovation of the building stock in order to integrate, during major renovations, supply sources coming from renewable energies or even the greening of its energy procurements.

d) Adapting to the consequences of climate change

During the seminar organised in June by the Ministry of transportation regarding the National Climate Change Adaptation Plan (French acronym: PNACC), RFF and SNCF jointly presented the studies intended to assess the railway system's resiliency and adaptation to climate change, namely the "Résilience" study by RFF and the "ClimatD'Rail study by SNCF. The outcome is that construction standards and network maintenance procedures are key parameters.

Recap table of the relevant indicators for the topic
"Promoting the energy transition and taking part in the efforts to combat climate change"

Indicators	2011	2012	2013
GHG emissions specific to the RFF activities (in TeqCO_2)	-	6,900	-
GHG emissions from the management of the rail network -in TeqCO_2 -in keqCO_2 per furrow-km	-	354,000 0.65	-
Electricity consumption specific to the railway network national (MWH)	793.6	783.7	783
Share of circulating trains with electric traction (%)	76.8	77.1	77.4 (*)

(*) of which, per activity: TAGV (high speed trains): 100%; TGL (main line trains): 80.9%; TER (regional express trains): 55 %; Transilien: 96.9 %; Freight: 74. 6%

2.2.4. Preserving biodiversity and improving the environmental footprint of our activities

The policy surrounding the preservation of biodiversity in France is primarily based on two axes:

- firstly, strengthening the protection of natural settings;
- secondly, limiting the deterioration of habitats and the disruption of species.

RFF is particularly concerned by the challenge of preserving biodiversity. Railway lines can modify the ecological consistency of ecosystems and reduce the exchanges between species. However, railways can also serve as ecological corridors, or corridors for refuge or passage for certain species. As a civic-minded public corporation, RFF places ecological performance at the heart of its projects for new lines, as well as the management of the existing network. Since this involves a local subject, rooted within the territories, but for which the benefits of global and collective, and because harmony between railway projects and the protection of biodiversity is possible, RFF has made this part of enhancing the network's value, by striving to protect, restore and promote biodiversity alongside the existing network and within the framework of the development of new lines throughout the territory.

a) Incorporating biodiversity into all projects

For the company, considering the environment as part of its studies for railway projects involves an iterative process of dialogue, consultation with all services, specialists, experts in the field in keeping with the definition and design of the project, with increasing scales of accuracy. As the infrastructure manager and project owner, RFF focuses primarily on avoiding impacts on natural settings as of the very start of the design of projects.

This continuous environmental assessment initiative begins with the earliest study phases and continues through to the completion of the works, and beyond with a follow-up after the structure's commissioning. At each project step, impacts that cannot be avoided are reduced, or result in compensation: construction of passageways for animals or hydraulic structures for crossing watercourses, creation / restoration of habitats for protected species (ponds, underground, prairies), compensating afforestation, etc. Other accompanying measures could also, for example, promote sites of ecological interests in the vicinity of new lines.

These measures are the outcome of 30 years of experience in progress in terms of environmental engineering. In order to integrate a constantly more demanding sustainable development initiative in all of its projects, RFF is also developing its own tools and guidelines in addition to the ones imposed by law (impact studies, socio-economic analysis): assessment tool for investments from the viewpoint of their contribution to sustainable development, known as the "RFF investment projects sustainable development quotation" tool, and management plan for investment projects, specific guidelines for the environmental management system on worksites.

RFF is working to make the most of this extensive experience in order to optimise its network modernization, renewal and maintenance policy while striving to manage, reduce and/or anticipate the risks generated by these industrial activities.

Focus: A research project targeting a better grasp of our environmental impact

RFF, SNCF Infra and the CEREMA (Ministry of ecology scientific and technical network) have put together a project in order to build and test a methodology for assessing the impacts of a railway line within its environment. This co-financed project, costing more than €200,000, will into investigate 4 environmentally vulnerable sites, and insofar as possible to isolate the line's impacts within its environment.

b) Integrating the concept of the Green and blue frame within the existing network's management

To decrease the ecological fragmentation of the territories, the state has ordered the setup of a Green and blue frame (GBF) by 2012. As the flagship initiative of the Environment Roundtable, the ambition of which is to reverse the decline of biodiversity to the preservation and restoration of ecological continuity, this initiative is a territorial development tool that strives to (re-)establish a consistent ecological network across the national territory, in order to allow plant and animal species to circulate, find sustenance, reproduce and rest.

The linear infrastructures (canals, railways, energy transportation…) that crisscross the territory interact with the natural settings and, as such, were initially identified as potential causes of the ecological fragmentation of the territories. However, they can also be transformed into biodiversity reservoirs and, in certain cases, into ecological corridors if a favourable layout and upkeep are provided.

For RFF, the challenge is to accompany the set-up of the Green and blue frame as soon as the environmental requirements are compatible with the network's operation, while taking into account the regional ecological coherence arrangements. Its role, firstly, is to assess exactly how the infrastructure fragments the spaces and ecological continuity and, secondly, to determine if it plays a beneficial role relative to refuge, dispersion or easier movements for certain species.

Several research projects have recently been launched in order to further examine these two questions, with the medium-term objective of obtaining indicators to assess the impacts on biodiversity as accurately as possible. For example, in an effort to further its knowledge of the relations between ordinary biodiversity and the existing rail network, RFF carried out two studies as part of a CIFRE doctoral thesis, one relating to ordinary biodiversity in and around the RFF rights-of-way along a classical line (TER) and high speed line (LGV) in the Seine-et-Marne department, the other relating to railway rights-of-way as habitat / hunting territories for common bats. These two studies indicate that the existing network is not only a barrier for biodiversity, but that it can also be part of a framework for "ordinary" biodiversity on the basis of the taxa, species and landscape matrix.

Focus: biodiversity in the Petite Ceinture in the IDF

From 27 December 2012 to 14 February 2013, a consultation was carried out by the City of Paris and RFF, on the future of the Petite Ceinture.
The Paris city council, during its meeting on 22 and 23 April 2013, expressed the desire "(…) for the launch in 2013 of a study on the ecological services of the Petite Ceinture (thermoregulating role, biological corridor, etc.), in order to measure them and determine the conditions that would serve to improve them. »
This study will take a further look at biodiversity and the territory's adaptation to climate change, carrying on from the study completed in 2011 and 2012 by the Atelier Parisien d'Urbanisme on the future of the Petite Ceinture. This will be the forerunner of a broader initiative to understand the services provided by green spaces and natural spaces in a dense urban area. In December 2013, an agreement was signed between RFF and the City of Paris for the launch of an ecological study on the Petite Ceinture over a period of 18 months (budget: €115,000 was 78% of financing from RFF, 22% from the City of Paris)

2.2.5. Improving knowledge about the environment and encouraging innovation

RFF is becoming a major player in the knowledge relating to these areas, whether through actions carried out by the company along with local nature preservation associations, or through national research projects on subjects such as:

- the transversal ecological permeability of the railway network through the deployment of new scientific protocols;
- the determination of the groups of species most concerned by fragmentation;
- the set-up of a catalogue of restoration measures for the areas of ecological continuity and their surroundings, in order to improve the network's ecological transparency.

As part of their partnership, France Nature Environnement (FNE) and RFF are working together to improve the integration of biodiversity within the existing network and within the rail development projects, to reflect on the stakes and impacts of railway lines on the layout and accessibility of the territories, and to protect the rights-of-way not used by RFF by giving priority to usage by the railway sector over any other possible reuse.

This desire for better knowledge will also allow the company to invest in a search for innovative solutions that are more respectful of the environment and other settings. By developing the railway network in an eco-responsible manner for the entire public, RFF is providing access to a transportation mode that respects people, the territories and the environment.

Focus: Establishing partnerships and working over time

As part of preparing its policy, RFF also relies on certain stakeholders. As such, in 2012, a guide on environmental best practices (guide "Biodiversity and major rail projects: integrating ecological stakes as of the study stage") was prepared with FNE. The outcome of a three-year partnership with an annual budget of €120,000, this guide, intended for the project owners and members of an association dedicated to protecting nature and environment, is intended to be educational. Its objective is to combine sustainable mobility and respect for biodiversity. This pedagogical guide explains the operational method in which biodiversity must be taken into account at the various steps of a railway project. The document also proposes a framework for structured exchanges between the company and environmental associations.

Recap table of the relevant indicators for the topic
"Improving knowledge about the environment and encouraging innovation"

Indicators	2011	2012	2013
Amount of the overall environmental provisions (€M)	127.8	116.7	115.0
R&D research projects (number)	22	21	21
Amount of R&D investments devoted to the environment (€K)	343	134	342

2.3. Social information: a commitment to serve as an example in the management and development of our human resources

For RFF, it's essential to devote careful attention to the personnel's satisfaction at work, but also to its qualification level and the development of its skills, since the employees constitute RFF's only truly productive resource, and therefore an essential lever for the company's performance.

RFF has taken various measures to ensure the forward-looking and preventive management of its human resources, scrupulous management of the rules and principles contained in the labour code and in the fundamental conventions of the ILO, and also of the fundamental values relative to CSR (combating discrimination in terms of jobs and professions, promotion of biodiversity, quality of the social dialogue, occupational health and safety, etc.).

RFF carries out its activities within France, in compliance with the labour code.

In 2013, a method agreement signed at the RFF in order to support the rail reform project

The Government has initiated a rail reform in an effort to modernize the railway public service, to make it more efficient and less expensive, in the service of everyone in France. The reform proposes the creation of an integrated public industrial group that would bring together the carrier and the unified infrastructure manager, with common steering, industrial synergies and true social unity. The draft law *was presented to the Council of ministers on 16 October 2013, and it will be examined by the Parliament in the spring of 2014.*

The reform proposes a soul infrastructure manager in order to bring together the currently dispersed and poorly coordinated actors in charge of the infrastructure (RFF, SNCF Infra and the SNCF rail traffic department).

One of the conditions for success of the unification of the infrastructure manager is RFF's ability to fully buy in to this initiative through the mobilisation of its employees and their know-how. This implies providing everyone with indispensable elements regarding visibility, personal security and valorisation of one's skills, thereby allowing everyone to fully participate in the future reform's implementation.

With this in mind, the RFF Management and the three trade union organisations represented within the company, the CFDT, the UNSA RFF and the CFE-CGC, signed a method agreement on 23 July 2013 in order to accompany the current rail reform project. This agreement includes Management commitment in terms of guaranteeing and improving the current social framework within RFF, the jobs of employees, securing personal careers, valorising the skills, consultation with the employee representative bodies, during the period of the reform's set-up and implementation. The agreement also determines the provisions for social and human support of the rail reform, including by the management, by providing a framework for the secondment of personnel between RFF and SNCF and the collaborative operational methods implemented in the interval. Finally, a social monitoring mechanism has been set up for the entire transitional period leading to the set-up of a fully-fledged infrastructure manager, in order to escalate and handle the difficulties encountered by the company's employees.

2.3.1. Implementing a dynamic policy in favour of lasting employment and well-being at work

A company's lasting success is based on the skills and investment of the women and men comprising it, but also on their complementarity nature. RFF strives to offer its employees a professional environment that will ensure their development, and motivating prospects for the future.

The Human Resources department (HRD) accompanied and supports RFF's strategy by developing its human resources in line with its commitments and priorities, while providing the departments with the resources needed (in terms of human resources and facilities) that will allow them to fulfil their tasks and to reach their objectives. It prepares and implements a job and skill strategy that is consistent with the strategic orientations, in keeping with the fixed payroll budget, it organises the social dialogue together with the Social and Human Development department, and it signs the joint agreements.

The professional risks prevention policy falls under the Social and Human Development department (SHDD) for which one of the missions is to promote better quality of life at work.

With the support and methodology of the Audit and Risks department, an initiative to map the HR risks was launched in 2013. It is planned that the HR sector (HRD/SHDD) will be consolidated in early 2014, notably in order to prepare a common risk control plan.

a) Personnel

As at 31 December 2013, the total RFF personnel stands at 1600 employees (present), including 87 seconded. The growth rhythm was maintained in 2015 (approximately +7%), though we note a slowdown of the company's growth as of the year end, that has to be considered against the prospect of the unified infrastructure manager.

Over the course of the year, RFF also hired an average of 80 employees per month on fixed term contracts.

49 of the employees hired in 2013 were under the age of 25 years (total of the open-ended contracts, fixed term contracts and secondments), while 33 were over the age of 50.

Given their low numbers, layoffs are not a major issue for RFF.

Focus: Method and job continuation agreement

Via the method agreement of 23 July 2013, and in order to account for the evolution in progress in the rail sector, for which the legal, organisational and social characteristics are not known, the company's Management has undertaken to maintain all employees and their jobs for the duration of the agreement. This means that no organisational change, even experimental, related to the framework for the reform project that results in a modification of the employment contract can be imposed on a RFF employee. This includes the hypotheses for the interruption of the employment contract, but also functional and/or geographical mobility.

b) Compensation

All RFF employees and their dependents are covered by a plan providing collective provident fund services and the coverage of health care expenses.

In terms of compensation, RFF targets fairness, transparency and legibility for all employees.

In general and individual salary increase campaigns are carried out on a regular basis. In 2013, the Management wished to simplify the wage policy that was perceived as complex, according to the results of the social barometer, and to further build up the accountability of the managers. It therefore prepared a wage policy based on the following principles:

- The management of a budget increases and salary evolution by the directors

A budget of 1.5% of the payroll was assigned to them, with a general increase of at least 1% for the ETAM (Employees, Technicians and Supervisors) of 1% at least. The criterion of demonstrable performance in the position was maintained. As such, particular efforts were devoted to the lowest wages. In 2013, 93% of eligible persons received an increase.

- A FMJS budget and reduction of salary differentials fixed at 0.5% is managed by the HRD

Promotions are accompanied by wage increases scheduled over time, relative to taking up the position.

The reduction of wage differentials for the same job and/or between men and women is one of RFF's objectives, included in the agreement on equality and professional gender mix signed with the social partners in 2012.

Individual performance is compensated by means of a salary supplement. Approximately 140 employees (senior executives and department heads in the regional department) are also eligible for a variable part paid on the basis of reaching their personal objectives.

The collective performance of all employees is also compensated through sharing in the company's results. The 3rd profit-sharing agreement has been signed with the social partners for the 2012-2014 period. The amount of the profit-sharing in 2013 was 2.91%.

Focus: Employee savings agreement

This agreement, signed on 23 December 2011 between RFF and the trade unions (CFDT, CFE-CGC, UNSA RF) for an unspecified duration, allows the employees to set up a medium or long term savings plan (PEE or PERCO), with a matching contribution from the company. It describes the general and special terms for opening and adding to the accounts, but also the rates for the matching contributions.

c) Social dialogue within the company:

By placing the notions of social cohesion and human development at the heart of its company project, RFF has given its employees and their representatives a role and a privileged position. It was therefore the name of the company management to establish and maintain a quality social dialogue goes beyond the mandatory negotiations. This is borne out by the organisation of the relations with the social partners undertaken by the company through various agreements, including the most recent ones related to the rail reform project. In 2013, the company management and the representative trade union organisations adopted the principle that the quality of the social dialogue established with all of the existing personal representative bodies will lead to an ability to work together on the social construction of the future infrastructure manager.

The agreements signed with the trade union organisations

The wealth of the social dialogue is also measured by the agreements signed with the trade union organisations. The collective agreement on trade union law, signed between RFF and the trade unions (CFDT, CFE-CGC, UNSA RFF) on 22 June 2012 for a period of 2 years is intended to provide the personal representatives with technical means, training and assistance and/or replacement provisions, as well as a credit of hours that is specific to the representative body and their status within this structure. This agreement was signed so that the personnel representatives could carry out their mandates under the best possible conditions. The method agreement of 23 July 2013 intended to accompany the ongoing rail reform project, completed this mechanism by providing the personnel representatives with specific means in case of significant changes within the company and its environment:

- negotiation assistance;
- temporary replacement of certain personnel or trade union representatives in case of a significant increase of the activity related to their mandate;
- emergency dialogue meeting with the Management in case of a risk of collective conflict;
- other resources such as a credit of hours, budget for studies and recourse to internal skills.

Moreover, rounding out a body of collective agreements that is already very rich, 2013 also saw the signing of the method agreement relative to accompanying the rail reform project of 23 July, an amendment to the collective agreement relating to the organisation of the CHSCT (Health and Safety) on 21 February 2013, and a company agreement in support of disabled workers (28 June 2013).

The Works council

While the leading mission of the Works Council (WC) relates to its economic and professional duties (commissions relative to vocational training, professional equality, housing, mutual assistance fund and provident fund…), the WC plays an essential role in social and cultural terms, that allows the employees and their descendants to benefit from services, tickets for performances, travel, sporting our cultural activities at advantageous conditions.
The importance of the WC within RFF was also reasserted in the method agreement, the information and consultation provisions of which were strengthened by the method agreement of 23 July 2003.

The Health, Safety and Working Conditions Committees (CHSCT)

RFF also wished to exemplary in terms of health, safety and working conditions: it is only necessary to set up a CHSCT if the staff consists of more than 50 employees. However, since 2002, each RFF establishment (the head office, the building accommodating to head office departments and the Ile-de-France RD and the 11 other regional departments) has its own CHSCT.

d) Occupational well-being, a major objective for the Company

For the company, the quality of life at work is closely linked with issues relating to the health of the employees. The overall policy at RFF is to target a constant improvement of the living conditions at work, and more generally of the "well-being" in the workplace.

Organisation of the working time:

27 days of paid holidays are allocated per year. According to the agreement on the adjustment and reduction of the working time signed between RFF and the trade union organisations in 2002, amended in 2012 (for an unspecified duration), the reduction of the working time applies to all RFF personnel, except the senior executives.

The reduction of the working time is obtained by means of an overall arrangement:

- the number of work hours per year is 1583 hours (instead of the legal maximum of 1607 hours) with the employees and then being able to choose either a weekly schedule of 37 hours 17 minutes or of 38 hours 20 minutes (with, in this case, 6 days of compensatory time off),
- irrespective of the schedule, the number of RTT days per employee is equal to 10 days per,
- the company is closed for two days per year.

This leads to a total of 45 days of holidays outside of special holidays for family events as listed in the collective bargaining agreement.

Finally, it should be noted that the employees have a certain degree of flexibility as to their work schedule. Two time slots have been defined: between 7:30 and 10:30 for arriving and between 4:00 and 7:30 for relieving (Friday or day before public holidays, from 3:00 to 6:30).

Part-time work

Of the 1,600 employees in 2013, 97 have chosen to be part-time. The Parenting charter signed in May 2009 confirms the company's desire to provide support for parenting. The company approves all requests for part-time work submitted by a mother or father in order to take care of one or more child(ren).

Pursuant to the company policy in favour of the quality of life at work, a telecommuting experiment was carried out in 2013, notably with the objective of measuring the consequences of this new organisational method in terms of improving the working conditions of RFF employees.

Focus: RFF explores new leads for the well-being of its employees

A panel consisting of 45 employees representing the trades and functions at RFF experimented with telecommuting from 4 February 2013 to 28 June 2013. The main objective of the experiment with this new work organisational method was to:

- *measure the increase of employee well-being resulting from decreased commuting time, as well as improvement of their working conditions and efficiency;*
- *verify the conditions for the successful implementation of telecommuting and identify possible recommendations (also based on a benchmark with other companies).*

The appraisal of this experiment is positive since it demonstrated extensive support for this working method amongst the people who experimented with it, a feeling shared better managers and their environment; its roll-out at RFF has already been approved.
The experiment results confirm that when telecommuting, tasks are performed in an at least equivalent manner as at a fixed station. For example, 98% of the telecommuters considered that there work is performed at least as well as not better while telecommuting, and 89% felt that they perform better when telecommuting. The telecommuters were also able to have access to all professional information needed for the correct performance of their work. After an adaptation period, many experienced increased confidence in the autonomy in the performance of their tasks.
Their managers and team members did not indicate any particular difficulties: 96% of the managers involved provided their telecommuting employees with satisfactory supervision. The professional exchanges with telecommuters were satisfactory for 99% of the colleagues of the telecommuters, and 97% of the managers. Finally, while a few technical problems occasionally arose at the start of the experiment, they were quickly resolved.
Telecommuting is also a factor in the well-being of the employees who tried it: 98% of them noticed an improvement of their quality of life and of their work. The reduced stress and fatigue related to commuting times were in addition to be able to enjoy more time for personal and family life.
In conclusion, 100% of the telecommuters supported telecommuting, as did 92% of their managers and 98% of their direct colleagues. However, they all pointed out that telecommuting requires discipline and prior organisation with the team, but also that this working method must be limited to one or two days per week, to facilitate the work organisation and prevent any risk of isolation.
Faced with the results of the experiment, the Management decided to roll out telecommuting in 2014. At the end of the negotiations, that began in October 2013 with the trade union organisations on the basis of the various lessons from this experiment, a telecommuting agreement is scheduled to be signed in the first quarter of 2014, for possible roll-out starting in March / April.

Focus: Internal barometer and personnel opinion survey

The internal barometer is an integral part of the social monitoring system in place within the company. Launched in Q4 2012, the survey carried out with all permanent employees is an opportunity for unrestricted expression and also to measure the company's internal climate. Published in 2013, the results provided a "national" score of 14.24/20 for the feeling of pride of working at RFF, and 13.48 for manager confidence in the employee; in general, 80% of the employees feel proud to be working at RFF, which shows a strong attachment to the company.
A new edition of the internal barometer will be carried out at the very start of 2014.

Satisfaction surveys are also carried out, notably by the service provider support departments, as well as by the Legal department and the IT services department.

All of these elements contribute to combating absenteeism, and have allowed RFF to obtain honourable results in this regard.

e) Professional life / private life balance, a major objective

The company makes efforts to implement responsible and lasting working conditions, not only to ensure day-to-day work under comfortable and satisfactory conditions, but also to allow the employees to optimally juggle the needs of their professional life and their private life.

As such, in November 2011, the trade union organisations and the RFF Management signed an agreement on working times and the balance between professional life and private life. The agreement notably includes compensatory time off for unusual travel between home and the workplace, a new work organisation with regard to the scheduling of meetings, as well as other actions such as increased holidays for family events, in order to assist employees with relatives who are disabled or ill. This agreement also includes an innovative measure in favour of parenting, given that the paternity leave has been increased to 31 days instead of the legal 11 days.

The Charter on the usage of electronic messaging within a professional setting defines the rules for the correct usage of e-mail in order to ensure human relations, improve collaborative work and, in the end, work better together. This charter was released in September 2013 and provided to all RFF employees, in response to:

- the Management's commitment under the company agreement of 22 November 2011 on working times and the balance between professional life in private life, which recalls that any usage outside of work must be for imperative reasons and must not cause any burden on the employee in case of non-response;
- the recommendation from the occupational healthcare after a survey on the usage of a laconic messaging at RFF, carried out in 2011.

With the objective of raising employee awareness and developing behaviours, this is a preventive initiative used in many companies as part of the occupational health policy.

f) RFF is continuing its policy against casual work

Of the company's 1,600 employees on 31 December 2013, 100 are on term contracts (CDD). The policy against casual work resulted in 20 term contract positions being transformed into permanent contract positions, as well as limited recourse to temp work, with a 44% decrease in the average number of temp workers.

Recap table of the relevant indicators for the topic
"Implementing a dynamic policy in favour of lasting employment and well-being at work"

Indicators	2011	2012	2013
Total number of employees on 31/12	1,410	1,495	1,600
Breakdown of the staff by qualification • Executives • ETAM (Employees, Technicians and Supervisors)	 1,173 237	 1,255 240	 1,364 236
Geographical distribution of the staff • Paris • Region	 833 577	 905 590	 976 624
Share of part-time personnel	5.25	6.29	6.06
Number of resignations	33	44	30
Personnel expenses (€M)	103.7	114.8	123.1
Number of ordinary WC meetings during the year	-	14	11
Number of extraordinary WC meetings during the year	-	-	4
Number of ordinary meetings of the 13 CHSCT	-	52	52

Number of extraordinary meetings of the 13 CHSCT	-	11	8
Number of meetings with the personnel delegates	-	109	143
Number of meetings with the trade union delegates	-	21	24
Absenteeism rate (%)	-	2.28	1.77

2.3.2. Implementing an overall policy to manage physical and psychosocial risks

The overall prevention policy for professional risks is intended both to prevent physical risks and psychosocial risks (stress, resulting illnesses…), in order to ensure the safety and to protect the physical and mental health of the employees, while improving living conditions of work.

a) An overall policy for protecting employee health and safety

As indicated in the applicable texts, each establishment's Single Professional Risks Assessment Documents (French acronym: DUERP) are properly updated in order to maintain a current image of the risks faced by RFF employees and, if necessary, to adjust the action plans.
In addition to this effort to update the DUERP, the SHDD supports the management and its organisational reflections and pilots the support actions behind any changes or transformations. In 2013, the administrative and financial services managers were trained in how to fill out the DUERP forms so as to guarantee a quality oversight of this initiative by the territorial rank that is as close as possible to the establishment director.

In compliance with the applicable regulations and working with the CHSCT, personnel members are trained in the safety instructions in the usage of emergency means.
It is possible to become a first response team member (French acronym: EPI) or a workplace first aider (French acronym: SST); each site has an authority.

No occupational illness has been identified up to the present time. The agreements signed with the trade union organisations or the personnel representatives regarding occupational health and safety involve organisation of the CHSCTs with the signing, on 21 February 2013, of an amendment to the collective agreement and the balance between private life and professional life with the November 2011 agreement relative to working times and the balance between professional life and private life.

b) The prevention of psychosocial risks

The initiative for the prevention of psychosocial risks

Psychosocial risks and their prevention have become a major concern in the field of occupational mental health, as notably confirmed by the fact that the regulation on psychological harassment has been added to the labour code. With the relational, behavioural and organisational questions have been asked, their subjectivity and transfer from the individual to the collective complicate their assessment, related actions and prevention.

In compliance with article L. 232-2 of the Labour code, RFF has prepared a Single Safety Document (French acronym: DUS) for each of its sites (head office and the 12 regional departments), that identifies the professional risks and the existing measures or avenues for improvement.
In 2012, the company launched a participatory initiative relative to psychosocial risks in the 13 RFF establishments in order, firstly, to prepare a map of the psychosocial risks (PSR) in the 13 RFF establishments and, secondly, to prepare a common assessment methodology in order to describe the psychosocial risk in the DUS forms, with the objective being to produce a diagnostic and an action plan within each establishment.

In 2013, the first psychosocial risks prevention initiative for all RFF establishments was finalised.

With oversight by the SHDD, this was carried out for each establishment in two parts: firstly, an assessment of the risk and protection factors, then the preparation of the prevention plan. With the objective of identifying corrective measures, the prevention plan is built around 4 axes:

- making sense and providing reference points;
- adjusting the workload and improving the conditions for its performance;
- recognising and developing skills;
- anticipating crisis situations and creating a social connection.

For each establishment, this work was carried out while relying on groups representing the various work units, in order to ensure a participatory and multi-disciplinary assessment that encourages social dialogue. Each establishment's action plan has now been presented to the CHSCT.

Recap table of the relevant indicators for the topic
"Implementing an overall policy to manage physical and psychosocial risks"

Indicators	2011	2012	2013
Frequency rate of the workplace and commuting accidents	5.46	4.66	6.58
Severity rate of the workplace accidents	0.04	0.02	0.003

2.3.3 Efforts intended to support career development, training and internal mobility.

a) Career guidance for the employees

Every day, RFF works to ensure that sustainable development permeates the company and its business lines. RFF is progressively adapting its human potential to the new industrial requirements in order to have the skills, over time, needed to perform its missions. To reach this ambitious objective, RFF relies on a dynamic social policy based on the performance and professionalism of its employees, as well as on openness and diversity.

b) From HR management to skills-based management

Quality of life at work, training, change support and team management are some of the essential dimensions considered by the company on a day-to-day basis. In particular, RFF devotes considerable effort to maintaining and developing the skills of its employees, as part of its professional development policy, the cornerstone of which is the 2010 FMJS agreement, in order to accompany the evolution of RFF's business lines, anticipate the establishment's needs in terms of skills, and to provide each employee with a clear view of the available professional pathways in view of the changes within the establishment, as well as its mission and objectives.

c) Customised career and talent management

The "Cassiopée" HR information system is used for the management, training, annual assessment and development interviews, as well as the professional interviews (career interview coordinated by the people in charge of the different streams), and professional passports (company CV). In 2013, "Cassiopée" was completed by a recruiting module that provides the employees with access to an internal job market that notably includes a mobility alarm system.

To provide each employee with motivating professional prospects, while notably responding to the expectations of young generations, the appearance of new business lines as well as longer careers, the company launched its skills / trades initiative. The positions are now grouped and organised into 34

reference jobs and 85 typical jobs, in order to better identify the job descriptions and gateways, thereby encouraging mobility and progress along professional career paths.
The implementation of the FMJS agreement also made it possible to “catch up”, in three years, an historically weak situation in terms of advancement rate. Moreover, a channel for the advancement of Executives was set up on 31 December 2012.

To promote access to training, several mechanisms exist and are available to RFF employees: training plan, DIF (individual training entitlements), professionalization period, VAE, CIF and skills appraisal. Access to internal mobility is facilitated by the existence of a dedicated space, with:

- Quick uploading of internally available offers.
- A detailed job description for each offer (assignments, desired profile, city…).
- A search engine by keyword, contract type and business line sector.
- A mobility alarm in order to receive offers corresponding with the search criteria, directly by e-mail.

To optimise the recruiting of new employees on the labour market, several solutions exist: the site rff.fr and the various specialised recruiting sites (Monster, Keljob, APEC, etc.).

Focus: the UIM, an opportunity to develop of new competences

The unification of the IM and DIM functions is an opportunity to propose a new business line starting point: introducing sustainable development requirements into the practices of all trades, both horizontally (towards the actors involved in sustainable development) and vertically (to all trades involved in its implementation) will make it possible to develop new skills that are closely related with other company policies (example: purchasing policy, risk management,…). The development of these new skills will be facilitated by the fact that, in 2014, RFF employees will have access to the training catalogues from the various SNCF universities.
Sustainable development is a lever for modernization, but also for research regarding new stakes and innovation (example in terms of the efforts to combat noise): as such, whether with regard to arranging, developing or modernizing the network, in the service of collective interests and sustainable mobility, the GIU’s sustainable development initiative and its resulting professionalization will allow it to develop new skills and new areas of expertise.

Focus: cross-mobility

Since the start of the year, 31 cross-mobility files have been validated. 14 of them involve RFF employees seconded to SNCF, most often in operational domains (primarily investment and operations) and, to a lesser degree, within support functions (human resources and finance). Inversely, 17 SNCF employees were seconded to RFF: 20 % in support functions (HR, IT and finances) and 80% operational personnel (primarily operations, but also investment, sales, maintenance and works). Certain of these mobility operations are already underway.

d) A significant investment in terms of training

By developing training mechanisms, RFF is offering, for the benefit of employees and the company’s performance, career options that, throughout a career, will make it possible to reconcile efficiency, satisfaction at work, as well as personal and collective development.

Notably as a result of the set-up of two new 3-year training plans, the company’s efforts have accelerated considerably in the last four years. In 2013, the investment represented €4.5 million, an increase of 124% relative to 2009. The number of training hours is up by 50% relative to 2009, meaning a total of 38,000 hours of training provided.

The internal and intra training offer more than tripled (+257%), increasing from 40 training courses in late 2009 to a choice of 143 available at the end of 2013.

To encourage capitalising on knowledge and employee buy-in, a significant part of the training (almost 40%) is provided by employees currently working within the company. The number of internal trainers almost quadrupled (+280%), increasing from 20 at the end of 2009 to 76 at the end of 2013, as a testament to very high motivation for internal transfers of skills.

The number of work placements increased by 74%, from 1554 at the end of 2009, to 2700 at the end of 2013. The number of women trainees increased from 38% in late 2009 to 47% in late 2013, while the share of ETAM trainees increased from 12% in late 2009 to 16% in late 2013.

RFF offers a complete mechanism as of a new hire's arrival: from the integration base (the company's institutional and European environment, the company's economics and finance, railway basics, commercial basics…) for the newcomer arriving at the Ecole de la Maîtrise d'Ouvrage (training in partnership with the Ecole Nationale des Ponts et Chaussées) and leading to a certificate, throughout his/her career, the employee can develop skills in various domains: legal, administrative, financial, railways, languages, IT tools, management and personal development, i.e. a total of 143 training courses available in the training catalogue. This strong development of training meant that, in 2013, 67% of the employees received some form of training.

In the end, the company is striving to develop manager training in order to provide managers with support as they improve their management practices, by means of customised and "tailor-made" support mechanisms (management workshops with 6 to 8 persons), seminars as well as customised coaching offers.

Recap table of the relevant indicators for the topic
"Efforts intended to support career development, training and internal mobility"

Indicators	2011	2012	2013
Number of training hours provided during the year (h)	33,392	37,578	38,000
Share of the payroll dedicated to continuing training (%)	5.83	5.82	5.86

2.3.4. Committing to diversity and equal opportunity

A sustainable development initiative with regard to human resources makes use of social measures in order to combat stereotypes and to share ethical values, while participating in the overall reduction of the activity's environmental impact. As such, the efforts to combat discrimination are part of a societal challenge that includes reducing inequalities between employees, from their hiring through to their departure from the company by means of levers such as: accessibility, change of behaviour relative to women and minorities, efforts to keep seniors in their jobs and participation in the re-insertion of the long-term unemployed.

The company's policy is therefore strongly tied to diversity: multiple profiles, origins and career paths, promoting of equality between women and men, advancement of women (assistant's profession, accessing management positions…), implementation of an executive advancement channel, integration of handicapped persons, accompaniment for young people and seniors.

The company has implemented a Senior plan, in compliance with the regulations (Social Security Financing law). For younger people, for the last 3 years, RFF has offered a specific support mechanism called “Réseau J” that provides 4 days of reflections for young people aged between 25 and 30 years, and with 2 years of seniority.

With 80 trainees and 40 work-study students in 2013, RFF is also participating in the efforts to train and integrate young people, with the share of engineer training being the largest. 90% of the work-study contracts lead to diplomas (BTS / master level tertiary or engineers).

Focus: The wage policy in the service of fairness

In terms of compensation, RFF targets fairness, transparency and legibility for all employees. The reduction of wage differentials for the same job and/or between men and women is an important objective, that is present in the agreement on equality and professional gender mix signed with the social partners in 2012.
In 2012, the company carried out a revaluation of the lowest salaries which, when combined with the advancement policy for ETAMs, led to an average monthly wage increase for the latter of 2.56% (1% for executives). More generally, the compensation bracket is higher by 5% relative to 2011, but remains stable over two years: the ratio between the average 10% highest compensation figures and the average 10% lowest compensation figures stands at 4.39 (versus 4.17 in 2011). One of the measures adopted in 2013 was to determine a minimum percentage increase (1%) for the ETAM (Employees, Technicians and Supervisors).

Focus: Jobs of the future

A master agreement relative to jobs of the future created by the law of 26 October 2012, in order to facilitate the integration of young people without diplomas or with basic diplomas into working life, was signed on 13 November 2013 by RFF. It anticipates the hiring of 15 young people in jobs of the future. The aim of the jobs of the future, created by the law of 26 October 2012, is to provide young people without diplomas or with only basic diplomas or that reside in sensitive areas, with lasting integration into professional life, by means of the set-up of a “tailor-made” mechanism for their integration and accompaniment, as well as the deployment of training actions that provide qualifications or diplomas. In 2013, RFF had already recruited one young employee via an employment contract.

a) RFF reasserts its attachment to professional equality between men and women

The company is continuing the efforts undertaken in the last several years regarding the gender mix of the personnel, feminization and the evolution of mentalities by providing a new impetus to its policy for professional equality between women and men.
The agreement relative to equality and professional gender mix of 1 October 2012 sets out clear and specific objectives relative to applications from women, as well as access to upper-level supervisory and management positions. The agreement also calls for other measures intended to reduce wage differences, for an identical position and/or between women and men, recruiting (for each available position, the HRD undertakes to present at least one female candidate) as well as for the feminization of upper executive positions.

RFF will strive to successfully rebalance the composition of its Board of directors between men and women, that currently includes 13 men and 5 women, in order to be compliant with the provisions of law n°2011-103 of 27 January 2011 relative to the balanced representation of men and women within Boards of directors and supervisory boards and to professional equality, once these texts come into effect. Each year, the chairman of the RFF board of directors reports on the composition of the board, the application of the principle of the balanced representation of women and men within the board, on the conditions for the preparation and organisation of the board’s works, as well as on the internal control and risk management procedures set up within the RFF.

b) RFF supports the employment of handicapped workers

Since 2008, the company has promoted the orientation, integration, and continued employment of handicapped workers, as well as raising personnel awareness regarding handicaps as ratified by the company agreement of 22 April 2009. Its action aligns with the framework of the law of 11 February 2005, that set RFF's employment obligation at 6% of the personnel.
On 28 June of last year, the RFF Management and unions signed a new corporate agreement in favour of disabled workers. This agreement consolidates the aforesaid agreements and amplifies the actions taken up to now, for the purposes of meeting, by 2015, the intermediate objective of 4.5% handicapped persons within the RFF staff.

This has resulted in an action plan around 5 axes. In particular, it serves to strengthen the support for disabled workers, by ensuring that they will be able to put their skills into practice, with appropriate arrangements if necessary. It includes guarantees for continuing work, notably in case of the declaration or evolution of the disability.

In 2013, in compliance with the company agreement of 28 June 2013, 3 people were hired on open-ended contracts and the total number of disabled workers in 2013 stood at 46.

This mechanism will have to be completed by the set-up of training for all employees with regard to handicaps, and another training course for managers with regard to their social role, in order to make them aware of questions regarding discrimination, notably in terms of recruiting.

Focus: The week for the employment of handicapped workers

From 18 to 24 November, "The week for the employment of handicapped workers" as it is officially designated, was on centre stage at RFF. Objective: increase awareness of disabilities, particularly invisible ones, and make them less dramatic within a professional setting.
The key moment during this week was the introduction to sign language, in partnership with the association "Sortir avec les mains", as well as the daily videos of a disabled worker "Changez de regard sur le Handicap" (Changing the view of Disability).

Recap table of the relevant indicators for the topic "Committing to diversity and equal opportunity"

Indicators	2011	2012	2013
M/W distribution within the overall staff (as a %)			
• Women	44.40	45.02	45.38
• Men	55.60	54.98	54.62
Distribution of M/W executives (as a %)			
• Women	29.57	31.10	32.31
• Men	53.62	52.85	52.94
M/W distribution of ETAM (as a %)			
• Women	14.82	13.91	13.06
• Men	1.99	2.14	1.69
Number of workers with disabilities	36	44	46
Share of salaried personnel with a disability	3.4	3.4	3.3
Number of employees < 25	31	28	15
Number of employees > 50	241	253	313

3 Extra-financial reporting

3.1. Methodological note

3.1.1. Regulatory context

RFF decided to report on its annual results relating to social, environmental and societal responsibility as of the 2012 financial year, though the implementing degree of articles 226 of the Grenelle II law, applicable to public establishments and companies, has not yet been published. To the extent that RFF issues securities on a regulated market in order to manage its debt, the company is already voluntarily preparing a report on the impact of its activities under the format of article 225 (of the Grenelle II law).

This voluntary initiative illustrates the fact that RFF strives to perform its industrial and commercial activities while pursuing progress and integrating sustainable development concerns. Indeed, lawmakers have positioned RFF as a major player in sustainable development. In its article 1, the law of 3 February 1997 that established the RFF indicates that the purpose of the public corporation is *"the development, coherence and enhancement of the national rail network, while adhering to the principles of public service and while promoting rail transport in France, with the aim of sustainable development." »*

3.1.2. Reporting principles

RFF's social, societal and environmental reporting initiative is based on the recruiting system indicated in articles L. 225-102-1 and R. 225-104 to R. 225-105 of the French Commercial code. It is inspired by the international standards and norms, notably:

- The transparency principles of the Global Reporting Initiative (GRI 3), that RFF has been using as a reporting framework since its 2009 sustainable development report,
- The ISO 26000 standard on the Societal Responsibility of Organisations.

3.1.3. 2013 initiative

By publishing a CSR section, in compliance with the Grenelle II law, as part of its management report, RFF is committing to the verification of the published information by an independent third party institution, while responding to the expectations for the visibility of CSR performances through relevant indicators.

RFF has chosen to present its performances truthfully, while using a series of indicators that specifically respond to the following 3 criteria:

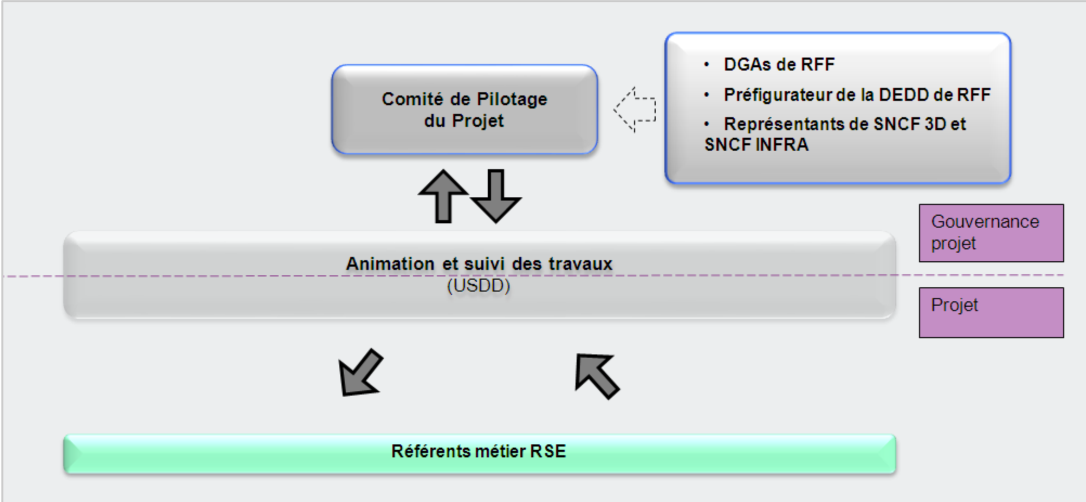
- *Materiality*: degree of the indicator's impact on RFF's strategy and financial health.
- *Sector specifics*: illustration of stakes specific to the sectors and to RFF itself, with sector-specific initiatives.
- *Stakeholder expectations*: degree of expectation of the stakeholders, notably from the viewpoint of civil society.

The initiative was carried out collaboratively, with all of the company's departments, in order to:

- Select the quantitative and qualitative information having to be reported;
- Prepare a reporting protocol that guarantees the data quality and traceability;
- Draft the management report's CSR component.

3.1.4. Governance of the initiative

Diagram 1: Governance of the initiative to set up the 2013 CSR reporting



RFF chose to implement suitable governance by means of a specific oversight mechanism for the preparation of the 2013 management report's CSR component, on the basis of:

- **a steering committee** made up of all RFF assistant delegated directors or their representatives, representing the company's support functions and business lines, representatives of the SNCF (Sustainable Development department and SNCF Infra) as well as the prefigurer of the RFF Environment and Sustainable Development department;

- **a project team** in charge of the oversight of the initiative (and most particularly of the COPILs)
  - proposes the perimeter and the information to be reported by the "CSR" business line authorities (availability, relevance);
  - organises and coordinates the works of the "CSR" business line authorities;
  - defines the perimeter and consolidates the information to be reported on social, societal and environmental levels, for validation by the COPIL.

- **"CSR" business line authorities**, that bring together the business lines in charge of defining indicators falling within their area of expertise, and for their calculation and collection methods ("indicator forms").

The COPIL arbitrates and validates the choice of the report's indicators, the reporting protocol, and determines the indicator(s) having to be certified, if relevant. It also serves as the review committee for the CSR report.

Appointed by the COPIL, the *"CSR" business line authorities* (contributors and/or validators) are responsible for defining one or more indicator(s) within their domain, and for the information traceability. It is up to each *"CSR" authority* to involve the competent or interested persons. Their feedback is returned in the format of the "Indicator form", which is then submitted to the project team, that facilitates and coordinates the initiative.

The oversight of the CSR reporting initiative will be adapted in 2014 after the internal organisational changes, notably with the creation of an Environment and Sustainable Development department, in view of the extra-financial reporting relative to the 2014 financial year.

3.1.5. 2013/2014 calendar

- COPIL n°1 (5 December 2013): launch of the initiative with the DGA and identification of the *CSR Authorities.*
- COPIL n°2 (15 January 2014): progress of the indicator forms and first version of the CSR report.

- COPIL n°3 (29 January 2014): progress, validation of the completed indicators, validation of the feedback on the CSR report, proposal of a draft protocol and launch of the collection.
- COPIL n°4 (19 February 2014): validation of the report and protocol
- Board of directors for validation of the financial statements and management report on 19 March 2014.

3.1.6. Collection process

Each indicator has an associated *Contributor*, who collects, verifies and consolidates the data within his reporting perimeter. The indicators then undergo a first validation by the *Validator* in charge of the indicator's production within his activity.

For this year, the quantitative and qualitative data were collected over the first 3 weeks in February, using a Collection grid Excel file provided to the Validators.

All data are centrally collected and consolidated by the *Administrator* within the RFF Strategy department, who verifies the data consistency, the compliance of the calculation methods and the reporting perimeters.

Via the chain of Contributors-Validators-Administrators, the protocol establishes control points in order to limit risks of error in the transmission of information, thereby increasing the reliability of the production of indicators. This document applies to all actors identified within the reporting initiative, and will be provided to them at the time of each reporting period.

In parallel, still this year, RFF will publish a separate detailed Activity and Sustainable development report, in response to the specific expectations of all stakeholders, notably the users of the French rail network, customers, financiers, representatives of civil society and employees[1].

History and evolution of the data

Any methodological change that could influence the comparability of the reported data with the data from the previous year, a description of any event that could have an impact on the reported data, or any other information required for the assessment of the data quality must be pointed out by the Validator at the time of the data collection, to the department in charge of the general consolidation.

For a given indicator, the data is presented over 3 years of history and completed, when relevant, by comments that explain its evolution (notably discrepancies or, in the opposite case, the indicator's stability).

For certain indicators, it is possible that the history may not apply to the same perimeter as in 2012, or not be available. In such a case, notably for "new" indicators, the 2013 data will be the "benchmark" data for the subsequent reports.

Methodological specificity of certain indicators

Emissions of greenhouse gases

The Greenhouse Gases (GHG) appraisals intended to respond to the company's obligations under article 75 of law n° 2010-788 of 12 July 2010 and conveyed to the prefects in December 2012, were produced on the basis of the 2011 data. The GHG emissions report for the activity specific to RFF (head

[1] More information on the site rff.fr : http://www.rff.fr/fr/mediatheque/publications/developpement-durable-2664

office and RD) has been produced in compliance with article 75 of the Grenelle II law, on scopes 1 and 2 (mandatory) as well as on certain elements of scope 3 (optional): purchasing, freight, real estate, waste, travel (residence-work/professional/visitors).

Emissions are calculated in compliance with the methodological guide published by the Ministry for Ecology, Sustainable development, Transportation and Housing.

The employed emission factors are the ones from the Base Carbone® or, failing that, come from recognised national sources. The list of these factors is available in the compilations of the 2011 GHG inventories published on the Internet site.

In 2013, RFF also published the report on the GHG emissions resulting from the management of the national railway network, on the basis of:

- the activity specific to the RFF establishment,
- the activity of SNCF Infra (including DCF) on behalf of RFF as part of the network management (excluding possible investment operations);
- the electricity purchased by RFF in order to offset losses in the IFTE[2].

Consumption data

The consumption of water, electricity and natural gas can be assessed by reading meters or, failing that, using the invoiced amounts. Should none of the above data be available, the previous year's value is used as a last recourse.

Accidents involving people

According to the terms of article 17 of decree n° 2006-1279 relative to the information obligation of the manager of the national railway network infrastructures, RFF produces, for the elapsed year, a report on the safety activities of RFF, the maintenance DIM and the DCF. This annual safety report, prepared while following the instructions of article 18 of Directive 2004/49/EC of the European Parliament, is sent to the EPSF before 30 June. Accordingly, the data regarding accidents must be considered, at the time of the March publication of the present report, as provisional.

Internal training

Training-related data are consolidated in July, in order to be communicated to the WC in September. Accordingly, the data regarding training must be considered, at the time of the March publication of the present report, as estimates.

The number of minutes lost by rail companies on the NRN:

The indicator of the Performance Improvement System (PIS), the number of minutes lost per 100 km, is measured, for the infrastructure manager and the rail companies included within the PIS perimeter, over a reference period of 12 months (1 July N-1 to 30 June N).

Financial indicators

The reporting methodology for the financial data is presented in detail in the *Consolidated financial statements as at 31 December N* part, in Note 3 "Summary of the accounting and assessment principles and methods" in the financial report.

3.1.7. Reporting perimeter

[2] Fixed electric traction installations.

General perimeter

The report relates to all of the RFF activities likely to result in social, environmental and societal consequences: organisation of traffic on the railway network, improvement of the network's quality and attractiveness (maintenance, modernization), development of new lines, real estate and property management.

The reporting should relate to all of the activities and sites that RFF controls as owner and manager of the national railway network. However, the legal and property separation between the railway infrastructure manager, RFF, and the historical operator, SNCF, and secondly the devolution to SNCF of the field performance of the missions that are in principle entrusted to the infrastructure manager, complicates the data access.

In 2012, the information on social, environmental and societal data was reported across the RFF organisational and functional perimeter, excluding the activities of the DIM (SNCF INFRA and DCF).

In 2013, as part of the rail reform and looking ahead to the unification of the infrastructure manager, RFF is extending the functional perimeter of report 225 to include certain environmental and societal data from SNCF INFRA within its infrastructure maintenance and upkeep activities. The HR perimeter remains strictly specific to RFF.
The SNCF's new automated SD reporting tools and the databases are, as of the 2013 financial year, shared with RFF in order to harmonize the indicators, the processes and the tools within the framework of the future unified infrastructure manager.

All of these activities are carried out in mainland France.

Social perimeter

The social reporting relates to all of the personnel of the RFF Public Establishment of an Industrial and Commercial Nature (French acronym: EPIC). In 2013, this included a head office (on 2 sites) and 12 regional departments throughout the national territory.

The consolidated HR data for the RFF EPIC are prepared using the same definitions and calculation bases as the data in the corporate balance sheet of the EPIC, and relate to all employees of the RFF EPIC.

Environmental perimeter

In compliance with the environmental code, and notably the provisions relative to the liability for damages caused to the environment as indicated in articles L 160-1 et seq, RFF assumes its environmental liability only within its liability perimeter as the owner and manager of the national railway network, which nevertheless includes, firstly, the determination of the management principles and objectives for the DIM, and, secondly, the oversight of the delegated missions (legal and property separation between RFF, the railway infrastructure manager, and the SNCF, the historical operator, and, secondly, the devolution to SNCF of the field performance of the missions that are in principle entrusted to the infrastructure manager).

As part of the rail reform and looking ahead to the unification of the IM, the functional perimeter of the RFF's report 225 includes, for 2013, data from SNCF INFRA with regard to the volume of waste produced (creosote-treated wooden sleepers).
A reliable and relevant indicator on the quantity of raw materials purchased / consumed, including agrochemicals, by the unified network manager is being prepared. The quantities of purchased

resources shown below are the data taken from the 2012 SNCF CSR report (http://www.sncf.com/fr/rse/rapport-annuel-rse).

Societal perimeter

As part of the rail reform and looking ahead to the unification of the IM, the functional perimeter of the RFF's report 225 includes, for 2013, data from SNCF INFRA with regard to inclusive purchases and the contacts signed by the DIM SNCF INFRA on behalf of RFF:

- the amount of the purchases allocated to the protected sector in the name and on behalf of RFF;
- the equivalent jobs (French acronym: EE) obtained by the protected sector for the SNCF Infra activities carried out on behalf of RFF;
- the number of social integration hours worked relative to the total number of integration hours contractualized by the SNCF Infra activity on behalf of RFF;
- the number of contracts with social integration clause over the total number of SNCF Infra activity contracts signed for RFF.

These indicators are provided by the of SNCF Purchasing department. Moreover, RFF carries out its own actions in support of the long-term unemployed. Reliable and relevant indicators to report on this are being prepared.

3.1.8. External verification

RFF has directed its statutory auditors to perform verification works in order to confirm the presence in the 2013 management report of all information indicated in article R. 225-105-1 while identifying, if relevant, any omitted information not provided with the explanations stipulated in the 3rd sub-paragraph of article R. 225-105.

3.2. Table of the indicators

3.2.1 Societal indicators

Indicators	2011	2012	2013
Arrival punctuality rate 5 min	88.4	88.3	87.3
Number of minutes lost per 100 km by the RC: - For RC reasons - For IM and external reasons	-	-	1.95 1.20
Investment expenses intended to improve service regularity (M€)	23.6	27.3	27.4
Share of freight commercial proceeds originating with RC other than Fret SNCF	20.4	25	38
Customer satisfaction score	-	6.2	-
Amount of investment expenses capitalised by the major development projects (€M)	1,844.6	2,531.5	4,150.4
Amount of investment expenses capitalised by the regional development projects (€M)	692.5	708.0	995.2
Amount of the investment expenses capitalised for network compliance upgrades (€M)	110.6	121.8	158.3

Amount of the investment expenses capitalised for network renewal and performance (€M)	1,777.0	2,899.6	2,321.2
Amount of duties and taxes (€M)	76.9	81.2	85.5
Number of accidents involving people on the network: number of persons killed	88	73	84
Number of accidents involving people on the network: number of people seriously injured	53	37	64
Number of accidents involving people on the network: number of suicides	332	356	288
Total safety investments (€M)	42.5	57.77	73.8
Number of LC on the National safety programme that have been eliminated	4	4	8
Investments devoted to dealing with NBS, outside of development and modernization projects (€M)	6	8	9
Surfaces sold during the year (ha)	-	271	220
Surfaces sold during the year in order to create dwellings (ha)	-	8	14
Number of dwellings created	-	572	1173
Number of social housing units created	-	352	606
Share of the kilometres of lines closed during the year that have been the subject of protection of the right-of-way (%)	-	65	67
Amount of the annual AGEFIPH tax (€K)	210,342	168,697.40	204,809.74
Amount of SNCF purchases allocated to the protected sector in the name and on behalf of RFF (€)	-	-	82,910
Equivalent in number of jobs (French acronym: EE) obtained by the protected sector for the SNCF INFRA activity carried out on behalf of RFF	-	-	3.51
Number of contracts with social integration clause over the total number of SNCF INFRA activity contracts signed for RFF	-	-	141 / 365
Number of social integration hours worked relative to the total number of integration hours contractualized by the SNCF INFRA activity on behalf of RFF	-	-	68,271 / 68,940
Number of referrals to the ethics officer	6	6	3

3.2.2 Environmental indicators

Indicators	2011	2012	2013
Noise training Number of RFF agents provided with training in environmental subjects Number of hours of environment training provided	-	33 231 hours	No session in 2013
Nature protection training Number of RFF agents provided with training in environmental subjects Number of hours of environment training provided	-	19 133 hours	5 35 hours
Water act training Number of RFF agents provided with training in environmental subjects Number of hours of environment training provided	-	64 84 hours	9 63 hours
Volume of waste produced: creosote-treated wooden sleepers (tonnes)	-	78,000	82,988

Volume of waste produced: asbestos removed from the building stock (tonnes)	632	121	207
GHG emissions specific to the RFF activities (in $TeqCO_2$)	-	6,900	-
GHG emissions from the management of the rail network -in $TeqCO_2$ -in $keqCO_2$ per furrow-km	-	354000 0.65	-
Electricity consumption specific to the railway network (MWH)	793.6	783.7	783
Share of circulating trains with electric traction	76.8	77.1	77.4
Amount of the overall environmental provisions (€M)	127.8	116.7	115.0
Number of R&D research projects	22	21	21
Amount of R&D investments devoted to the environment (€K)	343	134	342

3.2.3. Social Indicators

Indicators	2011	2012	2013
Total number of employees on 31/12	1,410	1,495	1,600
Breakdown of the staff by qualification • Executives • ETAM (Employees, Technicians and Supervisors)	1,173 237	1,255 240	1,364 236
Geographical distribution of the staff • Paris • Region	833 577	905 590	976 624
Share of part-time personnel	5.25	6.29	6.06
Number of resignations	33	44	30
Personnel expenses (€M)	103.7	114.8	123.1
Number of ordinary WC meetings during the year	-	14	11
Number of extraordinary WC meetings during the year	-	-	4
Number of ordinary meetings of the 13 CHSCT	-	52	52
Number of extraordinary meetings of the 13 CHSCT	-	11	8
Number of meetings with the personnel delegates	-	109	143
Number of meetings with the trade union delegates	-	21	24
Absenteeism rate		2.28	1.77
Frequency rate of the workplace and commuting accidents	5.46	4.66	6.58
Severity rate of the workplace accidents	0.04	0.02	0.003
Number of training hours provided during the year (h)	33,392	37,578	38,000
Share of the payroll dedicated to continuing training	5.83	5.82	5.86
M/W distribution within the overall staff (as a %)			
• Women	44.40	45.02	45.38
• Men	55.60	54.98	54.62
Distribution of M/W executives (as a %)			
• Women	29.57	31.10	32.31
• Men	53.62	52.85	52.94

M/W distribution of ETAM (as a %)			
• Women	14.82	13.91	13.06
• Men	1.99	2.14	1.69
Number of workers with disabilities	36	44	46
Share of salaried personnel with a disability	3.4	3.4	3.3
Number of employees < 25	31	28	15
Number of employees > 50	241	253	313

3.3. Correspondence of the RFF CSR indicators in view of the implementing decree of article 225

	TOPIC Art. 225	LIST OF RFF CSR INDICATORS	TICKET CODE	GRI 3	ISO 26000
Governance of the organisation	1st sub-paragraph of article R.225-105	Corporate governance and risk management		1.1 - 1.2 - 4.1 - 4.5 - 4.8 to 4.12	6.2
		Overall steering of the sustainable development initiative			6.2
		Raising of employee awareness regarding sustainable development			6.2
SOCIETAL INFORMATION					
Territorial, economic and social impact	**I-3°-a)** Territorial, economic and social impact of the company's activity -Regarding employment and regional development -On neighbouring or local populations	Amount of investment expenses capitalised by the major development projects (€M)	SOCT03	EC8 - SO1	6.8.9
		Amount of investment expenses capitalised by the regional development projects (€M)	SOCT04	EC8 - SO1	6.8.9
		Amount of the investment expenses capitalised for network compliance upgrades (€M)	SOCT05	EC8 - SO1	6.8.9
		Amount of the investment expenses capitalised for renewal and performance of the existing network (€M)	SOCT06	EC8 - SO1	6.8.9
		Amount of duties and taxes (€M)	SOCT07	EC8 - SO1	6.8.9
		Arrival punctuality rate at 5 minutes (punctuality of the trains)	SOCT08a	SO1	6.7.8 - 6.8.3
		Number of minutes lost per 100 km by the RC: • For RC reasons • For IM and external reasons	SOCT08b	SO1	6.7.8 - 6.8.3
		Investment expenses intended to improve service regularity (M€)	SOCT09	EC8 - SO1	6.8.3
		Investments devoted to dealing with NBS, outside of development and modernization projects (€M)	SOCT11	EC8 - SO1	6.8.3
		Number of R&D research projects	SOCT18	EC8 - SO1	6.8.6
		Number of social integration hours worked relative to the total number of contractualized integration hours; by the SNCF Infra activity on behalf of RFF	SOCT22	EC7	6.8.5

		Amount of the annual AGEFIPH tax	SOCT24	EC1	6.8.5
Relations with the PPE	**I-3°-b)** Relations maintained with persons or organisations interested in the company's activity, notably integration associations, teaching establishments, environmental defence associations, consumer associations and neighbouring residents: -the conditions for dialogue with these persons or organisations; -partnership or sponsorship actions	*Qualitative information*		EC1	6.8.9
Subcontracting & suppliers	**I-3°-c)** Subcontracting and suppliers: -consideration of social and environmental stakes in the purchasing policy. -importance of subcontracting and the consideration, in relations with suppliers and subcontractors, of their social and environmental responsibility	*Qualitative information*			
		Share of freight commercial proceeds originating with railway companies other than Fret SNCF	SOCT14	EC1	6.8.3
		Customer satisfaction score	SOCT16	PR5	6.7.6
		Amount of SNCF purchases allocated to the protected sector in the name and on behalf of RFF (€)	SOCT20	LA13	6.8.5
		Equivalent jobs (French acronym: EE) obtained by the protected sector for the SNCF Infra activities carried out on behalf of RFF	SOCT21	LA13	6.8.5
		Number of contracts with social integration clause over the total of SNCF Infra contracts signed for RFF	SOCT23	LA13	6.8.5
Fair practices	**II-3°-d)** Fair practices: -measures taken to prevent corruption; -measures taken in favour of the health and safety of consumers	Number of referrals to the ethics officer	SOC09	HR4 - LA13 - LA14	6.3.10
		Number of accidents involving people on the network: • Number of persons killed (excluding suicides and attempted suicides) • Number of persons seriously injured (excluding suicides and attempted suicides) • Number of suicides	SECU01	PR2	6.7.3
		LC (level crossings) included in the National safety programme that have been eliminated	SECU03	PR2	6.7.3
		Total safety investments	SECU04	PR2	6.7.3
Other actions undertaken in favour of human rights	**II-3°-e)** Other actions undertaken in favour of human rights	*Qualitative information*		HR3 - HR9 - HR10 - HR11 - SO	4.4 - 4.6 - 4.7 - 4.8 - 6.3 - 6.6
ENVIRONMENTAL INFORMATION					

General policy	**I-2°-a)** General policy with regard to environmental matters: -company organisation in order to deal with environmental questions and, if relevant, assessment or certification initiatives relating to the environment; -employee training and information actions undertaken with regard to environmental protection; -resources devoted to preventing environmental risks and pollution; **II-2°-a)** amount of the provisions and guarantees relating to the environment, provided that this information would not seriously harm the company in the event of ongoing litigation	Number of RFF agents provided with training in environmental subjects Number of hours of environment training provided *(Noise training, Nature protection training, Water act training)*	ENV03	LA10	6.5
		Amount of the overall environmental provisions	ENV01	EN28 - EN30	6.5.1 - 6.5.7
		Amount of R&D investments devoted to the environment	ENV15	EN28 - EN30	6.5.6
Pollution and waste management	**I-2°-b)** Pollution and waste management: -measures for preventing, reducing or remedying any discharges into the air, water and soil that would seriously affect the environment; -waste prevention, recycling and disposal measures;	Volume of waste produced - creosote-treated wooden sleepers (tonnes) Volume of waste produced - asbestos removed from the building stock (tonnes)	ENV06	EN22	6.5.4
	-consideration of noise pollution and of any other form of pollution specific to an activity	NBS programme *(cf. I-3°-a) Territorial impact)*		EN29	
Sustainable usage of resources	**I-2°-c)** Sustainable usage of resources: -water consumption and water procurement on the basis of local constraints; -consumption of raw materials and measures taken in order to improve the efficiency of their usage;	*Qualitative information*			
		Electricity consumption specific to the railway network	ENV10	EN3	6.5.4
	-energy consumption, measures taken to improve energy efficiency and the recourse to renewable energies	Share of circulating trains with electric traction, by activity	ENV17	EN3	6.5.4

	II-2°-c) Sustainable usage of resources: -land use	• Surfaces sold during the year (hectares) including surfaces sold during the year in order to create residences (hectares) • Number of dwellings created including number of social housing units created	ENV16b	EN26	6.5.4
		Share of the kilometres of lines closed during the year that have been the subject of protection of the right-of-way	ENV16c	EN26	6.5.4
Climate change	**I-2°-d)** Climate change: -greenhouse gas emissions	GHG emissions specific to the RFF activities (head office and RD)	ENV09a	EN16 - EN18	6.5.5
		GHG emissions from the management of the rail network national (TeqCO_2 and keqCO_2 furrow-km)	ENV09b	EN16 - EN18	6.5.5
	II-2°-d) Climate change: -adaptation to the consequences of climate change	*Qualitative information*		EC2 - EN16 - EN17 - EN18	6.5.5
Protection of biodiversity	**I-2°-e)** Protection of biodiversity: -measures undertaken to safeguard or develop biodiversity	*Qualitative information*		EN11 to EN15 - EN25	6.5.6
SOCIAL INFORMATION					
Employment	**I-1°-a)** Employment: -total personnel and distribution of the employees by sex, age and geographical zone	Total number of employees (situation on 31 December)	SOC02	LA1	
		Breakdown of the staff by qualification (Executive / ETAM), geography	SOC02	LA1	6.4.3
		Number of employees -25 years and number of employees +50 years	SOC02	LA1	6.4.3
		Share of part-time personnel	SOC15	LA1	
	-new hires and layoffs;	*Qualitative information*			
		Number of resignations	SOC14	LA2	6.4.3
	-wages and their evolution	*Qualitative information*			
		Personnel expenses	SOC01	4.5 - LA1	6.4.3
Work organisation	**I-1°-b)** Work organisation: -organisation of the working time	*Qualitative information*		LA7	6.4.3
	II-1°-b) absenteeism	Absenteeism rate	SOC06	LA7	6.4.4
Social relations	**I-1°-c)** Social relations: -organisation of the social dialogue, notably information and consultation procedures for the personnel and negotiation with the latter;	Number of Works Council meetings during year (ordinary and extraordinary)	SOC04	LA5	6.4.5
		Number of meetings of the 13 Health, Safety and Working Conditions committees during the year (ordinary and extraordinary)	SOC04	LA5	6.4.5
		Number of meetings with the personnel delegates	SOC04	LA5	6.4.5
		Number of meetings with the trade union delegates	SOC04	LA5	6.4.5
	-report on the collective	*Qualitative information*		LA4 -	6.4.5

	agreements			LA5 - LA9	
Health & safety	**I-1°-d)** Health and safety: -occupational health and safety conditions; -report on agreements signed with trade union organisations or personnel representatives with regard to occupational health and safety	*Qualitative information*		LA7	6.4.6
	II-1°-d) workplace accidents, notably their frequency and severity, as well as occupational illnesses	Frequency rate of the workplace and commuting accidents	SOC05	LA7	6.4.6
		Severity rate of the workplace accidents	SOC05	LA7	6.4.6
TRAINING	**I-1°-e)** TRAINING: -policies implemented with regard to training; -total number of training hours	Share of the payroll dedicated to training	SOC03	LA10 - LA11	6.4.7
		Number of training hours provided during the year	SOC16	LA10 - LA11	6.4.7
Equal treatment	**I-1°-f)** Equal treatment: -measures undertaken in favour of equality between women and men; -measures taken in favour of the employment and integration of disabled persons; -policy for combating discrimination	Share of women and men in the total staff (Executives / ETAM)	SOC02	LA13	6.3.7
		Number of workers with disabilities	SOC07	LA13	6.3.7
		Share of salaried personnel with a disability	SOC07	LA13 - HR4	6.3.7
Promotion & respect for the ILO conventions	**II-1°-g)** Promoting and respecting the provisions of the International Labour Organisation fundamental conventions relative to: -freedom of association and the right to collective bargaining; -elimination of discriminations regarding employment and professionals; -elimination of forced or mandatory labour; -effective abolition of child labour	*Qualitative information*		HR 4 - HR5 - HR6 - HR7 - HR8 - LA13	6.3.10

III. Consolidated financial statements to 31 December 2013

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Balance Sheet Assets

(in millions of euros)	*Notes*	**31/12/2013**	**31/12/2012**
Intangible fixed assets	*4.1*	72,4	56,6
Investment buildings	*4.2*	375,7	394,4
Tangible fixed assets	*4.3*	56 113,5	49 604,6
Non-current financial assets	*4.4*	596,0	154,7
Derivative instruments	*4.13*	780,6	1 304,8
Deferred tax	*4.5*	3 675,1	3 773,2
Non-current assets		**61 613,2**	**55 288,2**
Customers	*4.6*	824,0	1 003,8
Other debtors	*4.7*	792,9	710,2
Subsidies to be received	*4.8*	2 048,3	1 542,2
Current financial assets	*4.4*	715,8	790,7
Derivative instruments	*4.13*	73,0	54,8
Cash and cash equivalents	*4.9*	3 255,0	2 489,8
Assets held in order to be sold	*4.10*	0,3	11,2
Current assets		**7 709,2**	**6 602,7**
TOTAL ASSETS		**69 322,4**	**61 890,9**

Balance Sheet Liabilities

(in millions of euros)	*Notes*	**31/12/2013**	**31/12/2012**
Capital endowment		9 764,6	9 764,6
Total reserves and results		(11 108,1)	(11 125,4)
Group share of shareholders equity		**(1 343,5)**	**(1 360,8)**
Minority interests		0,0	0,0
Total shareholders equity		**(1 343,5)**	**(1 360,8)**
Non-current provisions	*4.12*	407,5	409,6
Subsidies	*4.11.1*	21 748,5	18 714,1
Non-current financial debts	*4.13*	35 043,3	31 883,7
Derivative instruments	*4.13*	1 674,2	1 927,1
Deferred tax		0,0	0,0
Usage rights granted to the concession holder	*4.20*	1 571,7	786,2
Other non-current liabilities	*4.16*	87,0	98,3
Non-current liabilities		**60 532,2**	**53 819,0**
Current provisions	*4.12*	13,8	49,6
Suppliers	*4.17*	345,8	390,5
Subsidies	*4.11.4*	2 087,9	2 133,3
Other creditors	*4.18*	871,2	756,0
Current financial debts	*4.13*	4 425,9	4 253,4
Other current financial liabilities	*4.19*	2 245,2	1 694,6
Derivative instruments	*4.13*	141,4	153,0
Liabilities related to assets held in order to be sold	*4.10*	2,5	2,5
Current liabilities		**10 133,7**	**9 432,7**
TOTAL LIABILITIES		**69 322,4**	**61 890,9**

Profit and loss statement

(in millions of euros)	*Notes*	31/12/2013 *(12 months)*	31/12/2012 *(12 months)*
Turnover	*5.1*	5 690,2	5 555,7
Operating subsidies	*5.2*	165,3	316,5
Delegated management compensation	*5.3*	(3 193,3)	(3 183,9)
Other network expenses	*5.4*	(168,9)	(178,1)
Duties and taxes	*5.5*	(85,5)	(81,2)
Other operational expenses	*5.6*	(473,7)	(399,1)
Net depreciation allowance and provisions for depreciation of fixed assets		(1 331,8)	(1 257,7)
Net provision allowances for depreciation of current assets		(8,7)	(4,5)
Reversals of investment subsidies	*5.7*	469,4	489,6
Total current proceeds	*5.8*	168,7	196,7
Other current expenses	*5.8*	(23,6)	(38,3)
Current operating income		**1 208,1**	**1 415,6**
Non-current proceeds	*5.9*	0,0	6,1
Non-current expenses	*5.9*	(0,0)	(0,1)
Operating income		**1 208,1**	**1 421,6**
Cost of gross financial indebtedness	*5.10*	(1 199,8)	(1 280,5)
Cash and cash equivalents result	*5.10*	4,4	19,0
Cost of net financial indebtedness	*5.10*	(1 195,3)	(1 261,6)
Other financial proceeds	*5.11*	1,2	5,9
Other financial expenses	*5.11*	(2,6)	(5,4)
Financial result		**(1 196,8)**	**(1 261,0)**
Income tax	*5.12*	(71,2)	(158,5)
Share of earnings accounted for using the equity method		0,3	(0,1)
Net income Total net earnings		**(59,6)**	**2,0**
Minority interests		**0,0**	**0,0**
Net income – Group share		**(59,6)**	**2,0**

Other elements of the overall earnings

(in millions of euros)	31/12/2013	31/12/2012
Net income	**(59,6)**	**2,0**
Variation of the fair value of cash flow hedges	116,2	(308,6)
Tax on other elements of the overall earnings	(39,4)	102,9
Total gains and losses directly recognised in the shareholders equity	**76,9**	**(205,7)**
Overall earnings	**17,3**	**(203,8)**
attributable to owners of the parent	17,3	(203,8)
of which minority interests	0,0	0,0

Gains and losses recognised directly in equity are entirely intended to be recycled through profit or loss.

Cash flow report

(in millions of euros)	*Notes*	**31/12/2013** *(12 months)*	**31/12/2012** *(12 months)*
Cash flow from operational activities			
Net income of the financial year		(59,6)	2,0
Earnings of companies accounted for using the equity method		(0,3)	0,1
Disposable capital gains and losses		(136,2)	(106,3)
Net allowances for amortisations and provisions		1 365,8	1 257,8
Reversal of subsidies		(469,4)	(489,6)
Other calculated proceeds and expenses		(38,8)	(38,3)
Cost of net financial indebtedness	*5.10*	1 195,3	1 261,6
Tax expense (including deferred tax)	*5.12*	71,2	158,5
Internal financing capacity before net financial indebtedness cost and tax		1 928,0	2 045,8
Tax payable		(12,4)	(48,2)
Variation of the working capital requirements linked to the activity	*4.21.1*	246,0	(103,7)
Net cash resulting from operational activities		**2 161,6**	**1 893,8**
Cash flow from investment activities			
Disbursements on acquisitions	*4.21.2*	(5 047,2)	(4 377,7)
Subsidies on fixed assets	*4.21.2*	1 836,3	1 209,1
Variations of the other non-current financial assets		(0,2)	(1,9)
Disposals or reductions of the non-current assets		108,0	92,1
Net cash resulting from investment activities		**(3 102,9)**	**(3 078,4)**
Cash flow from financing activities			
Repayment of financial debts		(4 150,1)	(4 096,5)
Increase of the financial debts		7 453,8	5 968,8
Net financial interest paid		(1 561,7)	(1 635,0)
Variation of the deposits and surety bonds		(124,7)	(228,8)
Variation of the investments		89,9	(740,7)
Net cash resulting from financing operations		**1 707,2**	**(732,2)**
Net variation of the cash and cash equivalents		**765,9**	**(1 916,8)**
Net cash and cash equivalents at the opening		2 484,9	4 401,7
Net cash and cash equivalents at the closing		3 250,8	2 484,9
Change in net cash position		**765,9**	**(1 916,8)**

Report on the change in consolidated shareholders equity

(in millions of euros)	Capital endowments	Total reserves and results	Actuarial gains & losses on personnel benefits	Elements recorded directly in shareholders equity	Group share of shareholder equity	Minority interests	Total shareholders equity
Shareholders equity on 1 January 2012	**9 764,6**	**(10 412,5)**	**(1,1)**	**(510,1)**	**(1 159,1)**	**0,0**	**(1 159,1)**
Overall earnings		1,1	0,9	(205,7)	(203,8)	0,0	**(203,8)**
Other changes			2,1		2,1	0,0	**2,1**
Shareholders equity on 31 December 2012	**9 764,6**	**(10 411,4)**	**1,9**	**(715,9)**	**(1 360,8)**	**0,0**	**(1 360,8)**

(in millions of euros)	Capital endowments	Total reserves and results	Actuarial gains & losses on personnel benefits	Elements recorded directly in shareholders equity	Group share of shareholder equity	Minority interests	Total shareholders equity
Shareholders equity on 1 January 2013	**9 764,6**	**(10 411,4)**	**1,19**	**(715,9)**	**(1 360,8)**	**0,0**	**(1 360,8)**
Overall earnings		(58,3)	1,0	76,9	19,6	0,0	**19,6**
Other changes			(2,3)		(2,3)	0,0	**(2,3)**
Shareholders equity on 31 December 2013	**9 764,6**	**(10 469,8)**	**0,6**	**(639,0)**	**(1 343,5)**	**0,0**	**(1 343,5)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The group consolidated financial statements were closed during the board of directors meeting held on 19 March 2014.

Note 1 - Presentation of the public corporation Réseau Ferré de France (RFF)

Réseau Ferré de France (RFF) is a public corporation of an industrial and commercial nature (EPIC) created by the amended law n°97-135 of 13 February 1997, with retroactive effect to 1 January 1997, the head office of which is located at 92 avenue de France, Paris 75013.

This law and its implementing decrees n° 97-444, 97-445 and 97-446 created RFF in the form of an independent entity, and the owner of the French railway infrastructures previously allocated to the SNCF. The decree of 6 December 2006 confirmed RFF's tasks while clarifying the conditions under which they could be delegated to the SNCF.

Note 2 - Comparability of the financial statements

2.1 Method change

First application of the IFRS 7 amendment on the offsetting of financial assets and liabilities that has been adopted across Europe (EU regulation n°1256/2012 of 13 December 2012 published on 29 December 2012 and amending EC regulation n°1126/2008)

The amendment relates to the information having to be provided with regard to recognised financial assets and liabilities that are offset according to paragraph 42 of IAS 32. It also relates to the information having to be provided on posted financial instruments that are subject to enforceable master netting arrangements or similar agreements. Such information is presented in note 4.15.3.

First application of the IFRS 13 standard for which the valuation principles relate to all elements for which a fair value is calculated. It notably stipulates the risk components having to be included in the fair value of derivatives in view of the market participants, that has been adopted across Europe (EU regulation n°1255/2012 of 11 December 2012 and amending EC regulation n°1126/2008)

The standard relates to the valuation of financial instruments at fair value that must take into account the counterparty's risk of default and, with regard to liabilities, the entity's own credit risk (IFRS 13.42). If the instrument is an asset, its value is adjusted notably in order to consider the counterparty's credit risk (commonly referred to as CVA - Credit Value Adjustment); inversely, if the instrument is a liability, its value is adjusted in order to recognise, amongst other things, the company's own credit risk (DVA - Debit value Adjustment).

This valuation is presented in note 4.15.5.

<u>Application of the new version of the IAS 19 standard "Employee benefits" that was adopted by the European Commission in December 2011 (EU Regulation n°475/2012, published on 5 June 2012)</u>:

a) Actuarial gains and losses relative to personnel benefits for defined benefit plans after employment are now recognised in OCI (Other Comprehensive Income) rather than through profit or loss (IAS 19 R.120).

In compliance with the amendments made to the IAS 19 standard, RFF now applies the recognition of actuarial gains and losses completely in OCI (IAS 19 R.120).

The consequences in the financial statements are the following:

- <u>On the pension commitments</u>:

The impact linked to this first retrospective application is -€0.2 million to 01/01/2013 on the level of the OCI, but neutral on the level of the total shareholders equity.

To 31/12/2012, the total impact of the actuarial gains and losses booked in the financial statements therefore amounted to -€0.2 million versus -€1.1 million to 31/12/2011.

To 31/12/2013, the actuarial gains and losses booked in OCI represent an amount of +€1 million.

- <u>On the working time accounts</u>:

The impact linked to this first retrospective application is +€2.1 million to 01/01/2013 on the level of the OCI, corresponding with the first discounting effect.

To 31/12/2013, the actuarial gains and losses booked in OCI represent an amount of -€0.2 million.

b) The classification rules for personnel benefits between long term and short term have also been reviewed on the basis of the expected payment dates and no longer the dates when the payments could be demanded (IAS 19 R.8).

As such, the commitments relative to working time accounts have been reclassified as long-term benefits since the practices at RFF indicate that the settlement of these benefits only occurs more than 12 months after the due date (IAS 19 R.8).

The impacts linked to this first application are visible on the level of the balance sheet and of the shareholders equity. To 31/12/2012, the discounted amount of the commitments relative to the working time accounts is €5.2 million after a discounting effect of €2.1 million.

Presentation of these 2 impacts on the balance sheet and shareholders equity to 31/12/2012:

Impact on the balance sheet liabilities:

(in millions of euros)	31/12/2012 PUBLISHED	IMPACTS IAS 19	31/12/2012 RETIREMENT
Capital endowment	9 764,6		9 764,6
Total reserves and results	(11 127,5)	2,1	(11 125,4)
Group share of shareholders equity	**(1 362,8)**	**2,1**	**(1 360,8)**
Minority interests	0,0		0,0
Total shareholders equity	**(1 362,8)**	**2,1**	**(1 360,8)**
Non-current provisions	409,6		409,6
Subsidies	18 714,1		18 714,1
Non-current financial debts	31 883,7		31 883,7
Derivative instruments	1 927,1		1 927,1
Deferred tax	0,0		0,0
Usage rights granted to the concession holder	786,2		786,2
Other non-current liabilities	93,1	5,2	98,3
Non-current liabilities	**53 813,8**	**5,2**	**53 819,0**
Current provisions	49,6		49,6
Suppliers	390,9	(0,4)	390,5
Subsidies	2 133,3		2 133,3
Other creditors	762,9	(6,9)	756,0
Current financial debts	4 253,4		4 253,4
Other current financial liabilities	1 694,6		1 694,6
Derivative instruments	153,0		153,0
Liabilities related to assets held in order to be sold	2,5		2,5
Current liabilities	**9 440,0**	**(7,3)**	**9 432,7**
TOTAL LIABILITIES	**61 890,9**	**0,0**	**61 890,9**

<u>Impact on the shareholders equity variation table</u>:

Table published to 31/12/2012:

(in millions of euros)	Capital endowments	Total reserves and results	Elements recorded directly in shareholders equity	Group share of shareholder equity	Minority interests	Total shareholders equity
Shareholders equity on 1 January 2011	**9 764,6**	**(10 636,1)**	**(321,7)**	**(1 193,1)**	**0,0**	**(1 193,1)**
Overall earnings		222,5	(188,5)	34,0	0,0	**34,0**
Other changes				0,0	0,0	**0,0**
Shareholders equity on 31 December 2011	**9 764,6**	**(10 413,6)**	**(510,1)**	**(1 159,1)**	**0,0**	**(1 159,1)**

(in millions of euros)	Capital endowments	Total reserves and results	Elements recorded directly in shareholders equity	Group share of shareholder equity	Minority interests	Total shareholders equity
Shareholders equity on 1 January 2012	**9 764,6**	**(10 413,6)**	**(510,1)**	**(1 159,1)**	**0,0**	**(1 159,1)**
Overall earnings		2,0	(205,7)	(203,8)	0,0	**(203,8)**
Other changes				0,0	0,0	**0,0**
Shareholders equity on 31 December 2012	**9 764,6**	**(10 411,6)**	**(715,9)**	**(1 362,8)**	**0,0**	**(1 362,8)**

Table restated to 31/12/2012 – Shareholders equity to 01/01/2013:

(in millions of euros)	Capital endowments	Total reserves and results	Actuarial gains & losses on personnel benefits	Elements recorded directly in shareholders equity	Group share of shareholder equity	Minority interests	Total shareholders equity
Shareholders equity on 1 January 2011	**9 764,6**	**(10 636,6)**	**0,5**	**(321,7)**	**(1 193,1)**	**0,0**	**(1 193,1)**
Overall earnings		224,1	(1,6)	(188,5)	34,0	0,0	**34,0**
Other changes					0,0	0,0	**0,0**
Shareholders equity on 31 December 2011	**9 764,6**	**(10 412,5)**	**(1,1)**	**(510,1)**	**(1 159,1)**	**0,0**	**(1 159,1)**

(in millions of euros)	Capital endowments	Total reserves and results	Actuarial gains & losses on personnel benefits	Elements recorded directly in shareholders equity	Group share of shareholder equity	Minority interests	Total shareholders equity
Shareholders equity on 1 January 2012	**9 764,6**	**(10 412,5)**	**(1,1)**	**(510,1)**	**(1 159,1)**	**0,0**	**(1 159,1)**
Overall earnings		1,1	0,9	(205,7)	(203,8)	0,0	**(203,8)**
Other changes			2,1		2,1	0,0	**2,1**
Shareholders equity on 31 December 2012	**9 764,6**	**(10 411,4)**	**1,9**	**(715,9)**	**(1 360,8)**	**0,0**	**(1 360,8)**

2.2 *Significant events and transactions*

Correction of the impact of delays in the accounting entry into service on projects delegated to the SNCF

The new automated system for accounting entries into service encountered implementation and then operating difficulties related to the information systems as of April 2012. These difficulties prevented the performance of the accounting entries into service that should have been completed in the operation systems in 2011 and 2012.
To ensure that the financial statements present an image of the economic reality of the entries into service, additional entries were posted in 2011 and 2012:

- Assets entered into service: €8,198.6 million
- Subsidies entered into service: €3,099.3 million

At the same time, depreciation expenses and reversals of corresponding subsidies were posted in 2011 and 2012 for respective amounts of €326.8 million and €131.1 million.

To 31/12/2013, the entries into service were caught up in the information systems in the total amount of €7,794.6 million and €1,980.9 million. At the same time, the depreciation expenses and subsidy reversals were reintegrated into the information system.
To 31/12/2013, additional entries into service once again had to be posted by "OD" in order to account for the efforts to finalise the entry into service files carried out in December 2013. As such, the amounts entered into service are €1,047.9 million for assets and €587.3 million for subsidies. Depreciation expenses and subsidy reversals were also recognised by OD for respective estimated amounts of €24.3 million and €14.1 million.
These entries into service will be regularised in the information systems in the first half of 2014. By 30/06/2014, the accounting entries into service will therefore have been completely regularised in the information systems.

Brétigny-sur-Orge accident

On Friday 12 July 2013, Paris-Limoges train n°3657 derailed in the Brétigny-sur-Orge (Essonne) station. At this point, only the origin of the accident is known. The investigations in order to determine the causes are still in progress. The Bureau d'enquêtes sur les accidents de transports terrestres (BEA-TT) released its progress report in January 2014. This report, that examines the events and their causes, was presented to the SNCF and RFF directors on 13 January 2014. It will be used to strengthen the safety-related actions for the benefit of the rail system. This intermediate document constitutes a technical investigation. Determining liability is the task of the ongoing legal proceedings.

Rail reform

The major outlines of the rail system reform were presented to the Council of ministers on 29 May 2013. The first reading of the draft law will take place on 16 June 2014 in the National Assembly.

Note 3 - Summary of the accounting and assessment principles and methods

3.1 Presentation basis for the financial information

In application of European regulation 1606/2002 of 19 July 2002, the RFF group's consolidated financial statements have been prepared in compliance with the IFRS accounting standards.

For the closing of the 2013 financial statements, the said statements were prepared using the standards adopted by the European Union, the application of which is mandatory, as they are known at the present time and available on the site http://ec.europa.eu/internal-market/accounting/ias-fr.htm #adopted-commission.

The accounting principles and methods adopted in the annual financial statements to 31 December 2013 are identical with the ones used in the annual financial statements to 31 December 2012, with the exception of:

- the initial application of the new version of the IAS 19 standard "Employee benefits" that was adopted by the European Commission in December 2011 (EU Regulation n°475/2012, published on 5 June 2012)
- the initial application of the IFRS 7 amendment on the offsetting of financial assets and liabilities that has been adopted across Europe (EU regulation n°1256/2012 of 13 December 2012 published on 29 December 2012 and amending EC regulation N°1126/2008)
- the initial application of the IFRS 13 standard relative to the risk components having to be included in the fair value of derivatives in view of the market participants, that has been adopted across Europe (EU regulation n°1255/2012 of 11 December 2012 and amending EC regulation n°1126/2008)

These developments are presented in detail in paragraph 2.1

3.2 Recourse to estimates

The preparation of the financial statements in compliance with the IFRS standards implies the use of certain decisive accounting estimates. The RFF management is also required to use its judgment when applying the group's accounting methods.

Based on the economic situation or the adjustment of all of these hypotheses, the amounts listed in the future financial statements could differ from the current estimates. The presented financial statements have been prepared using the best possible estimates, on the basis of the information available on the closing date.

The resulting accounting estimates notably affect the following line items:

- Provision for remediation: the provision amount corresponds with the estimated risk for the group, on the stock identified as having to be cleaned up, on the basis of the information available at the closing, pending an exhaustive inventory of the technical installations and buildings requiring remediation.

- Fair value of derivatives and other financial instruments: the fair value of all financial assets and liabilities is determined at the closing either for recognition purposes or for the purposes of information provided in the appendix (cf. note 4.15).

  Fair value is determined:

  Either using the prices listed on an active market (level 1 according to IFRS 7),

  Or using internal valuation techniques that require the usual mathematical calculation methods and that integrate data observable on the markets (forward prices, yield curves…) (level 2 according to IFRS 7)

  Or using internal valuation techniques that integrate parameters estimated by the Group in the absence of observable data (level 3 according to IFRS 7).

  Prices listed on an active market

  If the prices listed on an active market are available, they are used as a priority in order to determine market value. Marketable securities and certain listed bond loans are valued in this manner.

  Fair values determined using models that integrate observable data on the markets

  Most derivative financial instruments (swaps, caps, floors, etc) are traded on over-the-counter markets in which there are no listed prices. Consequently, their valuation is carried out on the basis of models commonly used by the participants in order to assess these financial instruments.

  Each half-year, the internally calculated valuations for derivative instruments undergo consistency checks with the valuations provided by our counterparties.

  The fair value of listed loans is calculated by discounting the contractual flows using the market interest rate.

  For debts and liabilities under one year and certain variable rate debts and liabilities, the book value is considered to be a reasonable approximation of the fair value given the short settlement timeframes used by the Group.

- Recoverable value of tangible fixed assets: the value in use of infrastructure assets is determined by discounting the future cash flows that require the use of estimates and long-term hypotheses.
- Merited subsidies: the proceeds relating to merited subsidies are calculated according to the progress of the works. The latter is estimated on the basis of the incurred expenses and of the anticipated cost of the projects.
- Investment buildings: these assets are identified in collaboration with the experts from the property and real estate department.
- Deferred tax asset: the recoverable nature of this deferred tax asset is assessed on the basis of long-term hypotheses available on the closing date.

3.3 *Consolidation perimeter and methods*

RFF presents consolidated financial statements, the perimeter of which includes the AIREFSOL company, a 33% owned subsidiary that is consolidated using the equity method.

Entity name	% of interest	% of control	Consolidation method
Réseau Ferré de France	100	100	Parent company
SAS AIREFSOL Energies	33	33	Equitization

3.4 Sector-specific information

Since RFF has only a single business sector located exclusively within the national territory, no analysis of sector-specific information is provided.

3.5 Conversion of foreign currency operations

The consolidated financial statements are presented in euros, the presentation currency of the RFF financial statements. Foreign currency transactions are converted into the functional currency by applying the exchange rate in effect on the transaction date, with impact through profit or loss at the time of the settlement of the transactions.

Foreign currency monetary assets and liabilities are converted using the applicable rate on the accounts closing date. Exchange differences are recognised in the profit and loss statement.

3.6 Related parties

All entities under the control or significant influence of the State, as well as the directors, are related parties.

3.7 Structure of the balance sheet, of the profit and loss statement and of the cash flow table

Balance sheet structure:

Assets and liabilities generated by the normal operational cycle and the ones with a deadline of under one year relative to the closing date are classified as current. This also applies to cash and equivalents, as well as bank overdrafts.

All assets and liabilities that do not meet the aforesaid criteria have been grouped as non-current.

Non-current assets and liabilities held in order to be sold have been presented on a separate line from the assets and liabilities.

Profit and loss statement structure:

The profit and loss statement is presented by nature, and it revolves around the following indicators:

The current operating income:
It includes the expenses and proceeds directly linked to the entity's activities. The headings "operating subsidies" and "other operational expenses" were isolated in order to bring to light firstly the contribution of the State and of the communities in the earnings and, secondly, the group's operating expenses (personnel expenses, studies and other operating expenses).

The operating income:
It corresponds with the current operating income after consideration of the significant non-recurring expenses and proceeds, that do not fall within the framework of the company's current activities.

The financial result:
It corresponds with the cost of the net financial indebtedness, corrected for "other financial expenses and proceeds".

The cost of the net financial indebtedness consists of all of the results produced by the elements comprising the net financial indebtedness during the period, including the results of related rate and exchange hedging:

- interest expenses on financing operations
- results of the rate and exchange hedging on financial indebtedness.

Structure of the cash flow table:

The cash flow table is structured around the internal financing capacity calculated before the cost of the net financial indebtedness and before tax.

The objective of this table is to analyse the cash variation recorded in the balance sheet from one financial year to the next. To this end, the company's activity is divided into three major functions: operational, investment and financing.

The operational activity corresponds with the business line involved in the operation of the infrastructure assets.

The investment activity includes the flows relating to completed investments as well as investment subsidies collected during the period.

The financing activity includes the flows relating to financial activities (in the short, medium and long terms) and with the cost of the disbursed net financial indebtedness.

The cash in the flow table includes the cash and cash equivalents, less any bank overdrafts.

3.8 *Intangible fixed assets*

The intangible assets include acquired or created software programs.

Software programs acquired for valuable consideration are recorded at their acquisition cost, that corresponds with the purchase price plus any accessory expenses needed to put them into service. These costs undergo straight-line amortisation over the estimated usefulness duration of the programs, i.e. 12 months.

Programs developed internally are listed on the asset side at their production cost, provided that they comply with the criteria listed in the IAS 38 standard, and undergo straight-line amortisation over there estimated usefulness duration, i.e. three years.

Subsequent expenditures are capitalised if they increase the future economic benefits of the specific asset to which they relate, and if this cost can be reliably applied against the asset. Costs associated with the development before detailed design of the application and with the operation of the software programs are booked as expenses gradually, as and when they are incurred.

3.9 *Investment buildings*

The investment buildings include the immovable properties held by the group in order to collect rents or to valorise the capital.

Investment buildings are valued at the acquisition cost and subject to straight-line depreciation, over their respective usefulness durations.

As part of the first application of the IFRS standards, their carrying value was determined by using the most appropriate estimate based on the total value of the lands and buildings.

This amount has since been depreciated, and decreased for the value of the disposals.

3.10 *Tangible fixed assets*

The tangible fixed assets primarily consist of the infrastructures of the national railway network. They are valued at their acquisition cost or at their production cost.

The investments involving acquisitions are of little significance.

As part of the creation of RFF on 1 January 1997, the fixed assets contributed by the SNCF were recognised in the amount of 22.5 billion euros.

3.10.1 Production cost

The production booked on a project is capitalized on the asset side of the balance sheet as of the “pre-project” phase, with the preliminary studies continuing to be recognised in the expenses.

The production cost of operations carried out under a RFF-granted mandate consists of the invoicing from companies performing the works, plus the costs for the project ownership and project management.

The production cost of operations carried out through direct project ownership includes the studies, works, real estate acquisitions and compensation, as well as direct operating costs.

The production cost for work carried out through PPP or concession is recognised in keeping with the physical progress of the works on the basis of the completion percentage indicated by the partners or concession holder. It consists of the sum of the value of the fees invoiced by partners or the concession holder, plus the present value of the fees still to be paid, to which the progress percentage is applied.

3.10.2 Depreciation of the fixed assets

For the infrastructure domain, RFF has a nomenclature of components. This nomenclature consists of eleven families broken down into approximately 100 components. Tracks are notably the subject of a detailed approach by UIC group (international indicator of line traffic).

RFF has defined a depreciation period for each component of its nomenclature. Depreciations are calculated using the straight-line method. The durations, defined on the basis of recommendations from technical experts in each study domain, are summarized as shown below:

Nomenclature	Duration
Lands	non-amortised
Development of the lands	30 years
Structures	15 to 50 years
Layout of the structures	10 years
Earthworks	10 years
Tracks	from 20 to 100 years
Electrical energy installations	from 10 to 75 years
Signalling	from 15 to 50 years
Telecommunications	from 5 to 30 years
Level crossings	15 years
Engineering works	from 30 to 70 years

Fixed assets involved in operations are depreciated using the straight-line method, over the following durations:

Nomenclature	Duration
Fittings, general installations	10 years
Office equipment and furnishings	5 to 7 years
IT and telecommunications	3 to 5 years
Cars	5 years

3.11 *Impairment losses of non-financial assets*

The assets are grouped into Cash Generating Units (CGU), with the CGU being the smallest group of identifiable assets, the usage of which generates independent cash inflows. RFF has distinguished two CGUs: one so-called “Infrastructure” CGU, and one so-called “Property” CGU.

3.11.1 Depreciation of infrastructures in service (infrastructure CGU)

With each closing of the financial statements, RFF assesses if there is any indication that assets have lost or gained value. As relevant, an impairment test is carried out.

Indications of lost (or gained) value

RFF has used the following impairment loss indications:

- Evolution of the market rates,
- Obsolescence or physical deterioration of assets not anticipated in the depreciation plans,
- Significant changes in the degree or mode of the asset's usage,
- Significant evolution in the performance of the assets.

The evolution of these indications is measured by the change:

- of the RFF financing rate and therefore of its discounting rate,
- of the amount of future maintenance or renewal expenses,
- of the amount of future tolls,
- of the amount of the future costs of management agreements, or other operating subsidies,
- of the average remaining duration of the assets.

The impairment test involves comparing the net book value of the assets, less the subsidies in service not yet added to the earnings and increased by the balance of deferred tax assets, the balance of fixed assets in the process of renewal net of subsidies and of the operational WCR, with the present value of the future cash flow generated by these assets, to which the residual value of these assets is added.

The recoverable value of the assets of the "Infrastructure" CGU consists of their value in use (there is no net sale price for these assets), i.e. the present value of the estimated future cash flows expected from the continuous usage of these assets and their exit at the end of their usefulness duration.

The multi-year budget construction period allows RFF to prepare cash flow projections based on three budget years. Beyond that, the cash flows are based on the last year's data then projected until 2030, which is the date on which the network is considered to have stabilized as a result of catching up with the renewal delays.

The cash flows also take into account the data contained in the amendment to the performance contract for the 2013 and 2014 periods approved by the Supervisory Ministries as well as the 3-year draft finance law for 2013-2015.

The selected discounting rate is valued using the cost of the resource and of the risks faced by other regulated infrastructure managers that are comparable with RFF; this rate is also corroborated by a valuation model for financial assets that is applied to a target structure towards which RFF could evolve.

If the net book value of the Infrastructure CGU is greater than the present value, then a depreciation is booked. This depreciation is distributed to each of the assets comprising the CGU, in proportion with the net book value of each of these assets within the CGU.

If the net book value of the CGU is lower than the present value of the future cash flow and if a depreciation had initially been booked, then a reversal of the depreciation is carried out equal to the lower of:

- its recoverable value, or

- the book value that would have been determined (net of depreciation) if no impairment loss had been booked during previous periods.

3.11.2 Depreciation of ongoing projects

RFF carries out annual impairment tests on ongoing projects, by comparing their book value with their recoverable value which, in this case, is the value in use. The objective is to materialize the risk of the project's non-completion, which means immobilizing the expenses without creating an asset in the end.

When investments are stopped, the recorded expenses are depreciated in the amount of their recoverable value.

If an exceptional operative event calls the project's outcome into question, the expenses are 100% depreciated.

Depreciations are calculated net of merited subsidies related to the projects in question.

3.11.3 Depreciation of investment buildings (property CGU)

The recoverable value of the assets of the "Property" CGU is equal to the greater of the fair value net of sales expenses and of the value in use.

The assets of this CGU include both plots and buildings. This includes plots (including freight yards) owned by RFF, on which there is no rail activity. These plots include the bare or build-up property. Their fair value net of sales expenses is estimated from:

- their location within a geographical zone,
- a market value per m², that considers the probable usage of the plot after disposal.

With each closing of the financial statements, RFF assesses if there is any indication that assets have lost value. When there is, an impairment test is performed and a provision is booked if relevant.

The indication of the CGU's potential impairment loss is assessed from the anticipated realisation values of the assets in question, drawn from the business plan.

Once calculated and distributed, the depreciation modifies the future amortisation plan of the assets.

If the test leads to a net book value for the CGU that is lower than the recoverable value and should depreciation have initially been booked, then a reversal of the depreciation is carried out in the amount of the recoverable value.

3.12 *Valuation and recognition of financial assets*

In application of the IAS 39 standard, the group's financial assets are classified into one of the four following categories: financial assets valued at fair value through profit or loss, loans and receivables, financial assets available for sale and financial assets held until maturity. This classification is dependent on the reasons behind their acquisition.

When initially recognised, financial assets are valued at their fair value plus the directly attributable transaction costs. For assets valued at their fair value through profit or loss, the transaction costs are recorded directly in profit or loss.

Financial assets are booked on the transaction date.

Financial assets at fair value through profit or loss:

This category includes:

a) money market UCITS, negotiable debt instruments and other cash proceeds that are the subject of a fair value option. This last option is justified by the fact that these instruments are managed as fair value, and that the result of this management is the subject of a report to the general management.
b) derivatives not qualified as hedges (transaction derivatives). This involves derivatives acquired as part of hedging exchange and rate risks, but that do not meet the efficiency criteria imposed by the IAS 39 standard (cf. § 3.13.4).

These financial assets are valued at fair value and the variations are recognised through profit or loss.

Loans and receivables:

This category includes non-derivative financial assets that have fixed and determined payments, and that are not listed on an active market. In the group, this involves operating receivables as well as deposits and paid surety bonds.

Short-term receivables are recorded at fair value, corresponding with the discounted estimated future cash flows. This value is equal to their face value if the discounting effect is not considered to be significant.

Long-term receivables are added to the balance sheet at their fair value, then later valued using the effective interest rate method. When the discounting effect remains insignificant, these receivables are treated in the same manner as short-term receivables, with possible posting of a provision for impairment should the book value be greater than the estimated recoverable value. A provision reversal is possible in case of objective indications of improvement. Note 3.15 provides additional information on the calculation of the provisions for depreciation.

These receivables are recognised in the balance sheet in the customers and similar accounts and other debtors line items.

Financial assets available for sale:

These assets include non-consolidated equity securities. They are valued at their fair value, with unrealised capital gains or losses being recorded in the shareholders equity until their disposal.

However, in case of an objective indication of permanent impairment of a financial asset available for sale, the total loss is booked in profit or loss, irreversibly for equity instruments.

For non-listed equity securities, if the fair value cannot be reliably estimated, their value remains the acquisition cost that is corrected for possible permanent impairments. Impairments of equity securities posted at their cost are irreversibly recognised in profit or loss.

These equity securities are booked in the balance sheet on the line item “Non-current financial assets”.

Financial assets held to maturity:

These assets are exclusively fixed or determinable revenue securities with fixed maturities, other than loans and receivables that are acquired with the intention of retaining them until maturity, and that RFF is able to retain until this date. After their initial fair value recognition, they are valued and booked at the amortised cost according to the effective interest rate method.

To 31/12/2013, RFF had not classified any financial asset in this category.

3.13 *Asset and Liability derivative instruments.*

3.13.1 Scope

RFF manages the market risks related to variations of interest rates and exchange rates through the use of derivative financial instruments, notably interest rate swap contracts, options on interest rate swap contracts, foreign exchange contracts, currency swap contracts and exchange options.

3.13.2 Valuation and recognition

Derivative instruments are booked in the balance sheet at their fair value and variations are recorded through profit or loss except in the case of derivatives qualified for cash flow hedging.

This fair value is determined from market data coming from external sources, or from models developed internally and recognised by market participants.

The qualification or not of a derivative as a hedge instrument results in different methods for recognising the fair value variations determined at the closing.

Derivative financial instruments qualified as a hedge are apportioned as current or non-current in the assets or liabilities according to their maturities. Derivative instruments not qualified as a hedge are presented in the current financial assets or current financial liabilities.

3.13.3 Derivatives qualified as hedges

The group applies hedge accounting when the hedge operation is a designated derivative for which it is expected that the fair value or cash flows are compensating for the fair value or cash flow variations of the hedged element. The hedging relationship is clearly defined and documented on the date of the operation’s set-up, and its highly efficient nature is demonstrated by tests at the time of each accounting closing for as long as it remains in effect. Upon the set-up of the hedge and throughout its lifespan, the documentation updated at the time of each closing guarantees its highly efficient nature.

Derivative financial instruments used for hedging are apportioned as current or non-current in the assets or liabilities according to their maturities.

The group uses two types of hedges: fair value hedging and cash flow hedging.

Fair value hedging:
This is intended to hedge the exposure to the risk of fair value variation of an asset, a liability or a firm commitment that would affect the net income.

Fair value variations of the hedged element are recorded in the profit and loss statement and neutralized by the symmetrical fair value variations of the derivative instrument. The net impacts in profit or loss thereby translate the share of the inefficiency of the hedge.

Cash flow hedging:
Its aim is to hedge the value variations of the future flows attached to existing assets or liabilities or to a future highly probable transaction that would affect the net income. The derivative serves to “lock in” the exchange rate or price that was originally likely to vary.

The share of the gain or loss on the derivative considered to be efficient is recorded in shareholders equity then recycled in profit or loss at the time when the hedged element affects the profit and loss statement. The hedge’s inefficient part, that corresponds with the surplus fair value variations of the hedge instrument relative to the fair value variations of the hedged element, is immediately booked in profit or loss.

The hedging relationship immediately ends when:

- the qualification conditions are no longer met;
- the derivative instrument is sold or expires;
- the group decides to discontinue the hedge designation after a management decision;
- for cash flow hedging, the future expected transaction ceases to be probable.

3.13.4 Derivatives not qualified as hedges

The group primarily uses derivative instruments to protect against the risks to which it is exposed, in compliance with the risk management policy authorised by the RFF board of directors.

Derivatives not qualified as hedges consist partly of hedge instruments for management purposes, but that are not qualified as such due to a management decision, in order to simplify the accounting treatment. This is the case of forward exchange operations that cover the short-term debt. Similarly, certain embedded derivatives cannot be qualified as hedge instruments. Most of them, however, nevertheless provide an economic hedge. Finally, certain operations originally qualified as hedges no longer meet the hedging criteria once they reach a maturity close to their due date, and are then disqualified.

These derivative instruments are valued at fair value and presented in other assets or financial liabilities, while the fair value variations are immediately recorded in the profit and loss statement.

3.13.5 Embedded derivatives

An embedded derivative is a component of a contract that meets the definition of a derivative product, the economic characteristics of which are not closely tied to that of the host contract. An embedded derivative must be separated from its host contract and booked according to the rules applicable to derivatives if and only if the three following conditions are met:

- the embedded derivative's economic characteristics and risks are not closely linked to the host contract's economic characteristics and risks;
- the embedded derivative meets the definition of a derivative according to the IAS 39 standard, and
- the combined contract is not valued at fair value through the profit and loss statement.

Several embedded derivatives have been identified in the RFF financial debts. Certain embedded derivatives have been separated from their debt contract and have been valued at their fair value in the balance sheet, with the value variations being recognised in profit or loss. Other embedded derivatives have not been split off and are qualified as cash flow hedges with value variation in shareholders equity for the efficient part in compliance with IAS 39 (§11 and AG33).

A non-optional embedded derivative (such as an over-the-counter futures contract or an embedded swap) is separated from its host contract on the basis of its essential provisions, declared or implicit, such as to have a nil fair value at the time of the initial recognition. An embedded derivative based on an option is separated from its host contract on the basis of the declared terms of the option component. The host instrument's initial book value (debt at amortised cost) is the residual amount after separation of the embedded derivative.

3.14 *Deferred tax*

Temporary differences between the fiscal basis of the assets and liabilities and their book value as well as the tax loss carryforwards in the consolidated financial statements result in the recognition of deferred tax according to the liability method. No deferred tax is recorded if it results from the initial posting of an asset or liability related to a transaction, that during this operation has no impact of the accounting result nor on the taxable income.

Only the realisation of a probable future taxable profit that will then allow the charging of the temporary differences and the tax loss carryforwards, results in the recognition of deferred tax assets.

The effect of a change of the tax rate is booked in the net income for the year or in the shareholders equity, depending on the element to which it relates.

Deferred taxes are classified as non-current assets and liabilities.

3.15 *Customers and similar accounts - Other debtors*

When entered in the balance sheet, receivables are valued at their fair value that corresponds with the face value, other than long-term ones for which the discounting effects are significant. Receivables are then valued using the effective interest rate method. An impairment loss is booked as soon as the inventory value is lower than the book value.

Receivables are amortised according to the risk of non-recovery, based on individual and statistical analyses.

The other receivables recorded under the "other debtors" heading primarily consist of tax and social security debts, receivables on asset disposals, and SNCF current accounts.

3.16 *Cash and cash equivalents*

The cash includes the cash on hand and bank deposits at sight.

For their part, cash equivalents include very short-term and very liquid investments that are easily convertible into a known amount of cash and subject to a negligible risk of value change, such as money market UCITS and deposit certificates for which the maturity on the acquisition date is less than three months. These securities are booked at their fair value with fair value variations in the financial result (cf. § 3.12).

3.17 *Capital endowment*

As a public corporation of an industrial and commercial nature, RFF does not have any capital in the legal sense of the term, nor shares, nor does it pay dividends.

At the time of its creation, RFF had 0.86 billion euros of equity capital in accounting terms, a sum corresponding with the valuation differential between assets and liabilities. The State then increased this initial capital by means of additional contributions until early 2003. On 31 December 2012, the total amount of the capital endowments was equal to 9.8 billion euros.

3.18 *Total reserves and results*

This heading consists of the retained earnings, convertible reserves, conversion reserves and the results of the financial year.

One part of the reserves records the fair value variations, booked since inception, of the financial assets available for sale and of the cash flow hedge instruments (only for the efficient part of the cash flow hedges for ongoing operations).

3.19 *Provisions*

The group posts provisions when three conditions are met:

- The group is required by a legal or implicit obligation that results from past events;
- An outflow of resources will probably be necessary at the time of the discharge of the no-counterparty obligation that is at least equivalent;
- The provision amount can be reliably estimated.

3.19.1 Provision for remediation and environmental risks

The company has set up asbestos removal programmes within its assets as well as a remediation programme involving the decontamination or removal from the railway domain of items containing polychlorinated biphenyls (*PCB*) as well as the elimination of creosote-treated railway sleepers. The provisioned amount is the best estimate of the expenditure that could be necessary in order to discharge the obligation, discounted on the closing date when the impact of the discounting proves to be significant.

3.19.2 Other provisions

All identified risks are reviewed on a regular basis. The employed provisions are reversed in the profit and loss statement as a counterpart for the corresponding expenses.

3.20 *Personnel benefits*

RFF has "defined contribution" as well as "defined benefit" retirement plans.

In the first case, the establishment pays fixed contributions to an independent entity. Once these contributions have been paid, it has no other payment commitment. The contributions are recorded in personnel expenses as soon as they have to be paid.

In the second case, the RFF employees have no defined benefit plans other than the legal or contractual plans, i.e. the retirement lump sum benefits and the working time accounts.

Retirement lump sum benefits:

The liability listed in the balance sheet in this regard is equal to the present value of the group's obligation to the employees on the assessment date. This obligation is calculated using the projected unit credit method and is based on assumptions for the evolution of the wages, mortality rates, retirement age and personnel turnover.

The discounting rate of the future payments is determined with reference to the Bloomberg 20-year swap rate.

The actuarial gains and losses related to experience or generated by adjustment of the actuarial hypotheses are entirely booked in the shareholder's equity.

Working time accounts:

The liability listed in the balance sheet uses the same assessment rules as the one used for determining the retirement lump sum benefit obligation. The actuarial gains and losses determined at the time of this calculation are entirely booked in the shareholder's equity.

3.21 Subsidies

RFF receives two major types of subsidies: subsidies received in connection with the financing agreements for investment projects signed with third parties (State, Local authorities, Regions, ...) and the ones allocated by the Finance Law and notified by the State.

a) Subsidies received in connection with financing agreements for investment projects signed with third parties:

They follow the same accounting rule as expenses:

- they are recorded in the profit and loss statement in the specific revenue account "operating subsidies" in order to cover operational expenses (general studies, preliminary studies),

- they are recorded on the liabilities side of the balance sheet in "subsidies" as non-current liabilities when they cover capitalised expenditures. These subsidies are then transferred to the profit and loss statement at the same rhythm as the amortisations applied to the fixed assets in service. For non-depreciable plots, RFF uses the average depreciation duration for the assets attached to these plots.

The payment provisions for these subsidies differ according to the investment projects and the payer's identity. They are paid according to a schedule included in the financing agreement or according to the actual progress of the works.

With each accounting closing and for each project, the calls for complete subsidies are compared with the amount of the posted expenses. Adjustments are then carried out and recorded either on the asset side in "subsidies to be called", or on the "subsidies" line item of the current liabilities for "subsidies called in advance". These adjustments then make it possible to post the "merited subsidy".

"Merited subsidies" relative to PPP or concession contracts are recognised in the same manner according to the percentage of completion of the works, as a reflection of the posting of the production in progress (cf. paragraph 3.10).

b) Public subsidy allocated by the Finance Law and notified:

This is a flat-rate subsidy, intended to contribute to the Establishment's financial equilibrium. It is booked as an operating subsidy.

This subsidy allocated by Parliament is recorded in the balance sheet on 1 January of the year to which it relates for the amount approved in the Finance law at the end of the previous financial year, as notified by letter from the supervisory authorities. It is booked in the profit and loss statement on a straight-line basis.

3.22 Valuation and recognition of financial liabilities

Other than liability derivative instruments and liabilities valued at fair value through profit or loss, financial liabilities are initially valued at fair value then at the amortised cost while using the interest rate method.

Financial debts:

The loans issued by RFF are initially recognised at their fair value, i.e. for the amount of the collected funds net of the transaction cost and issuance premiums. They are then booked at their amortised cost by using the effective interest rate method with possible separation of the embedded derivatives.

For foreign currency debts, the application of the effective interest rate method is performed with the cash flows in foreign currencies. At the time of each closing, the amortised cost is converted at the closing price.

Loans are classified as non-current financial debts and current financial liabilities for the part having a maturity of under 1 year. Bank loans and overdrafts are classified as current financial liabilities.

When the issued financial liability includes an embedded derivative having to be booked separately, then the amortised cost is calculated only on the debt component. On the issue date, the value of the amortised cost corresponds with the proceeds of the obligation less the fair value of the embedded derivative (cf. § 3.13.5).

RIF loans:

The group receives subsidized rate loans from the Ile de France region. These loans are booked at fair value at inception (present value of the contractual flows discounted at RFF's normal market financing rate) and the difference with the received cash is treated as a subsidy. The market rate loan is then booked using the amortised cost method, and the subsidy is transferred to the earnings on a straight-line basis over the average amortisation duration of the financed assets (approximately 30 years).

Other non-current liabilities:

The other non-current liabilities primarily include deposits and surety bonds received from customers in connection with occupancy agreements.

Other current financial liabilities:

These liabilities include the share of the long-term debt at under one year, as well as the short-term issues.

3.23 Suppliers and related accounts / other creditors

Suppliers and related accounts:

This heading includes the commercial debts. These debts are recorded at their fair value. Debts bearing interest at a different rate from the market rate are discounted when the effect of this discounting is significant.

Other creditors:

The other creditors include the tax and social security liabilities, advances on fixed asset disposals, expenses attributable to the current financial year but that will not be paid until afterwards, as well as proceeds collected in advance. These debts are recorded at their fair value.

3.24 Non-current assets and liabilities held in order to be sold

Article 63 of the 2006 Finance Law makes it possible to classify RFF's real estate assets as not useful for its railway public service missions, as defined in article 1 of the law of 13 February 1997, and to transfer their full ownership to a company held by the State in order to ensure their valorisation. These transfers are performed in exchange for compensation equal to the net book value of the transferred assets, assessed at the closing of the last financial year prior to the transfer.

Assets for which a disposal decision has been made by the Board of Directors are classified under the heading "Assets held in order to be sold" and are subject to a specific accounting treatment in application of the IFRS 5 standard.

The liabilities relating to these assets are presented separately in the balance sheet under the heading “Liabilities relating to assets held in order to be sold”.

The amortisation of these assets ceases upon the date of their classification in this category.

3.25 Lease contracts

Financing lease:
Assets financed through finance lease contracts are listed in the tangible fixed assets from the moment that these contracts serve to transfer, to the lessee, virtually all of the risks and benefits inherent to the ownership of the leased assets, with the transfer of ownership possibly occurring or not, in the end. These assets are amortised over their usefulness duration or over the lease contract duration, when it is shorter. A debt is booked on the liabilities side in consideration thereof. The fees paid pursuant to these contracts are divided between the amortisation of the debt and the financial expense.

At the present time, the main financing leases involve photocopiers and company cars.

Operating lease:
Lease contracts for which the lessor retains the bulk of the risks and benefits inherent to ownership are classified as operating leases. The rents are posted in the profit and loss statement.

3.26 Turnover

The turnover is primarily made up of service providing, generated by the railway activity, and is recorded at the time of the performance of the services. These infrastructure break down into access duties, reservation duties for train paths, reservation duties for station access, and circulation duties. In addition to these minimal railway services, there are also additional services, namely the supplementary electricity fee and the supplementary services relative to combined transportation worksites, for usage for marshalling purposes, when parked on certain tracks as well as for the usage of the tracks in the “Futuroscope” station.

In addition to these services are the sales of supplies that primarily correspond with sales and recovery of old materials.

The turnover also includes proceeds other than traffic, consisting of the proceeds from the occupancy of the Property CGU’s assets.

Note 4 - Supplementary information relative to the balance sheet

4.1 Intangible fixed assets

The net value of the intangible fixed assets to 31 December 2013 can be analysed as follows:

Analysis table of intangible fixed assets				
(in millions of euros)	Operational programs	Internally developed programs	Intellectual property rights	Total
Closing as at 31 December 2012				
Cost	40,5	70,8	25,0	136,3
Total amortisations	(39,4)	(35,2)	(5,1)	(79,7)
Total depreciations				
Net book value	1,1	35,6	19,9	56,6
Closing as at 31 December 2013				
Net book value at the opening	1,1	35,6	19,9	56,6
Acquisitions	3,1	29,8	0,0	32,9
Production				
Disposals				
Foreign currency adjustments				
Reclassification	0,2	(0,2)		0,1
Depreciation allowance	(2,0)	(7,9)	(5,0)	(15,0)
Releases on amortisations				
Reversal upon disposal				
Releases on amortisations				
Revaluation difference				
Variation				
Change of methods				
Restructuring				
Additions to the perimeter				
Change of mode (old mode)				
Change of mode (new mode)				
Variation of the integration rate				
Interest rate increase				
Withdrawals from the scope of consolidation				
Other movements	(0,0)	(2,2)		(2,2)
Net book value at the closing	2,4	55,1	14,9	72,4
Closing as at 31 December 2013				
Cost	43,8	98,3	25,0	167,1
Total amortisations	(41,4)	(43,1)	(10,1)	(94,6)
Total depreciations				
Net book value	2,4	55,1	14,9	72,4

The amount of the intangible investment expenses for the 2013 financial year consists of €29.8 million of capitalised production on IT projects.

4.2 Investment buildings

The rental proceeds from investment buildings are equal to €82.4 million in 2013, versus €82.9 million in 2012. The direct operational expenses for managing the properties amount to €100.6 million in 2013 versus €101.9 million in 2012, including for the share relative to the management of disposals.

Given the valuation method for investment buildings (cf. 3.9), it is not possible to give a market value for each of the assets in this category, as recommended in paragraph 79.e of the IAS 40 standard.

Analysis table of investment buildings

(in millions of euros)	Investment buildings
As at 1 January 2012	
Cost	422,2
Total amortisations	(14,5)
Total depreciations	
Net book value	407,7
Financial year closed on 31 December 2012	
Net book value at the opening	407,7
Acquisition	(13,7)
Disposals	1,5
Reclassification and transfer to assets held for sale	0,0
Depreciation allowance	(1,5)
Releases on amortisations	
Reversal upon disposal	0,3
Other movements	
Net book value at the closing	394,4
As at 31 December 2012	
Cost	414,2
Total amortisations	(19,9)
Total depreciations	
Net book value	394,4
Closing as at 31 December 2013	
Net book value at the opening	394,4
Disposals	(17,6)
Acquisition	0,0
Reclassification and transfer to assets held for sale	0,0
Depreciation allowance	(1,7)
Releases on amortisations	
Reversal upon disposal	0,6
Other movements	
Net book value at the closing	375,7
as at 31 December 2013	
Cost	396,7
Total amortisations	(21,0)
Total depreciations	
Net book value	375,7

4.3 Tangible fixed assets

4.3.1 Table of tangible fixed assets

The net value of the tangible fixed assets to 31 December 2013 can be analysed as follows:

Analysis table of tangible fixed assets					
(in millions of euros)	Lands, buildings and fittings	Earthworks, tracks, engineering works and level crossings	Technical installations, electrification, telecom	Assets under construction	Total
As at 1 January 2012					
Cost	6 662,6	33 977,1	8 426,6	8 556,3	57 622,6
Total amortisations	*(330,8)*	*(7 685,3)*	*(4 079,4)*		*(12 095,6)*
Total depreciations	*0*			*(70,8)*	*(71,1)*
Net book value	6 331,5	26 291,7	4 347,2	8 485,6	45 455,9
Financial year closed on 31 December 2012					
Net book value at the opening	6 331,5	26 291,7	4 347,2	8 485,6	45 455,9
Acquisitions	0,2	84,4	8,4		93,1
Production				5 300,1	5 300,1
Disposals	0,0		(0,2)	(2,6)	(2,8)
Foreign currency adjustments					0,0
Reclassification for commissioning and transfer to assets held for sale	46,7	2 871,9	154,5	(3 074,5)	(1,4)
Depreciation allowance	(76,0)	(861,1)	(304,9)		(1 242,0)
Releases on amortisations	1,7		0,2		1,8
Allocations to provisions for depreciation	(0,1)			0,0	(0,1)
Reversals of provisions for impairment				0,0	0,0
Other movements	0,0	0,0	0,0		0,0
Net book value at the closing	6 304,0	28 386,9	4 205,2	10 708,5	49 604,6
As at 31 December 2012					
Cost	6 709,5	36 933,3	8 589,4	10 779,3	63 011,6
Total amortisations	(405,1)	(8 546,5)	(4 384,1)		(13

					335,8)
Total depreciations	(0,4)			(70,8)	(71,2)
Net book value	6 304,0	28 386,9	4 205,2	10 708,5	49 604,6
Discrepancies					
Closing as at 31 December 2013					
Net book value at the opening	6 304,0	28 386,9	4 205,2	10 708,5	49 604,6
Acquisitions	3,0	81,6	6,8		91,4
Production				7 718,5	7 718,5
Disposals	(5,9)	(10,2)	(32,5)	0,0	(48,6)
Foreign currency adjustments					0,0
Reclassification for commissioning and transfer to assets held for sale	700,7	5 907,7	1 428,7	(8 026,5)	10,6
Transfer from item to item		(7 150,7)		7 150,7	
Depreciation allowance	(96,3)	(841,0)	(380,9)	(11,2)	(1 329,4)
Releases on amortisations			0,7		0,7
Allocations to provisions for depreciation					0,0
Reversals of provisions for impairment				58,3	58,3
Other movements	(0,3)	25,0	(11,1)	(6,2)	7,3
Net book value at the closing	6 905,1	26 399,3	5 216,9	17 592,2	56 113,5
as at 31 December 2013					
Cost	7 496,1	35 697,7	9 981,2	17 615,9	70 790,9
Total amortisations	(503,7)	(9 463,7)	(4 764,4)	0,0	(14 731,7)
Transfer from item to item		78,4			78,4
Total depreciations	(0,4)	0,0	0,0	(23,7)	(24,1)
Net book value	6 992,0	26 312,4	5 216,9	17 592,2	56 113,5

The “item to item transfer” line includes the impact of all of the regularisation “OD” pursuant to making up for the delays with the accounting entries into service.
The amount of the research expenses recorded as a charge (IAS 38.126) was €66 million in 2013, versus €60.6 million in the 2012 financial year.

<u>Production of fixed assets</u>

The total amount of the expenses for tangible investments for 2013 is equal to €7,809.9 million.

This amount includes:

- €7,718.5 million of investment expenses, consisting of:

- ❖ €7,716.7 million of expenses on infrastructure investment projects
  - including €3,542.1 million of mandated production (including €0.6 million for the DCF activity)
  - including €742.9 million of direct production
  - including €111 million of capitalization of interest excluding PPP relative to the said production
  - including €3,320.7 million of production relating to PPP and concessions (GSMR €171.2 million, BPL €827.3 million, SEA €2,143.7 million and CNM €178.5 million)
- ❖ €0.2 million of increased advances pursuant to real estate reserves
- ❖ €1.6 million of agent expenses relative to real estate and property management

- €91.4 million of other acquired investment expenses
  including €81.8 million of infrastructure investment

4.3.2 Entries into service

The amount of the tangible fixed assets put into service is primarily related to the additional "catch-up" explained in the paragraph "Significant events".

The other entries into service relate to:

- €5.1 million of projects through delegated project ownership excluding SNCF
- €60.5 million of projects through direct project ownership
- €83.7 million pursuant to the GSMR PPP
- €73.8 million of loan cost forms
- €1.3 million pursuant to investments for the DCF activity
- €8.6 million for operations and other

4.3.3 Recoverable value of the asset in service on the closing date and depreciation

Infrastructure CGU

An impairment test was performed on 31/12/2013.

Change of estimate: the horizon beyond which the cash flows are projected in order to calculate the terminal value was deferred from 2025 to 2030, at which point the consistency of the network should be stabilized. This offset is related to the renewal trajectory for the network anticipated as part of the Great Network Modernization Project ordered by the deputy minister for transportation and the sea, released on 19 September 2013. The consequence of this offset is an increase of the network's value by €8.8 billion.

The value is also dependent on the long-term inflation rate used in order to project the flows beyond 2030 as part of the terminal value calculation. The sensitivity is in the area of +€0.9 billion per increase of 10 basis points of inflation. It is recalled that the inflation rate projected until 2030 is the railway inflation rate.

The other structuring hypotheses regard the pricing of the freight activity, that would at least make it possible to cover its marginal cost in parallel with the stability of this activity's volume.

Adopted discounting rate: 5.5% after tax, no change relative to 31/12/2012. A rate change of +/- 0.1% results in a variation of -/+ €1 billion of the discounted value of the flows.

The network's value in use is equal to €38.8 billion for a reference net book value on 31/12/2013 of €31.9 billion.

Property CGU

RFF has seen no indication that this CGU's assets had lost any value.

4.3.4 Depreciation table for assets under construction

(in millions of euros)	Amount of aggregated expenses to 31/12/2013	Amount of depreciations to 31/12/2012	Allowances	Reversals	Amount of depreciations to 31/12/2013
Dormant projects	32,5	26,8	11,2	(14,3)	23,7
Port rail lines fixed assets under construction	0,0	43,9		-43,9	0,0
Other	0,0	0,5			0,5
Total	**32,5**	**71,2**	**11,2**	**(58,2)**	**24,1**

4.4 Current and non-current financial assets

(in millions of euros)	31/12/2013 Current	31/12/2013 Non-current	31/12/2013 Total	31/12/2012 Current	31/12/2012 Non-current	31/12/2012 Total	Variation Total
Financial assets available for sale (1)	0,0	0,5	**0,5**	0,0	0,5	**0,5**	0,0
Long-term receivables and deposits paid	0,0	5,9	**5,9**	0,0	5,8	**5,8**	0,2
Receivables on financial asset assignment	64,3	7,8	**72,1**	31,6	6,4	**38,0**	34,1
Current accounts	1,5	0,0	**1,5**	18,7	0,0	**18,7**	(17,3)
Other financial assets	650,5	583,9	**1 234,3**	740,6	144,7	**885,2**	349,1
Total gross financial assets	**716,3**	**598,1**	**1 314,3**	**790,9**	**157,4**	**948,2**	**366,1**
Provisions	**(0,5)**	**(2,0)**	**(2,5)**	**(0,2)**	**(2,6)**	**(2,8)**	**0,3**
Total financial assets	**715,8**	**596,0**	**1 311,8**	**790,7**	**154,7**	**945,4**	**366,4**

(1) this heading only includes RFF's equity interest in the Simplified Joint Stock Company Lyon Turin Ferroviaire

The long-term receivables and deposits paid are valued at the amortised cost. This amortised cost is considered to represent the best estimate of the fair value of these assets.

Other current financial assets:

This line includes the NDI maturing in more than 3 months at inception, for €650.5 million to 31/12/2013.

Other non-current financial assets:

On 31/12/2013, the financial assets included €583.9 million of subsidies still to be called for PPP projects, including €444.6 million for the BPL project and €139.3 million for CNM.
These financial assets represent the subsidies to be received by RFF from the State, that will allow it to reimburse its debts firstly to Eiffage for BPL, and secondly to Oc'Via for CNM. These subsidies will be received as of 2017.
At the same time, RFF has booked financial debts for the same amounts that it will also have to reimburse as of 2017 (cf. § 4.11.1).
The amount of €583.9 million represents the progress of the projects to 31/12/2013.

The relations with subsidiaries are shown in the following table:

	% of the capital held
SAS Lyon Turin Ferroviaire	50%
ERTMS EEIG	16,67%
S2IF EIG	50%
EEIG SEA Vitoria Dax	50%
RFC2 EEIG	49%
EEIG RFC6	20%
NAF GCT EEIG	50%
CFM4 EEIG	33%

The equity interest in the SAS Lyon-Turin-Ferroviaire was valued at the historical cost to the extent that this involves a company in the process of development, the operation of which has not yet begun. Its fair value can therefore not be reliably determined.

The net income of the SAS Lyon-Turin-Ferroviaire is nil for the 2013 financial year; the capitalised production for the period is €78.2 million. The company's shareholders equity is equal to €693.6 million on 31/12/2013. No impairment loss was recorded to 31/12/2013.

As a founding director, RFF participated in the creation of the RAILENIUM Scientific Cooperation Foundation. The SCF was created by the decree of 26 October 2012, and its purpose is to define and implement a common cooperation policy in the field of rail transport infrastructures.

As a founding director, RFF has firstly committed to endowing this Foundation with €2.84 million over five years, including a total of €1.4 million paid in 2012 and 2013, and secondly an additional commitment of resources of €0.8 million over 2 years starting in 2015.

Details of current account balances relative to subsidiaries and equity interests:

(in millions of	31/12/201		31/12/201
LT	(27.5		17.
AIREFSOL ENERGIES	0.		0.
CIE	0.		0.
CEIE VITORIA DAX	0.		0.
CEIE NAFCCT	(0.1		0.
CEIE	0.		0.0

4.5 Deferred tax

(in millions of euros)	Deferred tax assets
Deferred tax as at 31/12/2012	**3 773,2**
Deferred tax on 2013 earnings	(58,8)
Deferred tax on OCI 2013 variation	(39,4)
Deferred tax as at 31/12/2013	**3 675,1**

The recognition in profit or loss of an expense of €58.8 million results primarily from the impact of the IAS 23 standard with capitalization of interest for €48 million, and from the usage of the tax deficit for €11.5 million.
The deferred tax booked in the reserves results primarily from value changes of the financial instruments posted in the OCI.

Despite the lengthening of the time limit for using the loss carryforwards as a result of the measures in the finance laws for 2012 and 2013, RFF feels that the deficit may be totally used up by an estimated horizon of 2035.
This estimate is based on the business plan that is notably used for the performance of the impairment tests on the assets, and the estimates of future net financial expenses. The prospects resulting from the ongoing reform of the railway system have not been entirely integrated into RFF's financial trajectory. The integration of the latter elements would result in the deficit being used up more quickly.

4.6 Customers

The net value of the trade receivables can be analysed as follows:

	31/12/2013	31/12/2012

(in millions of euros)		
Tolls	783,8	960,6
Proceeds excluding traffic	25,2	28,2
Other	44,3	47,9
Provisions	(29,3)	(32,9)
Net value of customers and related accounts	**824,0**	**1 003,8**

The decrease of this line item primarily results from the Customer tolls item for €176.8 million.

This is due primarily to the collection in 2013 of the receivables relative to the 20% advance of the reservation fee for the 2012 and 2013 financial years.

Impairment of receivables

The impairments changed as shown below:

(in millions of euros)	31/12/2012	Allowances	Reversals		31/12/2013
			Used	Unused	
Tolls	**15,3**	2,1	1,2	1,3	**14,9**
Proceeds excluding traffic	**17,0**	5,9	5,1	3,6	**13,9**
Other	**0,6**	0,2	0,0	0,4	**0,6**
Receivables on financial asset disposals	**2,8**	1,4	0,0	1,7	**2,5**
Provision for doubtful receivables	**35,7**	**9,5**	**6,3**	**7,1**	**31,8**

The €31.8 million include the provision on trade receivables for €29.3 million, and the provision resulting from receivables on asset disposals for €2.5 million.

4.7 *Other debtors*

These receivables include the following elements:

(in millions of euros)	Tax and social debts	Prepaid expenses	Other debtors	Total other debtors
Gross value as at 31/12/2012	344,5	6,3	359,4	710,2
Provisions				
Net value as at 31/12/2012	**344,5**	**6,3**	**359,4**	**710,2**
Gross value as at 31/12/2013	478,2	5,7	309,0	792,9
Provisions				
Net value as at 31/12/2013	**478,2**	**5,7**	**309,0**	**792,9**

Most of the receivables under this heading have a due date of under one year.

4.7.1 Tax and social debts

(in millions of euros)	31/12/2013	31/12/2012
VAT credit reimbursement request	96,1	80,9
VAT to be regularised	222,4	150,1
Deductible VAT	124,9	113,4
Tax-related receivables	34,8	0,0
Receivables involving the personnel	0,0	0,1
Total	**478,2**	**344,5**

The increase of the tax and social debts primarily involves the VAT having to be regularised on the Unissued Invoices.

4.7.2 Prepaid expenses

(in millions of euros)	31/12/2013	31/12/2012
Other, including rents and expenses	5,7	6,3
Total	**5,7**	**6,3**

4.7.3 Other debtors

(in millions of euros)	31/12/2013	31/12/2012
Supplier credit notes to be received and advances	305,6	319,9
Other sundry debtors	3,4	39,5
Total	**309,0**	**359,4**

The change of this line item relative to 2013 can primarily be explained by the evolution of the sums paid in advance relative to the actual progress of the BPL and CNM PPP projects.

4.8 Subsidies to be received

The subsidies to be received consist of the following:

(in millions of euros)	31/12/2013	31/12/2012
Subsidies to be collected	1 194,2	838,2
Subsidies to be called	890,0	727,2
Provisions for impairment	(35,8)	(23,2)
Total	**2 048,3**	**1 542,2**

The increase of the subsidies to be collected primarily results from the SEA concession contract, i.e. €567.2 million to 31/12/2013 versus €270.8 million to 31/12/2012, to the extent that RFF is the intermediary between the financiers and the concession holder LISEA.

4.9 Cash and cash equivalents

(in millions of euros)	31/12/2013	31/12/2012	Variation
Banks (euro accounts) and cash on hand	28,4	58,7	(30,3)
Banks (foreign currency accounts) and cash on hand	0,0	0,0	0,0
Cash on hand and demand deposits	**28,4**	**58,7**	**(30,3)**
Money market OEIC	1 173,6	1 187,6	(14,0)
NDI and ICNE on NDI	2 053,0	1 243,5	809,5
Cash equivalents	**3 226,6**	**2 431,1**	**795,5**
Cash and cash equivalents in the balance sheet	**3 255,0**	**2 489,8**	**765,3**
Bank overdrafts in euros	1,4	4,2	(2,9)
Bank overdrafts in foreign currencies	0,3	0,6	(0,3)
Bank overdrafts repayable on sight	**1,7**	**4,8**	**(3,1)**
Net cash and cash equivalents	**3 253,4**	**2 485,0**	**768,4**

4.10 Non-current assets held for sale and related liabilities

To 31/12/2013, the assets declared as useless for railway purposes and that are to be sold have a net value of €0.3 million, and relate to the Eole Rosa Parks Station project.

Tranche 3 of the Batignolles project that primarily accounts for the amount of €11.2 million to 31/12/2012, was sold in 2013.

4.11 Subsidies

4.11.1 Summary of the non-current subsidies

(in millions of euros)	31/12/2013 Subsidies put into service	Subsidies in progress	Total	31/12/2012 Subsidies put into service	Subsidies in progress	Total
Subsidies on assets under construction		7 828,2	7 828,2		3 889,8	3 889,8
Net subsidies put into service	10 162,0		10 162,0	10 973,2	(36,8)	10 936,4
Subsidies on preferential rate loans	16,3		16,3	17,4		17,4
Reversal of subsidy on lands put into service	36,4		36,4	28,3		28,3
Subsidies of renewal	3 705,6		3 705,6	3 767,4	74,8	3 842,2
Total	**13 920,3**	**7 828,2**	**21 748,5**	**14 786,4**	**3 927,8**	**18 714,1**

4.11.2 Subsidies on fixed assets put into service

(in millions of euros)	Net amount on 31.12.2012	Entries into service of subsidies during the financial year	Transfer from item to item	Share of subsidy transferred to profit or loss	Net amount on 31.12.2013
Lands, buildings and fittings	945,1	308,7	0,0	(57,5)	1 196,3
Earthworks, tracks, engineering works and level crossings	8 568,5	1 252,7	(2 473,2)	(214,2)	7 133,8
Technical installations, electrification, telecom	1 459,5	516,3	0,0	(144,2)	1 831,7
Intangible fixed assets	0,1	0,2	0,0	(0,1)	0,2
Total	**10 973,2**	**2 078,0**	**-2 473,2**	**-416,0**	**10 162,0**

The “item to item transfer” column includes the impact of all of the regularisation “OD” pursuant to making up for the delays with the accounting entries into service.

4.11.3 Subsidies on assets under construction

The amount of the merited subsidies, relative to assets under construction, is based on the progress of the works.

The merited subsidy to 31/12/13 is equal to €7,828.2 million, of which €1,957.5 million of investment subsidies relative to the SEA PPP project.

(in millions of euros)

Gross amount as at 31/12/2012	Increase	Commissioning	Transfer from item to item	Reclassification	Gross amount as at 31/12/2013
3 889,8	3 513,4	-2 078,0	2 511,9	(8,8)	7 828,2

Subsidy for renewal and bringing up to standards

Since the overhaul of the State subsidies that took effect on 01/01/2009, RFF no longer receives a renewal subsidy. However, RFF is continuing with the implementation of the subsidies received in previous years, that have not yet been put to use.

- *Gross renewal subsidy*

(in millions of euros)	Subsidy for the year	Amount recognised in 2004	Amount recognised in 2005	Amount recognised in 2006	Amount recognised in 2007	Amount recognised in 2008	Total amount recognised
2 004	900,0	675,0	225,0				900,0
2 005	900,0		675,0	225,0			900,0
2 006	970,0			970,0			970,0
2 007	985,2				985,2		985,2
2 008	805,2					805,2	805,2
Gross total	**4 560,4**	**675,0**	**900,0**	**1 195,0**	**985,2**	**805,2**	**4 560,4**

- *Usage of the renewal subsidy*

(in millions of euros)

Commissioning year	Commissioning date	Recovery duration	Amount in service	Total recovery	Net amount on 31.12.2013
2 004	01/07/2004	38	675,0	(159,9)	515,1
2 005	25/03/2005	42	573,9	(113,0)	460,9
2 006	09/05/2006	42	878,4	(149,5)	728,9
2 007	21/03/2007	35	734,2	(131,8)	602,4
2 008	17/04/2008	33	68,8	(11,1)	57,7
2 009	17/01/2009	42	844,4	(120,4)	724,0
2 010	22/01/2010	38	435,5	(73,0)	362,5
2 011	01/01/2011	51	20,5	(1,4)	19,1
2 012	01/01/2012	28	254,8	(25,4)	229,4
2 013	01/01/2013	41	74,8	(69,2)	5,6
Total			**4 560,4**	**(854,8)**	**3 705,6**

- *Net renewal subsidy*

(in millions of euros)	Gross amount	Total recovery 31/12/2013	Total recovery 31/12/2012	Net amount on 31.12.2013
Subsidy on fixed assets put into service	4 560,4	(854,8)	(718,1)	3 705,6
Subsidy on assets under construction	0,0		0,0	0,0
Total	**4 560,4**	**-854,8**	**-718,1**	**3 705,5**

4.11.4 Current subsidies

The subsidies listed in the current liabilities correspond with the subsidies called in advance.

(in millions of euros)	31/12/2013	31/12/2012
Subsidy operations called in advance	167,1	139,6
Subsidy operations called in advance	1 920,8	1 993,7
Total	**2 087,9**	**2 133,3**

4.12 Provisions

4.12.1 Current / non-current distribution

(in millions of euros)	31/12/2013			31/12/2012		
	current	non-current	Total	current	non-current	Total
-Disputes	12,0	283,5	295,5	5,9	284,1	290,0
-Tax and social charges	0,0	0,0	0,0	40,4	0,0	40,4
-Remediation and environmental risks	1,8	113,3	115,1	3,3	114,7	118,0
-Provisions for personnel benefits	0,0	10,6	10,6	0,0	10,4	10,4
-Equitized securities	0,0	0,0	0,0	0,0	0,3	0,3
Provisions	**13,8**	**407,5**	**421,3**	**49,6**	**409,6**	**459,1**

4.12.2 Change of the provisions

(in millions of euros)	31/12/2012	Allowances	Reversals		31/12/2013
			Used	Unused	
Provisions for contingencies and charges					

-Disputes	290,0	19,8	4,3	10,0	295,5
-Tax and social charges	40,4	0,0	40,4	0,0	0,0
-Remediation and environmental risks	118,0	1,1	4,0	0,0	115,1
-Provisions for personnel benefits	10,4	0,4	0,2	0,0	10,6
-Equitized securities	0,3				0,0
Provision for contingencies and losses	**459,1**	**21,4**	**48,9**	**10,0**	**421,3**

The provisions for contingencies and losses relate to:
- environmental risks,
- disputes affecting firstly the infrastructure-related activities, and secondly the activities related to property management,
- fiscal risks that are currently the subject of a litigation procedure.

Despite the updates of provisions carried out in 2013, it should be recalled that uncertainty remains regarding the valuation of the amount of two specific provisions:

- Disputes regarding the flooding in Arles in December 2003: the litigation expertise procedure is in progress. RFF has booked a provision for expenses on the basis of the amount of the damages known on the closing date of the financial statements, for the share that it will likely have to pay.

- Remediation and environmental risks: the provision recognised on the closing date is calculated on the basis of the knowledge, on this date, of the assets having to be treated; this provision will have to be updated as RFF continues with its efforts to identify the programmes to be implemented, and to quantify the corresponding remediation costs.

Moreover, since 2012, RFF has undertaken an initiative to identify and quantify the open land installations, platforms, walkways and underground passages within the Stations perimeter that are likely to include an asbestos risk, even though this perimeter does not fall within the scope of the current regulations. Entrusted to a specialised service provider, this mission is ongoing.

The provision for personnel benefits is analysed in § 4.12.3.

4.12.3 Personnel benefits

a/ Change of the obligation's present value

(in millions of euros)

Commitments on 31.12.2012	**10,4**
Cost of services rendered over the period	1,5
Interest expense on bond	0,3
Actuarial losses and gains	(1,0)
Paid services	(0,5)
Plan reduction or liquidation	
Other	
Commitments on 31.12.2013	**10,6**
Non-recognised actuarial gains & losses	
Established provisions	10,6

Main hypotheses for the calculation of the bond's discounted value

	31/12/2013	31/12/2012
Rate of salary increases	2,00%	2,50%
Rate of social security charges	47,00%	48,00%
Discounting rate	2,55%	2,21%
Turnover	3,28%	3,18%

b/ Expenses relative to the personnel long-term benefits

(in millions of euros)	31/12/2013	31/12/2012
Wages and salaries	(81,0)	(74,7)
Welfare contributions	(35,2)	(33,3)
Pensions plans - plans with defined contributions	(6,9)	(6,8)
Retirement expenses – defined benefit plans		
Other post-employment benefits		
Expenses relative to the personnel long-term benefits	**(123,1)**	**(114,8)**

c/ OCI special reserve account relative to the personnel long-term benefits

(in millions of euros)	31/12/2013	31/12/2012
Provision - CET	0,7	1,3
Welfare contributions - CET	(0,1)	0,6
OCI reserve account - Actuarial gains & losses	**0,6**	**1,9**

4.13 Net financial indebtedness

The net financial indebtedness, as defined by the Group, corresponds with the loans and financial debts less the cash and cash equivalents, as well as the fair value of the asset derivatives, and plus the fair value of liability derivatives.

(in millions of euros)	Note	31/12/2013			31/12/2012		
		current	non-current	total	current	non-current	total
Financial debt (2)	4.14	4 425,9	35 043,3	39 469,2	4 253,4	31 883,7	36 137,1
Cash and cash equivalents	4.9	(3 255,0)		(3 255,0)	(2 489,8)		(2 489,8)
NDI to maturity > 90 d at inception	4.4	(650,5)		(650,5)	(740,7)		(740,7)
Subtotal nonfinancial debt before consideration of derivatives		**520,4**	**35 043,3**	**35 563,7**	**1 022,9**	**31 883,7**	**32 906,6**

Asset derivatives (1)	4.15.3	(73,0)	(780,6)	(853,5)	(54,8)	(1 304,8)	(1 359,5)
Liability derivatives (1)	4.15.3	141,4	1 674,2	1 815,5	153,0	1 927,1	2 080,1
Total net financial debt		**588,8**	**35 936,9**	**36 525,7**	**1 121,1**	**32 506,1**	**33 627,2**

(1) primarily allocated to the debt

(2) including bank overdrafts

4.14 Financial debts

The financial debts break down in the following manner:

(in millions of euros)	Note	31/12/2013 Current	31/12/2013 Non-current	31/12/2013 Total	31/12/2012 Current	31/12/2012 Non-current	31/12/2012 Total
RFF long-term debt		2 913,4	33 854,6	**36 768,0**	2 443,7	30 683,3	**33 127,0**
SNCF long-term debt		30,4	1 188,7	**1 219,1**	450,8	1 200,4	**1 651,2**
Short-term debt		1 482,1	-	**1 482,1**	1 358,9	-	**1 358,9**
Financial debt		**4 425,9**	**35 043,3**	**39 469,2**	**4 253,4**	**31 883,7**	**36 137,1**

4.14.1 RFF long-term debt

RFF turns to the international capital markets in order to cover its long-term financing needs primarily in the form of bond issues and private investments and, to a lesser degree, loans obtained from lending institutions and/or local authorities.

The long-term resources raised by RFF in 2013 represented a total amount of €4.9 billion, consisting of 30 operations carried out on the bond markets, denominated in euros and pounds sterling.

The total amount of new issues in 2013 includes the book value of private investments for €1,450.2 million in public issues for which the details are given in the following table.

(in millions of euros)			31/12/2013		
Loan type	**Nominal amount**	**currency**	**due date**	**rate**	**Balance sheet balance**
Bond loans :					
EMTN RFF 4.375% 02-06-2022	100,0	EUR	02/06/2022	4.375	118,3
EMTN RFF 3.125% EUR 25-10-2028	1 000,0	EUR	25/10/2028	3.125	1 001,5
EMTN RFF 2.375% 23-12-2015 £	175,0	GBP	23/12/2015	2.375	215,8
EMTN RFF 4.25% 07-10-2026	1 100,0	EUR	07/10/2026	4.25	1 289,6
EMTN RFF 5% 10-10-2033	300,0	EUR	10/10/2033	5	380,3
EMTN RFF 4.50% 30-01-2024	750,0	EUR	30/01/2024	4.5	934,1
					3 939,6

The characteristics of the RFF borrowings to 31/12/13 are the following:

	Amount
Bond loans	28 942,4
Other borrowings	6 937,4
PPP and GSMR debt	888,2
TOTAL	36 768,0

Bond loans :

(in millions of euros)

Loan type	Nominal amount	currency	due date	rate	margin	Balance sheet balance
TOTAL CAD BOND 4.70% 01-06-2035	276,60	CAD	01/06/2035	4,7		221,95
Total EMTN RFF 2% 12-11-2026 CHF	150,00	CHF	12/11/2026	2		122,52
Total EMTN RFF CHF 2% 24-11-2034	100,00	CHF	24/11/2034	2		81,34
Total EMTN RFF CHF 2.625% 10-03-2031	125,00	CHF	10/03/2031	2,625		110,76
Total EMTN RFF CHF 2.625% 11-03-37	130,00	CHF	11/03/2037	2,625		115,49
Total EMTN RFF CHF 2.875% 26-02-21	300,00	CHF	26/02/2021	2,875		274,31
Total EMTN RFF CHF 3% 24-04-2019	450,00	CHF	24/04/2019	3		386,61
Total RFF 3.25% 30-06-2032 - CHF -	250,00	CHF	30/06/2032	3,25		213,66
Total EMTN - RFF 6 % 12-10-2020	2 000,00	EUR	12/10/2020	6		2 044,66
Total EMTN - RFF 4.625 % 17-03-2014	1 900,00	EUR	17/03/2014	4,625		1 974,32
Total EMTN RFF 3.125% EUR 25-10-2028	1 000,00	EUR	25/10/2028	3,125		1 001,51
Total EMTN RFF 4.25% 07-10-2026	3 600,00	EUR	07/10/2026	4,25		3 936,92
Total EMTN RFF 4.375% 02-06-2022	2 600,00	EUR	02/06/2022	4,375		2 691,43
Total EMTN RFF 4.45% 27-11-2017	1 300,00	EUR	27/11/2017	4,45		1 329,38
Total EMTN RFF 4.50% 30-01-2024	3 750,00	EUR	30/01/2024	4,5		4 140,31
Total EMTN RFF 5% 10-10-2033	3 100,00	EUR	10/10/2033	5		3 380,88
Total RFF OAT IPCH 28-02-2023	2 000,00	EUR	28/02/2023	2,45		2 504,39
Total EMTN - RFF 5.25 % 31-01-2035 £	475,00	GBP	31/01/2035	5,25		626,28
Total EMTN - RFF 5.5 % 01-12-2021 £	800,00	GBP	01/12/2021	5,5		891,11
Total EMTN - RFF 5.2028 % 25-07-12 £	650,00	GBP	07/12/2028	5,25		767,07
Total EMTN RFF 2.375% 23-12-2015 £	625,00	GBP	23/12/2015	2,375		757,05
Total EMTN RFF 4.83% 25-03-2060 £	550,00	GBP	25/03/2060	4,83		691,42
Total EMTN RFF 5% 11-03-2052 £	550,00	GBP	11/03/2052	5		679,06
General total						28 942,41

(in millions of euros)

Loan type	Nominal amount	currency	average maturity	Balance sheet balance
	550,00	**CHF**	2020	476,13
	4 932,90	**EUR**	2037	5 045,52
	302,22	**GBP**	2037	306,41
	300,00	**HKD**	2022	29,03
	50 000,00	**JPY**	2022	358,66
	500,00	**NOK**	2032	62,59
	250,00	**USD**	2016	192,99
Private borrowings				**6 471,33**
EIB loan	425,14	**EUR**	2019	**425,30**
RIF loan	47,70	**EUR**	2028	**43,16**
Syndicated loan	1 250,00	**EUR**	2017	**-2,40**
		General total		**6 937,39**

The BPL and CNM loan lines relate to the Brittany Pays de Loire and the Nimes Montpellier Bypass PPPs. They represent RFF's debt to its partners that are pre-financing part of the projects. RFF will have to reimburse these debts as of 2017. The progress of the projects to 31/12/2013 represents €583.8 million.
It should be noted that the reimbursement of these RFF debts will be financed by the State as of 2017 according to the same payment schedule.

4.14.2 SNCF long-term debt

Upon the RFF's creation on 1 January 1997, a debt of €20.5 billion relative to the SNCF was transferred and listed in the RFF liabilities.

Currency	Interest rate face value	Nominal foreign currency amount	Average maturity	Value in the balance sheet
EUR	Variable	236,9	2017	235,3
	Fixed	613,2	2023	634,6
	Inflation			
GBP	Fixed			
	Variable	104,4	2016	125,2
CHF	Fixed	271,0	2016	224,1
	Variable			
Total SNCF loans				**1 219,1**

The overall amortised cost amount of the SNCF debt is €1,219.1 million on 31/12/2013.

4.14.3 Short-term debt

To manage its cash, RFF uses both domestic and international short-term financing instruments in the form of "Treasury Bills" and "Commercial Papers", thereby providing it with diversified access to liquid financial resources. Foreign currency negotiable debt instruments are hedged by means of foreign exchange swaps.

Amounts by maturity and currency to 31/12/2013:

Currency	Total amount in millions of euros	Maturity 0 to 6 months	Maturity 6 to 12 months	Maturity in more than 1 year
AUD	0,1	0,1	0,0	
EUR	76,3	76,3	0,0	
USD	1 106,2	1 106,2	0,0	
GBP	299,6	299,6	0,0	
	1 482,1	**1 482,1**	**0,0**	

The short-term debt raised by RFF in 2013 represented average outstandings of 1.6 billion euros.

4.15 Management of financial risks and derivative instruments

RFF is exposed to the following risks related to the usage of financial instruments:

- market risks:
  - rate risk
  - exchange risk
- liquidity risks
- credit and counterparty risks

The management of the operations and financial risks within RFF is strictly governed by the “intervention principles and limits on the capital markets” set down by the Board of directors. This document notably describes the guidelines of the financing, cash and overall debt management policy, the management principles and authorised limits for the rate, exchange and counterparty risks, the optimisation operations, the authorised instruments, the amounts of the ceilings of the financing programmes, the investment supports, the delegations of powers granted by the board of directors as well as the granted signature delegations.

RFF also has a compendium of procedures that outlines the controls to be performed, as well as their implementation provisions, in order to provide daily assurance of the adequacy of the negotiated operations relative to the defined principles and limits, and relative to the target debt structure. At the same time, RFF prepares various weekly or monthly reports in order to report on the completed operations and the results of the verifications.

4.15.1 Management of the exchange risk

As part of its strategy that aims to diversify its access to resources and to optimise its financing cost, RFF issues foreign currency loans that are subject of exchange hedging. As such, the foreign currency flows (main and interest) are hedged by exchange derivatives in order to convert this debt into euros.

RFF’s exchange position as a notional amount can be summarized in the following manner on the closing date of the financial statements:

31/12/2013	**USD**	**GBP**	**YEN**	**HKD**	**CHF**	**CAD**	**NOK**
debts denominated in foreign currencies	250,0	3 971,1	50 000,0	300,0	2 326,0	276,6	500,0
foreign exchange derivative	250,0	3 971,1	50 000,0	300,0	2 326,0	276,6	500,0
net foreign currency exposure	0,0	0,0	0,0	0,0	0,0	0,0	0,0

31/12/2012	**USD**	**GBP**	**YEN**	**HKD**	**CHF**	**CAD**	**NOK**
debts denominated in foreign currencies	570,0	3 773,5	50 000,0	300,0	2 326,0	276,6	500,0
foreign exchange derivative	570,0	3 773,5	50 000,0	300,0	2 326,0	276,6	500,0
net foreign currency exposure	0,0	0,0	0,0	0,0	0,0	0,0	0,0

The exchange prices used for the main foreign currencies at the time of the closing are the following:

ECB price	**31/12/2013**	**31/12/2012**
AUD	1,5423	1,2712
CAD	1,4671	1,3137
CHF	1,2276	1,2072
GBP	0,8337	0,8161
HKD	10,6933	10,226
YEN	144,72	113,61
NOK	8,363	7,3483
USD	1,3791	1,3194

An instantaneous 10% increase or decrease of the euro relative to foreign currencies, on 31 December 2013, would have a significant impact in profit or loss and in the shareholders equity in view of the set-up of exchange hedging, with all other things being equal.

4.15.2 Management of the rate risk

To guard against interest-rate risks and to optimise its financial expenses over a medium-term horizon, RFF has defined a target indebtedness structure on the basis of:

- efficient rate structures (distribution between fixed rate, variable rate and inflation-indexed) that optimise the "cost expectancy / risk" couple
- a maximum variable rate share that serves to limit the additional financial expense in case of an increase of the rates to a level that is bearable for RFF.

As such, within this management framework, RFF is striving to have an impact either on the type of indexing of its financing (fixed rate, variable, inflation-indexed), or through operations involving derivative products within the limits set by its Board of Directors.

On the closing date, the main characteristics of the rate exposure after consideration of the rate and exchange derivatives are the following:

(in millions of euros)	31/12/2013	31/12/2012
Euro fixed rate debts	28 777,2	24 936,0
Inflation-indexed euro debts	2 015,2	1 980,4
Euro variable rate debts (as net of cash equivalents)	3 883,0	5 708,9
PPP loan	888,2	281,4
TOTAL	**35 563,7**	**32 906,7**

The details of the foreign exchange and rate derivative instruments hedging the debt are given in note 4.15.3

The interest rate risk is defined by the IFRS 7 standard as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes to the market interest rates. As such, non-derivative fixed rate instruments are subject to an exchange risk if they are posted at fair value in the balance sheet through profit or loss. Similarly, non-derivative fixed rate instruments (not hedged) posted at the amortised cost are not subject to a rate risk.

Sensitivity of financial instruments to interest rate risks

The sensitivity analysis on the cash flow for variable rate instruments was performed while taking into account all variable flows of non-derivative instruments and of derivative instruments. Derivative instruments not qualified for accounting purposes as a hedge as well as embedded derivatives separated from their debts result in a certain volatility of the financial result. The details of the derivatives not qualified as a hedge are given in note 4.15.3.

On the other hand, the value change of derivatives qualified as cash flow hedges generates a certain volatility of the shareholders equity.

The analysis is performed while supposing that the amount of the debt and financial instruments in the balance sheet to 31 December remains constant over one year.

Given the relatively low market rates in 2013, RFF decided to perform its sensitivity analyses of the basis of a rate change of +/- 50 basis points.

An interest rate variation of +50/(-50) basis points on the closing date would have resulted in an increase (decrease) of the shareholders equity and of the earnings equal to the amounts indicated below. For the purposes of this analysis, all other variables, in particular exchange rates, are presumed to remain constant. Using the same basis, a similar analysis is provided for 2012.

Summary of rate impacts (Amounts in millions of euros)		**as at 31 December 2013**				**as at 31 December 2012**			
		Earnings		**Shareholders equity**		**Earnings**		**Shareholders equity**	
		Impact after variation of the interest rates of		**Impact after variation of the interest rates of**		**Impact after variation of the interest rates of**		**Impact after variation of the interest rates of**	
Instrument type		**+50 pb**	**-50 pb**	**+50 pb**	**-50 pb**	**+50 pb**	**-50 pb**	**+50 pb**	**-50 pb**
Derivatives qualified as fair value hedges		-17,0	17,9	0,0	0,0	-28,8	30,0	0,0	0,0
Debts qualified as fair value hedges		25,2	-26,3	0,0	0,0	39,1	-40,7	0,0	0,0
Total inefficiency of the fair value hedge	**(a)**	**8,2**	**-8,4**	**0,0**	**0,0**	**10,4**	**-10,7**	**0,0**	**0,0**
Inefficiency of cash flow hedging		5,0	-5,5	0,0	0,0	7,0	-7,8		
Derivatives qualified as cash flow hedges		0,0	0,0	523,5	-586,4	0,0	0,0	633,5	-713,7
Total impact of cash flow hedge	**(b)**	**5,0**	**-5,5**	**523,5**	**-586,4**	**7,0**	**-7,8**	**633,5**	**-713,7**
Derivatives qualified as Trading	(c)	1,1	-1,4	0,0	0,0	0,9	-1,3	0,0	0,0
Variable rate debts (including the short-term debt)	(d)	-38.9	38.9	0,0	0,0	-44,7	44,7	0,0	0,0
Investment and cash equivalents	(e)	13.5	-13.5	0,0	0,0	9,9	-9,9	0,0	0,0

The sensitivity is measured in the following manner:

(a) The inefficiency of the fair value hedging due to value changes of the hedged element and of the hedge instrument

(b) The inefficiency of the cash flow hedge and the impact on the shareholders equity (OCI) due to value changes of the hedge instrument

(c) The incidence of the offset of the yield curve on the derivatives for which hedge accounting is not applied

(d) The incidence of the offset of the cash flow yield curve (expense or proceeds) on the variable rate loans or fixed rate loans converted after variable rate hedging

(e) The incidence of the offset of the cash flow yield curve (proceeds or expense) on the cash equivalents

4.15.3 Accounting position of derivative financial instruments

To hedge its exposure to rate and exchange risks, RFF uses derivative instruments that are, for accounting purposes, qualified as hedges or not.

The main derivatives used are interest rate swap contracts, options on interest rate swap contracts, future swap contracts, currency swap contracts and exchange options.

The fair value of the derivative instruments listed in the balance sheet breaks down as follows:

(In millions of euros)	2013				2012			
	Assets		Liabilities		Assets		Liabilities	
	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
Derivatives qualified as hedges								
Fair value hedges								
Interest rates	46,1	109,6	-	-	26,7	229,2	-	-
Exchange and interest rate	-	318,5	4,7	71,3	-	591,2	-	8,1
Cash flow hedge								
Interest rates	-	81,9	-	316,7	-	67,5	-	420,7
Exchange and interest rate	8,2	270,5	-	1 286,1	7,1	416,9	-	1 498,4
Total derivatives qualified as hedges	**54,3**	**780,6**	**4,7**	**1 674,2**	**33,8**	**1 304,8**	**-**	**1 927,1**
Derivatives and forward forex transactions not qualified as hedges								
Interest rates	4,2	-	10,9	-	5,7	-	15,4	-
Exchange and interest rate	4,0	-	48,9	-	0,6	-	19,3	-
Embedded derivatives	10,5	-	76,9	-	14,6	-	118,3	-
Total derivatives and forward foreign currency transactions not qualified as hedges	**18,7**	**-**	**136,7**	**-**	**21,0**	**-**	**153,0**	**-**
Total derivatives	**73,0**	**780,6**	**141,4**	**1 674,2**	**54,8**	**1 304,8**	**153,0**	**1 927,1**

As part of the application of the amendment to IFRS 7, the following tables present the fair value of the foreign exchange or rate derivative instruments used by the RFF group, purchased within the framework of master agreements that include an enforceable overall netting clause.

on 31/12/2013 in millions of euros	Gross amounts	Amounts offset in the balance sheet	Net amounts shown in the balance sheet	Amounts not offset in the balance sheet		Net amounts
	A	**B**	**C= B-A**	**Derivative instruments (D)**	**cash collateral (E)**	**F= C-D-E**
Derivative financial instrument assets	853,5	0,0	853,5	759,4	66,1	28,0
Derivative financial instrument liabilities	1 815,5	0,0	1 815,5	759,4	0,0	1 056,1

on 31/12/2012 in millions of euros	Gross amounts	Amounts offset in the balance sheet	Net amounts shown in the balance sheet	Amounts not offset in the balance sheet	Net amounts

	A	B	C= B-A	Derivative instruments (D)	cash collateral (E)	F= C-D-E
Derivative financial instrument assets	1 359,5	0,0	1 359,5	1 121,7	123,0	114,9
Derivative financial instrument liabilities	2 080,1	0,0	2 080,1	1 121,7	0,0	958,4

Fair value hedging

RFF uses euro rate swaps or foreign currency swaps with the objective of hedging the fair value variations of a financial debt or of a financial receivable.

The derivatives used for hedging purposes break down in the following manner:

	2013			
	Value in the balance sheet in €M		**Foreign currency notional amount**	
Derivatives qualified as fair value hedges	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Fixed rate / variable rate swaps				
Euro/Euro	155,7	-	2 450,0	
Cross Currency Swaps fixed rate / variable rate				
JPY/Euro	12,4	26,1	7 000,0	18 000,0
GBP/Euro	42,6	43,4	450,0	400,0
USD/Euro	5,4	-	100,0	-
CHF/Euro	247,5	-	1 241,9	-
CAD/Euro	10,7	-	132,6	-
HKD/EUR	-	1,8	-	300,0
NOK/Euro	-	4,8	-	500,0
	474,2	**76,0**		

	2012			
	Value in the balance sheet in €M		**Foreign currency notional amount**	
Derivatives qualified as fair value hedges	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Fixed rate / variable rate swaps				
Euro/Euro	255,9	-	2 964,0	
Cross Currency Swaps fixed rate / variable rate				
JPY/Euro	42,9	7,9	19 000,0	6 000,0
GBP/Euro	132,4	-	850,0	-
USD/Euro	12,0	-	100,0	-

CHF/Euro	358,5	-	1 241,9	-
CAD/Euro	39,6	-	132,6	-
HKD/EUR	-	0,2	-	300,0
NOK/Euro	5,8	-	500,0	-
	847,1	**8,1**		

Cash flow hedge

RFF uses euro rate swaps or foreign currency swaps or a combination of foreign currency swaps and euro rate swaps with the objective of hedging the variations of the contractual flows of the debts. Moreover, RFF uses euro rate swaps in order to hedge future issues.

The contractual flows of derivatives are paid symmetrically with the contractual flows of the debts, and the deferred amount in the shareholders equity is recognised through profit or loss over the period during which the debt's interest flow impacts the earnings. In case of pre-hedging of a future debt, the results from the hedge instrument are recognised through profit or loss over the period during which the issued debt's interest flow impacts the earnings.

On the closing date, the derivatives used to hedge cash flows break down in the following manner:

	2013										
	Fair value in the balance sheet in €M		**Foreign currencies notional amount**								
Derivatives qualified as cash flow hedges	**Assets**	**Liabilities**	**Assets**	**Liabilities**	**Cash flow derivative hedge reserve**	**< 6 months**	**6 months to 1 year**	**1 to < 5 years**	**5 to < 10 years**	**10 to < 20 years**	**> 20 years**
Lender variable rate / borrower fixed rate in euros swaps	81,3	91,0	1 672,9	1 220,1	(59,7)	(0,4)	(7,5)	(25,1)	(8,7)	(15,8)	(2,3)
Lender fixed rate / borrower fixed rate in euros swaps	0,7		120,0		0,7	0,0	0,1	0,2	0,3	0,1	0,0
Cross Currency Swaps variable rate / fixed rate											
GBP	7,6	72,3	50,0	104,4	(18,9)	(2,7)	(5,6)	(11,2)	0,4	0,2	0,0
USD											
Cross Currency Swaps fixed rate / fixed rate											
AUD											
CHF	106,3	1,2	731,0	100,0	(12,5)	0,4	(1,2)	(2,2)	(4,1)	(4,9)	(0,4)
GBP	61,5	1 168,9	650,0	1 975,0	(808,0)	(16,2)	(20,0)	(140,9)	(162,7)	(228,1)	(240,0)
JPY	-	17,3	-	25 000,0	(5,2)	0,0	(0,8)	(3,2)	(1,2)	0,0	0,0
USD	-	16,1	-	150,0	1,4	4,0	(5,4)	2,8	0,0	0,0	0,0
Cross Currency Swaps fixed rate / variable rate + Variable rate / fixed rate swap											

CAD	11,6	15,9	144,0		(14,6)	(0,6)	(0,0)	(2,7)	(3,3)	(6,6)	(1,3)
GBP	26,9	201,1	219,0	125,0	(64,5)	(2,2)	0,4	(7,8)	(15,3)	(35,4)	(4,1)
USD											
CHF	64,7	18,9	253,2		10,5	1,2	0,5	6,7	2,1	0,0	0,0
Future issues of pre-hedging operations					15,3	(2,0)	(2,0)	6,7	8,2	4,4	0,0
	360,6	**1 602,8**			**(955,4)**						

	2012										
	Fair value in the balance sheet in €M		**Foreign currencies notional amount**								
Derivatives qualified as cash flow hedges	**Assets**	**Liabilities**	**Assets**	**Liabilities**	**Cash flow derivative hedge reserve**	**< 6 months**	**6 months to 1 year**	**1 to < 5 years**	**5 to < 10 years**	**10 to < 20 years**	**> 20 years**
Lender variable rate / borrower fixed rate in euros swaps	67,5	114,6	1 172,9	1 250,1	(108,4)	0,9	(7,9)	(26,0)	(20,8)	(37,1)	(17,4)
Cross Currency Swaps variable rate / fixed rate											
GBP	6,0	80,7	50,0	104,4	(31,6)	(3,1)	(6,3)	(21,9)	(0,1)	(0,2)	0,0
USD	6,6		220,0		(0,5)	(0,5)	0,0	0,0	0,0	0,0	0,0
Cross Currency Swaps fixed rate / fixed rate											
AUD											
CHF	148,2		831,0		19,0	1,4	0,5	5,8	3,7	7,8	(0,3)
GBP	18,5	1 406,6	275,0	2 175,0	(915,6)	(18,9)	(16,9)	(140,5)	(167,2)	(272,8)	(299,2)
JPY	29,4		25 000,0		(6,0)	0,0	(0,8)	(3,2)	(2,0)	0,0	0,0
USD	0,5	11,1	100,0	150,0	1,9	(2,4)	4,3	(0,0)	0,0	0,0	0,0
Cross Currency Swaps fixed rate / variable rate + Variable rate / fixed rate swap											
CAD	43,0	27,1	144,0		(9,3)	(0,8)	0,4	(1,6)	(1,9)	(3,9)	(1,6)
GBP	91,5	253,6	335,8		(55,4)	(11,1)	(5,4)	(68,1)	11,2	(5,8)	23,9
USD					0,0	0,0	0,0	0,0	0,0	0,0	0,0
CHF	80,3	25,4	253,2		16,7	1,6	0,1	6,8	8,2	0,0	0,0
					0,0	0,0	0,0	0,0	0,0	0,0	0,0
Future issues of pre-hedging operations					16,3	0,2	0,1	(5,9)	15,6	3,5	2,8
	491,5	**1 919,1**			**(1 072,9)**						

Derivative instruments not qualified as hedges:

	31/12/2012	
	Fair value in €M	**Foreign currencies notional amount**

-	Assets	Liabilities	Assets	Liabilities
Derivatives not qualified as hedges	**21,0**	**153,0**		
Rate swaps	5,7	15,4	632,5	147,1
Exchange instruments				
GBP				
CHF				
USD	0,6	19,3	105,0	925,0
EUR embedded derivatives	14,6	5,0	105,5	155,5
GBP embedded derivatives		113,3		326,0

Embedded derivatives

RFF also has an option on a loan for which the decision whether or not to exercise the option belongs to the counterparty. This option was booked as a stand-alone derivative in compliance with the IAS 39 standard (cf. note 3.13.5). The value of this embedded derivative on 31 December 2013 is equal to:

- -€73.7 million: on a loan maturing in 2015 that includes an option for the set-up, in 2015, of a EUR debt converted into GBP (at a defined exchange rate of 0.652 and without taking a credit spread into account) over 14 years at a fixed rate of 5.35%. Its sensitivity to a +/-50 bp credit spread is equal to €20 million on 31/12/2013.

4.15.4 Liquidity risk

Relying on proactive management of its liquidity, of the quality of its signature and of its renewed presence in the international capital markets, RFF enjoys diversified access to financial resources, whether in the short term (Treasury Bills, Commercial Papers) or the long term (public or private bond issues). Moreover, RFF has a syndicated credit line in the amount of €1.25 billion over a period of five years, which was not used in 2013.

For the financial liabilities, the following tables provide the non-discounted contractual cash flows (corresponding with the amounts to be reimbursed including interest, for which the variable part is pegged to the fixing on 31/12/2013) to 31 December 2013 and to 31 December 2012. Moreover, as additional liquidity-related information, the current assets are mentioned at the end of this table, indicating the cash flows to be received over a maturity of under six months.

	2013							
In €M	Book value in the balance sheet	Total cash flows	< 6 months	6 months to < 1 year	1 to < 5 years	5 to < 10 years	10 to < 20 years	> 20 years
Long-term borrowings in euros	-29 769,4	-40 081,9	-1 924,2	-1 111,2	-7 795,0	-9 151,9	-13 198,7	-6 900,9
Foreign currency long-term borrowings	-8 217,6	-12 943,1	-319,6	-222,0	-2 375,2	-3 304,2	-2 829,5	-3 892,6
Short-term debt	-1 482,1	-1 376,3	-1 041,8	-334,4	0,0	0,0	0,0	0,0
Trade creditors (*)	-345,8	-345,8	-345,8					
Other current financial liabilities	-2 217,5	-2 217,5	-2 217,5					
Derivative financial instruments - flows to be received		15 167,7	481,3	269,9	2 799,9	3 693,4	3 607,1	4 316,1
Derivative financial instruments - flows to be paid	-962,0	-15 151,4	-403,1	-247,4	-2 525,1	-3 592,0	-3 764,6	-4 619,2
TOTAL OUTSTANDING FINANCIAL LIABILITIES	**-42 994,6**	**-56 948,3**	**-5 770,8**	**-1 645,1**	**-9 895,5**	**-12 354,6**	**-16 185,8**	**-11 096,6**
Trade receivables	824,0	824,0	824,0					
Subsidies	1 984,4	1 984,4	1 984,4					
Cash and cash equivalents	2 984,0	2 984,0	2 984,0					
TOTAL CURRENT ASSETS	**5 792,4**							

(*) excluding credit notes to be prepared

In €M	2012 Book value in the balance sheet	Total cash flows	< 6 months	6 months to < 1 year	1 to < 5 years	5 to < 10 years	10 to < 20 years	> 20 years
Long-term borrowings in euros	-26 596,7	-38 590,4	-1 924,4	-1 120,2	-7 831,3	-9 004,9	-12 394,0	-6 315,7
Foreign currency long-term borrowings	-8 181,4	-13 836,3	-319,6	-222,0	-2 375,3	-3 356,8	-3 354,9	-4 207,8
Short-term debt	-1 358,9	-1 376,3	-1 041,8	-334,4	0,0	0,0	0,0	0,0
Trade creditors (*)	-390,9	-390,9	-390,9					
Other current financial liabilities	-1 694,6	-1 694,6	-1 694,6					
Derivative financial instruments - flows to be received		16 504,6	942,2	601,9	2 799,9	3 860,3	3 687,1	4 613,2
Derivative financial instruments - flows to be paid		-16 919,8	-866,5	-577,3	-2 618,5	-3 884,2	-4 024,2	-4 949,0
	-594,6							
TOTAL OUTSTANDING FINANCIAL LIABILITIES	**-38 817,1**	**-56 303,7**	**-5 295,5**	**-1 652,1**	**-10 025,2**	**-12 385,5**	**-16 086,0**	**-10 859,4**

Trade receivables	1 003,8	1 003,8	1 003,8
Subsidies	1 542,2	1 542,2	1 542,2
Cash and cash equivalents	2 489,8	2 489,8	2 489,8
TOTAL CURRENT ASSETS	**5 035,8**		

(*) excluding credit notes to be prepared

Credit risk

The credit risk represents the risk of financial loss for RFF should a customer or counterparty in a financial instrument fail to meet its contractual obligations.

The book value of the financial assets represents the maximum credit risk exposure. The maximum credit risk exposure on the closing date is the following:

In millions of euros	note	Book value 31/12/2013	 31/12/2012
Long-term receivables and deposits paid	4.4	1 511,8	891,5
Fair value of derivatives not qualified as hedges	4.15.3	18,7	21,0
Fair value of derivatives qualified as hedges	4.15.3	834,9	1 338,6
Trade receivables	4.6	824,0	1 003,8
Subsidies receivables	4.8	1 984,4	1 542,2
Current accounts	4.7	1,5	18,7
Sundry creditors (excluding prepaid expenses)	4.7	741,1	692,5
Cash and cash equivalents	4.9	2 984,0	2 489,8
total		**8 900,3**	**7 998,1**

Customer risk management

The aged trial balance of the trade receivables past due consists of the following on 31/12/2013:

(in millions of euros) **Non-settled amount**		**Current** **< 6 months**	 **> 6 months**	**Non-current**
Trade receivables past due not provisioned	64,0	(142,4)	1,4	205,0

Trade receivables past due provisioned	42,4	(153,8)	62,1	134,1
Provision for customer depreciation	(29,3)	(0,0)	(0,8)	(28,5)
TOTAL	**77,1**	**(296,2)**	**62,7**	**310,7**

This table does not include the invoices to be issued, past due receivables or provisions for depreciation.

The aged trial balance of the receivables for past due subsidies consists of the following on 31/12/2013:

(in millions of euros)				
		Current		Non-current
Non-settled amount		< 6 months	> 6 months	
Subsidies receivables past due not provisioned	833,9	323,0	384,6	126,4
Subsidies receivables past due provisioned	51,8	0,0	0,0	51,7
Depreciation provision	(35,3)	0,0	(0,0)	(35,3)
TOTAL	**850,4**	**323,0**	**384,6**	**142,8**

This table does not include the invoices to be issued, past due receivables or provisions for depreciation.

The aged trial balance of the past due trade receivables relative to the fixed asset disposals consists of the following on 31/12/2013:

(in millions of euros)				
		Current		Non-current
Non-settled amount		< 6 months	> 6 months	
Trade receivables disposals past due not provisioned	22,6	9,4	0,0	13,2
Trade receivables disposals past due provisioned	2,9	0,0	0,4	2,5
Provision for depreciation customer disposals	(2,5)	0,0	(0,2)	(2,3)
TOTAL	**23,0**	**9,4**	**0,2**	**13,3**

Management of the counterparty risk on the cash and cash equivalents, and on derivatives

RFF is exposed to a counterparty risk as part of its current cash management (investments of cash surpluses in deposit certificates, treasury bills, etc), and of its operations to manage the medium and long-term debt (transactions on derivative products, etc).

In order to prevent any deterioration of the financial solidity of the counterparties:

- with which RFF invests its cash, a commitment limit per counterparty has been set as a nominal amount on the basis of their short-term rating at least equal to A-1/P-1/F-1 (respectively Standard & Poors, Moody's, Fitch)

- with which it performs operations involving financial instruments, an exposure limit per counterparty in market value is determined on the basis of their long-term rating at least equal to BBB-/Baa3/BBB- (respectively Standard & Poors, Moody's, Fitch), and as a percentage of their shareholders equity.

- Also, RFF has set up a surrender of security contract with all of its counterparties in operations involving derivatives, that is triggered as soon as the counterparty's rating drops below AA-/Aa3/AA- (respectively S&P/Moody's/Fitch). The rating assigned by at least two of the three following rating agencies is taken into account: Standard & Poor's, Moody's, Fitch.

Fair value of financial instruments

31/12/2013		IAS 39 accounting categories											
(In millions of euros)	Notes	**Assets valued at FV through P/L (trading)**	**Assets valued at FV through P/L (FV option)**	**Derivatives qualified as hedges**	**Assets held to maturity**	**Assets available for sale**	**Loans and receivables**	**Liabilities at amortised cost**	**Total net book value of the class in the balance sheet**	**Fair value of the class**	**Level 1 Fair value assessed on the basis of listed prices.**	**Level 2 Fair value assessed on the basis of non-listed prices (*)**	**Level 3 Fair value of non-liquid elements (*)**
ASSETS													
Asset derivatives allocated to the debt	4.15.3	18,7		834,9					853,5	853,5		853,5	
Trade receivables	4.6						824,0		824,0	824,0		824,0	
Other financial assets	4.4		650,5				932,3		1 582,8	1 582,8	650,5	932,3	
Cash and cash equivalents	4.9		2 984,0						2 984,0	2 984,0	2 984,0		
	Total	**18,7**	**3 634,5**	**834,9**	**0,0**	**0,0**	**1 756,3**	**0,0**	**6 244,4**	**6 244,4**	**3 634,5**	**2 609,8**	**0,0**
LIABILITIES													
RFF long-term debt	4.14							36 768,0	36 768,0	40 449,5		40 449,5	
SNCF long-term debt	4.14							1 219,1	1 219,1	1 586,7		1 586,7	
Short-term debt	4.14							1 482,1	1 482,1	1 482,1		1 482,1	
Liability derivatives allocated to the debt (*)	4.15.3	136,7		1 678,8					1 815,5	1 815,5		1 815,5	
Suppliers	4.15.4							345,8	345,8	345,8		345,8	
Other financial liabilities	4.16 and 4.19							2 332,2	2 332,2	2 332,2		2 332,2	
	Total	**136,7**	**0,0**	**1 678,8**	**0,0**	**0,0**	**0,0**	**42 147,3**	**43 962,8**	**48 011,9**	**0,0**	**48 011,9**	**0,0**

31/12/2012		IAS 39 accounting categories											
(In millions of euros)	Notes	**Assets valued at FV through P/L (trading)**	**Assets valued at FV through P/L (FV option)**	**Derivatives qualified as hedges**	**Assets held to maturity**	**Assets available for sale**	**Loans and receivables**	**Liabilities at amortised cost**	**Total net book value of the class in the balance sheet**	**Fair value of the class**	**Level 1 Fair value assessed on the basis of listed prices.**	**Level 2 Fair value assessed on the basis of non-listed prices (*)**	**Level 3 Fair value of non-liquid elements (*)**
ASSETS													
Asset derivatives allocated to the debt	4.15.3	21,0		1 338,6					1 359,5	1 359,5		1 359,5	
Trade receivables	4.6						1 003,8		1 003,8	1 003,8		1 003,8	
Other financial assets	4.4		740,7				204,7		945,4	945,4	740,7	204,7	
Cash and cash equivalents	4.9		2 489,8						2 489,8	2 489,8	2 489,8		
	Total	**21,0**	**3 230,5**	**1 338,6**	**0,0**	**0,0**	**1 208,5**	**0,0**	**5 798,5**	**5 057,8**	**3 230,5**	**2 568,1**	**0,0**
LIABILITIES													
RFF long-term debt	4.14							33 127,0	33 127,0	37 779,5		37 779,5	
SNCF long-term debt	4.14							1 651,2	1 651,2	2 110,1		2 110,1	
Short-term debt	4.14							1 358,9	1 358,9	1 358,9		1 358,9	
Liability derivatives allocated to the debt (*)	4.15.3	153,0		1 927,1					2 080,1	2 080,1		2 080,1	
Suppliers	4.17							390,9	390,9	390,9		390,9	
Other financial liabilities	4.16 and 4.19							1 787,6	1 787,6	1 787,6		1 787,6	
	Total	**153,0**	**0,0**	**1 927,1**	**0,0**	**0,0**	**0,0**	**38 315,6**	**40 395,7**	**45 507,1**	**0,0**	**45 507,1**	**0,0**

(*)The Euro sterling option was reclassified as level II since its marked to market valuation is performed on the basis of observable data.

In application of the IFRS 13 standard, the fair value of the derivatives was estimated while including the CVA (Credit Value Adjustment) and the DVA (debit value adjustment). These elements have no significant incidence on the value of the derivatives to 31/12/2013.

4.16 Other non-current liabilities

(in millions of euros)	31/12/2013	31/12/2012
Deposits and surety bonds received	**85,2**	**76,0**
Other (1)	**1,7**	**22,2**
Total other non-current liabilities	**87,0**	**98,3**

(1) The data published relative to the 2012 financial year were restated for the impact linked to the change of posting method for the actuarial gains and losses relative to the personnel benefits. (See note 2.1)

The "Other tangible fixed assets" line corresponds with advances received on asset disposal in progress.

4.17 Suppliers

The elements comprising this heading break down as shown below:

(in millions of euros)	31/12/2013	31/12/2012
Trade creditors (1)	8,9	50,1
Undelivered invoices	337,0	340,4
Total	**345,8**	**390,5**

(1) The data published relative to the 2012 financial year were restated for the impact linked to the change of posting method for the actuarial gains and losses relative to the personnel benefits. (See note 2.1)

4.18 Other creditors

The other creditors are analysed in the following manner:

(in millions of euros)	31/12/2013	31/12/2012
Tax and social security debts (1))	216,1	282,3
Deferred income	249,8	230,0
Advance on financial asset disposals	9,6	6,9
Customer toll advances	269,1	206,6
Other debts	126,6	30,2
Total	**871,2**	**756,0**

(1) The data published relative to the 2012 financial year were restated for the impact linked to the change of posting method for the actuarial gains and losses relative to the personnel benefits. (See note 2.1)

The decrease of the tax and social security liabilities item primarily involves:

- the VAT receipt on collections relating to the settlement of the advance for the reservation fee of €37 million (cf. § 4.6)
- the payment in 2013 of the 2012 corporation tax for €36.2 million

The “toll customer advances” relate to the payment by Railway company customers of an advance corresponding with 20% of the reservation fees relative to the new service schedule, on the date of its publication, in compliance with the provisions of the order of 25 November 2008. Each month, these advances are deducted from the settlements of the invoices for the reservation fees.

4.19 Other current financial liabilities

(in millions of euros)	31/12/2013	31/12/2012
Debts on fixed assets	2 137,2	1 489,1
Security deposit	80,4	205,5
Current accounts	27,7	0,0
Total	**2 245,2**	**1 694,6**

The received security deposits are relative to financial hedging contracts.

The change of the Debts on fixed assets line primarily results from the increase of unissued invoices regarding the Procurements in the Name and on Behalf, and the SEA project.

The current accounts line represents the Lyon Turin Ferroviaire account balance on the liabilities side for €27.7 million to 31/12/2013 versus €17.7 million on the asset side to 31/12/2012. This change can primarily be explained by a collection of subsidies coming from the State, for €63.8 million at the end of 2013.

4.20 Concession holder’s usage right

As part of the SEA concession contract, a liability referred to as “usage right granted to the concession holder” was booked in the amount of €1,571.7 million to 31/12/2013 versus €786.2 million to 31/12/2012. It represents the counterpart of the share of the investment financed by the concession holder. This amount is a function of the percentage of completion, that stands at 64.5% to 31/12/2013.

4.21 *Other information elements*

4.21.1 Analysis of the change in working capital requirements linked to the operational activity

(in millions of euros)

	31/12/2012	Reclassifications	Variation cash flow impact	Variation of the fair value	31/12/2013
Other creditors	439,6		82,6		522,2
Other debtors	-82,6		73,3		-9,3
Customers	-976,3		191,3		-785,0
Tax and social receivables	-152,0		-9,0		-160,9
Tax and social security debts	234,6		-82,0		152,7
Suppliers	389,6		-46,2		343,4
Operating subsidies – assets	-178,8		8,5		-170,3
Operating subsidies – liabilities	139,6		27,5		167,1
Working capital requirements linked to the activity	**-186,2**	**0,0**	**246,0**	**0,0**	**59,8**

4.21.2 Analysis of the cash flow related to acquisitions of fixed assets

(in millions of euros)	31/12/2013	*including WCR variation*	31/12/2012	*including WCR variation*
Investments	(5 854,6)		(4 401,3)	
Variation of debts on fixed assets	807,5	*807,5*	23,6	*23,6*
Disbursements on acquisitions	(5 047,2)	*807,5*	(4 377,7)	*23,6*
Subsidies : financial year allotments	2 513,6		1 735,6	
Variation of the receivables on subsidies	(677,2)	*(677,2)*	(526,5)	*(526,5)*
Collections of subsidies	1 836,3	*(677,2)*	1 209,1	*(526,5)*
WCR investment variation	**(3 210,8)**	**130,3**	**(3 168,6)**	**(502,9)**

5 - Supplementary information relative to the profit loss statement

5.1 Breakdown of the financial year turnover by nature

The turnover breaks down as shown below:

(in millions of euros)	31/12/2013	31/12/2012
Infrastructure fees	5 227,9	5 084,9
Additional electricity fees	96,8	95,1
Additional services	34,9	29,8
Proceeds relating to individual branch lines	14,7	14,6
Subtotal infrastructure commercial proceeds	**5 374,3**	**5 224,5**
Electricity transportation	169,5	181,2
Proceeds excluding traffic in direct and outsourced management	82,4	82,9
Sales of supplies	36,2	41,0
Other proceeds from related activities	27,9	26,0
Total turnover	**5 690,2**	**5 555,7**

Infrastructure fees

The infrastructure fees, with a net increase of 3%, are equal to €5,359.6 million, including:

- €5,227.9 million pursuant to minimum services;
- €96.8 million pursuant to the additional electricity fee (€95.1 million in 2012);
- €34.9 million pursuant to the additional services (€29.8 million in 2012).

(in € millions)	31/12/2013	31/12/2012	Var. %
Access fee (AF)	1 941,3	1 909,7	1,7%
Reservation fee (RF)	1 863,5	1 783,7	4,5%
Circulation fee (CF)	1 413,7	1 387,6	1,9%
Proceeds from prior financial years	1,9	3,9	
TOTAL MINIMUM SERVICES (*)	**5 220,4**	**5 084,9**	**2,7%**

The minimum services are equal to €5,220.4 million, an increase of €135.5 million, i.e. +2.6% relative to the same period of the previous year.

In terms of the fees for minimum services, 97.3% are collected pursuant to the travellers activity that represents 84% of the traffic, and 2.3% pursuant to the freight activity that represents 14.8% of the traffic.

- The fees for the travellers activity are divided between trains suitable for high speeds (36.2%), main line trains (11.9%), regional express trains (38.6%) and the Transilien activity (13.2%).

- In terms of the fees for freight activities, 29.5% are now paid by alternative rail companies, that represent 33% of the traffic.

The 2.7% increase of minimum services is primarily related to the evolution of the pricing, that offsets the decrease of activity volumes (freight and travellers).

With regard to the other railway fees collected from railway companies:
- The RCE is up by +1.9% relative to 2012, to €96.8 million,
- The fees for additional services are up by 17.9% to €34.9 million, relative to 2012, in view of the change of pricing and invoicing provisions.

Finally, the following are collected:
- The traction energy transportation and distribution fee (French acronym: RCTE) for €162.9 million, versus €165.8 million in 2012;
- The traction current supply fee (French acronym: RFE), collected only from companies obtaining electricity from RFF. It is equal to €6.6 million with a decrease relative to the previous year (€15.4 million in 2012), since a RC discontinued procurements from RFF in 2013;
- The information systems usage fee for €0.9 million
- The platform fee set up at the HDS 2014 for €4.7 million
- The specific usage fee for €1.9 million.

<u>The specific branch lines</u>:

To 31 December 2013, the recognised amount of the proceeds from terminal installations on branch lines is equal to €14.6 million. This amount is comparable with the amount recorded to 31 December 2012.

5.2 Operating subsidies

The operating subsidies break down in the following manner:

(in millions of euros)	31/12/2013	31/12/2012
State subsidy	111,4	280,3
Other operating subsidies	53,9	36,2
Total	**165,3**	**316,5**

The decrease of the State subsidy can be explained by the budget freeze applied by the State.

5.3 Delegated management compensation

The various components of the delegated management compensation are the following:

(in millions of euros)	31/12/2013	31/12/2012
Network management compensation	(3 029,5)	(3 030,3)
Compensation of the for platform management	(63,2)	(51,8)
Subtotal infrastructure delegated management compensation	**(3 092,8)**	**(3 082,0)**
Property management compensation	(100,6)	(101,9)
Total delegated management compensation	**(3 193,3)**	**(3 183,9)**

It is recalled that RFF delegates the following tasks to the SNCF:

1. set-up of the organisational system for all rail traffic on the network, known as the “traffic chart”,

2. management of the regulation, safety and operational management systems for the traffic,

3. surveillance, regular maintenance, repairs, troubleshooting and other measures needed for the operation of the network and of all technical installations.

In application of article 15 of the aforesaid decree, the SNCF’s compensation is defined on an inclusive basis for each of the three categories of tasks.

This amount consists of:

- €2,136.4 million for the network maintenance tasks, with this amount breaking down as:
    - €2,204.1 million for the maintenance domain including the OGEs (excluding IDF protocol)
    - -€81.6 million of capitalization of investment expenses for 2013
    - €45.0 million of additional IDF protocol OGE expenses
    - -€22.5 million of decreased expenses related to the effect of the CICE (Competitiveness and Employment Tax Credit)
    - €9.9 million of miscellaneous and research expenses
    - -€18.5 million of prior regularisation (including -€25.6 million of IMIS 2012 capitalization)

- €864.5 million to hedge the expenses related to the traffic and circulation management missions on the national railway network versus €875.4 million to 31/12/2012.

- €23.2 million for GSMR maintenance costs entrusted to SYNERAIL

- €5.4 million for other maintenance expenses

OTHER COMPENSATION PAID AS PART OF THE MANAGEMENT MANDATES

RFF has divided all of the property management tasks between the SNCF and new service providers. The service agreement defines the tasks performed by the SNCF. The amount recognised as an expense for 2013 relative to the CPS is €67.4 million (including €0.8 million of regularisation for previous years), plus an additional €1.6 million of expenses relative to an agreement relating to the examination of temporary occupancy authorisation requests, with the amount recognised as an expense in 2012 being €73.2 million (including €4.4 million of prior regularisations).
The financial agreement for reimbursement of real estate expenses on SNCF surfaces as well as the SNCF compensation for the management of these expenses, is equal to €19.6 million for 2013, versus €17.5 million for 2012.

For the asset management tasks entrusted by RFF to the companies YXIME and NEXITY, each for a geographical zone, as well as the update of its asset inventory entrusted to the ADYAL-IBM consortium, RFF booked an expense of €12.0 million in 2013, versus €11.2 million in 2012.

The platform management agreement represents an expense of €63.2 million, versus €51.8 million for 2012.

5.4 Other network expenses

These other expenses consist of the “Electricity Transportation” item.

(in millions of euros)	31/12/2013	31/12/2012
Electricity transportation	(168,9)	(178,1)
Total	**(168,9)**	**(178,1)**

In accordance with a contract dated 01/03/2007 and signed with EDF Entreprise, RFF purchases the energy consumed in its installations, i.e. essentially losses by Joule effect.
As the “balance manager”, EDF Entreprise assures RFF, through this same contract, the supply of the adjustment consumption for its own purchases.
The network access contracts signed with RTE (CART contract), EDF-ERD (CARD contract) and Électricité de Strasbourg, ensure RFF the transportation of the energy consumed by all of the actors in the railway world on the high and medium voltage electricity networks, upstream of the substations.
All of these services represented an expense of €168.9 million in 2013.
The booked expense, as well as the costs relative to the management of the contract, are distributed each month to the network users in proportion with their traffic, in the form of a supplementary traction energy fee (RCTE), that represents the amount of €169.5 million for 2013.

The difference between the expenses and proceeds relative to the RCTE is explained by RFF’s re-invoicing to network uses of certain costs relating to contract management, in proportion with their respective traffic.

5.5 Duties and taxes

The elements comprising this heading are the following:

(in millions of euros)	31/12/2013	31/12/2012
Taxes, direct management of taxes	(51,4)	(50,2)
Mandated management taxes and duties	(34,1)	(31,0)
Total	**(85,5)**	**(81,2)**

5.6 Other operational expenses

These expenses break down as shown below:

(in millions of euros)	31/12/2013	31/12/2012
Study expenses net of capitalised production	(66,0)	(60,6)
Works and railway equipment nets of capitalised production	(48,4)	(29,5)
Other external purchases net of capitalised production	(236,2)	(194,3)
Personnel expenses nets of capitalised production	(123,1)	(114,8)
Total	**(473,7)**	**(399,1)**

The amount of the statutory auditors’ fees is equal to €277,120 for the 2013 financial year, i.e. €125,840 for the Mazars firm and €151,280 for the PricewaterhouseCoopers firm.

The cost of malicious acts as well as the consequences of accidents and damages due to bad weather are equal to €39.3 million in 2013, versus €16.6 million in 2012.

5.6.1 Personnel expenses

(in millions of euros)	31/12/2013	31/12/2012
Wages	(81,2)	(75,5)
Welfare contributions	(41,9)	(39,3)
Total	**(123,1)**	**(114,8)**

5.6.2 Personnel

To 31 December 2013, the personnel consists of 1,600 RFF agents, including 57 seconded civil servants and 87 agents made available (including 84 agents by the SNCF, 1 agent by the SCET, and 2 agents from the RATP). As a reminder, the personnel consisted of 1495 agents on 31/12/2012.

The average staff consists of 1,558.58 agents including 64.50 made available in 2013 versus 1,459.1 agents including 58.5 made available in 2012.

5.6.3 Compensation of the directors

For the 2013 financial year, the overall compensation of the RFF Executive Committee Members amounted to €1,997,543 for an average staff of 10.92 people.

The amount of the benefits in kind, i.e. exclusively the supply of vehicles, is equal to €121,673 for 2013.

5.7 Reversals of investment subsidies

(in millions of euros)	31/12/2013	31/12/2012
Reversals of investment subsidies	340,9	360,6
Reversal of subsidies for renewal and bringing up to standards	128,6	129,0
Total	**469,4**	**489,6**

5.8 Other current expenses and proceeds

(in millions of euros)	31/12/2013	31/12/2012
Banking fees	(0,0)	(0,1)
Other expenses	(23,5)	(38,2)
Other current expenses	**(23,6)**	**(38,3)**
Proceeds on disposals of property fixed assets	157,2	119,7
Other proceeds	11,5	77,0
Total current proceeds	**168,7**	**196,7**

The other expenses primarily include the accounting net values of the sold assets and certain provision allocations. The other proceeds primarily include provision reversals with no counterparty.

By convention, these elements are not comparable from one period to the next.

The capital gain generated on asset disposals is equal to €136 million for 2013, compared with €106.3 million for 2012.

5.9 Other non-current expenses and proceeds

(in millions of euros)	31/12/2013	31/12/2012
Other non-current expenses	(0,0)	(0,1)
Other non-current proceeds	0,0	6,1

The other 2012 non-current proceeds corresponded primarily with the regularisation of the estimate of the adjustments to be paid to port authorities.

5.10 Cost of net financial indebtedness

The cost **of net financial indebtedness can be** analysed as shown below:

(in millions of euros)	31/12/2013	31/12/2012
Expenses on liability at amortised cost	(1 280,6)	(1 278,8)
Variation of the fair value of debts hedged through fvh	291,3	(2,7)
Analysis of derivatives qualified as hedges	(250,4)	23,3
Analysis of derivatives not qualified as hedges	39,9	(17,0)
Premium / discount on exchange derivatives	(0,0)	(5,3)
Total cost of gross financial indebtedness	**(1 199,8)**	**(1 280,5)**
Income on assets valued at fair value	4,4	19,0
Cost of net financial indebtedness	**(1 195,3)**	**(1 261,6)**

* the impacts on the derivatives exclude the exchange, as this element is perfectly offset with the exchange rate applying to the debt

Analysis of the result of derivatives qualified as Fair value hedges

(in millions of euros)	31/12/2013	31/12/2012
Interest for the period on the FVH swaps	167,3	124,0
Variation of the fair value of derivatives qualified as FVH hedges	(308,7)	18,9
Analysis of derivatives qualified as FVH hedges	**(141,3)**	**142,9**
Variation of the fair value of debts hedged through fvh	291,3	(2,7)
Result of fair value hedge	**149,9**	**140,1**

Analysis of the result of derivatives qualified as Cash flow hedges

(in millions of euros)	31/12/2013	31/12/2012
Net interest collected or paid on the CFH swaps	(96,9)	(107,2)
Recycling through profit or loss of the amounts deferred to shareholders equity	(9,4)	(4,5)
Inefficiency of hedges	(2,7)	(7,9)

Result from CFH derivatives	**(109,0)**	**(119,6)**

Analysis of the result of derivatives not qualified as hedges

(in millions of euros)	31/12/2013	31/12/2012
Net interest collected or paid on the swaps not qualified as hedges	(0,6)	(1,3)
Variation of the fair value of derivatives not qualified as hedges	40,5	(15,7)
Analysis of derivatives not qualified as hedges	**39,9**	**(17,0)**

Change of the reserves relative to cash flow hedges:

The deferred earnings in shareholders equity include the impact of the change recorded on the cash flow hedges. To 31 December 2013, the recyclable reserves break down as shown below (in millions of euros):

Balance on 31/12/2011	**-764,3**
Recycling through 2012 profit or loss (*)	7,6
Variation of shareholders' equity	-316,2
Balance on 31/12/2012	**-1 072,9**
Recycling through 2013 profit or loss (*)	244,3
Variation of shareholders' equity	-126,1
Balance on 31/12/2013	**-954,8**

(*) including impact of the exchange derivatives qualified as cash flow and immediately transferred through profit or loss in the amount of -85.8 million euros in 2012 and +140.4 million euros in 2013.

5.11 Other financial expenses and proceeds

This heading breaks down as:

(in millions of euros)	31/12/2013	31/12/2012
Current account advance agreements	0,2	2,0
Other financial proceeds	0,9	4,0
Other financial proceeds	**1,2**	**5,9**
Advance interest expenses in current account	(1,9)	(1,7)
Other financial expenses	(0,7)	(3,7)
Other financial expenses	**(2,6)**	**(5,4)**

The other financial expenses and proceeds primarily consist of the interest on SNCF current accounts as well as the default interest invoiced by RFF to the co-financiers or invoiced to RFF by the suppliers.

5.12 Corporation tax

(in millions of euros)	31/12/2013	31/12/2012
Deferred tax	(58,8)	(110,3)
Tax payable	(12,4)	(48,2)
Total	**(71,2)**	**(158,5)**

(in millions of euros)	31/12/2013
Net income for the period	(59,6)
Share of earnings accounted for using the equity method	
Corporation tax	(71,2)
Tax payable	*12,4*
Deferred tax	*58,8*
Pre-tax earnings	**11,6**
Tax rate	38,0%
Theoretical tax charge	4,4
Permanent differences	75,1
Losses carried forward	
Rate discrepancy	(8,3)
Tax charge booked	**71,2**
Actual tax rate	**614%**

Note 6 - Related parties

The perimeter of the entities related to RFF includes the State and the SNCF. The impacts on the earnings and on the balance sheet are presented below.

Relations with the State:

In compliance with the legislation applicable to companies in which the State is the sole shareholder, RFF is subject to the economic and financial oversight of the State, the Court of Auditors and Parliament, and to verifications by the Inspectorate-General for Finance.

RFF invoices the State for the access fees relative to TER traveller regional trains and to the territory equilibrium trains (TET).

The State provides RFF with operating subsidies. Also, from 2004 to 2008, the State paid investments subsidies relative to renewal operations. The latter continue to be brought into service and transferred progressively through profit or loss.

Impact on the earnings:

(in millions of euros)	**31/12/2013**	**31/12/2012**
Turnover Access fees AF	1 730,4	1 699,5
Operating subsidy	110,6	280,3
Renewal subsidy	136,7	135,4
Income tax expense payable	12,4	48,2
Deferred income tax charge	(58,8)	(110,3)
CICE (Competitiveness and Employment Tax Credit) proceeds	0,8	0,0

Impact on the balance sheet:

(in millions of euros)	**31/12/2013**	**31/12/2012**
Renewal subsidy	3 705,6	3 842,2
Operating subsidy to be received	9,3	14,2
Report subsidy receivables (investment and operations)	665,3	434,9
Income tax advance	34,8	0,0
Corporate tax debt	0,0	36,1
Deferred tax assets	3 675,1	3 773,2

<u>Relations with the SNCF</u>:

The relations between RFF and the SNCF are governed by agreements. Law n°97-135 of 13 February 1997 establishing the RFF indicates in its article 1 that an agreement between RFF and the SNCF notably determines the conditions for the fulfilment and compensation of the missions assigned to the SNCF, i.e. the management of traffic and circulation as well as the operation and upkeep of the network technical and safety installations. To this end, RFF and the SNCF signed agreement n°98-007 on 26 October 1998. Decree n°97-444 of 5 May 1997 indicates that this agreement can, if necessary, provide for the signing of special agreements of a suitable duration for the performance of the various tasks entrusted to the SNCF. As such, a specific agreement for the management of platforms, major passenger halls and related structures has been signed. Similarly, the agreement signed on 19 May 1999 confirms the respective commitments of RFF and the SNCF for the performance of research actions pertaining to the national railway network. Two agreements relate to RFF's investment operations, with the first defining the provisions for grouped purchases, logistics and management of the transportation of supplies that are centrally managed, while the second defines the services related to these operations.

In addition to these purely railway-related agreements, there is also the property management agreement that defines the task for the management of the RFF real estate properties delegated to the SNCF and the agreement pertaining to the RFF debt relative to the SNCF, that stipulates the nature of the inherited debt and its repayment provisions.

(in millions of euros)	**31/12/2013**	**31/12/2012**
Proceeds : Tolls	3 439,7	3 339,6
Expenses : Management agreements	3 152,6	3 153,0
Production of fixed assets mandated to the SNCF (1)	1 761,8	1 567,8

(1) The purchases made by SNCF in the name and on behalf of RFF are excluded from the presented amounts.

Note 7 - Off-balance sheet commitments

Financial guarantees

In favour of a banking institution, RFF has issued:

1. A counter-guarantee for the Airefsol performance guarantees in the amount of €0.176 million.
2. A counter-guarantee for the dismantling guarantees in the amount of €0.105 million.

RFF has a first demand guarantee from a banking institution in the amount of €3.4 million relative to the annual fees owed for the usage of branch line terminal installations by its main debtor, the SAS Ciments Calcia.

Other commitments given with regard to asset disposals

On a regular basis, RFF is required to sell off real estate assets that are of no railway purpose.
The amount of the promises not yet exercised to 31 December 2013 is equal to €89.3 million, versus €167.8 million to 31 December 2012, notably including promises for the sites Paris rive gauche, Paris Semavip and Paris la Chapelle.

Commitments relative to PPP and concession contracts

5. GSMR

   - bank security:

     RFF has a first demand guarantee from a banking institution in the event of a breach by SYNERAIL. This guarantee is provided progressively in keeping with the commitment of the network roll-out phases. To 31/12/2013, RFF has a guarantee in the amount of €48.2 million.

   - Other commitments:

     To 31/12/2013, the investment fees still to be paid by RFF pursuant to the contract are equal to €304.3 million (present value). At the same time, the financing still to be collected is equal to €267.4 million (present value).

6. BPL

   The amount of the fixed assets under construction to be posted is equal to €1,577.7 million (present value) in view of the percentage of completion to 31/12/2013.

   The amount of the merited subsidy to be posted is equal to €1,055.6 million (present value) in view of the percentage of completion to 31/12/2013.

7. CNM

The amount of the fixed assets under construction to be posted is equal to €1,282.1 million (present value) in view of the percentage of completion to 31/12/2013.

The amount of the merited subsidy to be posted is equal to €1,290.0 million (present value) in view of the percentage of completion to 31/12/2013.

8. SEA

Fixed assets under construction and merited subsidy to be posted until completion:
The amount of the fixed assets under construction to be posted is equal to €2,291.6 million (present value) in view of the percentage of completion to 31/12/2013.

The amount of the merited subsidy to be posted is equal to €1,075.2 million (present value) in view of the percentage of completion to 31/12/2013.

RFF guarantor:
The guarantee issued by RFF in favour of the Caisse des dépôts-Direction des Fonds d'Epargne is equal to €757.2 million, effective July 2011.
This guarantee has been compensated since July 2011.

RFF public contributor to financing:
The amount still to be paid by RFF with regard to its contribution to the financing is equal to €498.7 million to 31/12/2013.

RFF collector of funds from third party financiers:
The amount of subsidies still to be called from third party financiers and to be remitted to the concession holder is equal to €1,269.8 million to 31/12/2013.

Other commitments: contract early ending clauses

The concession contract includes several contract early ending clauses that will require RFF to pay compensation to the concession holder and to replace the latter for the contract's fulfilment.

Lapse clause: the contract indicates that the licensor can declare the concession holder's lapse in case of violation by the latter. In this case, RFF must pay minimum compensation to the licensor, corresponding with approximately 85% of the financing supported by the concession holder.

Termination clause for force majeure or unforeseeability: in case of termination for force majeure or unforeseeability, RFF must pay compensation to the concession holder, as fixed under the conditions and according to the principles set down by the case law of the Council of State.

In these early ending hypotheses, the financing agreement indicates that the State reimburses RFF for the amount of the compensation owed to the concession holder, less the value for RFF of the future earnings from the infrastructure that it will be managing.

Clause for termination for reasons of general interest: this mechanism can be implemented as of the 12th year after the start of commercial operations. In this case, RFF pays compensation to the concession holder, a part of which will be paid on a half-yearly frequency. The financing agreement calls for this compensation to be covered by the public entity that is behind the decision to implement the clause.

Other commitments related to the operational period:

Major Projects for the Southwest (French acronym: GPSO) clause: one year after the start of the exploitation of the 3 high speed lines, Bordeaux-Toulouse, Bordeaux-Hendaye, Poitiers-Limoges, the concession holder is required to remit to RFF part of the traffic proceeds generated on the Line during the previous year by the start of operations of each of the 3 lines mentioned above. This remittance corresponds with approximately 25% of the difference between the actually generated proceeds and expected theoretical proceeds. If the difference becomes negative, the concession holder pays nothing to RFF. RFF is not required to remit anything to the concession holder.

Return to better fortunes clause: as of the 5th year of implementation, the concession holder is required to pay a “better fortunes fee” to RFF. This fee corresponds with a remittance of the traffic proceeds that varies based on the recorded difference between the actual and expected proceeds. If the difference becomes negative, the concession holder pays nothing to RFF. RFF is not required to remit anything to the concession holder. Each year, RFF remits the amount of this fee to the State and to the regional authorities that signed the financing agreement, in proportion with their participation in the project.

Note 8 - Events after the closing

There is no event after the closing to be pointed out.

RÉSEAU FERRÉ DE FRANCE

IV. Management report on the consolidated financial statements to 31 December 2013

MANAGEMENT REPORT

Consolidated financial statements to 31 December 2013

The current operating income is equal to +€1,208.1 million for 2013 versus +€1,415.6 million in 2012, a decline of €207.5 million

The financial result is equal to (€1,196.8 million) in 2013 versus (€1,261 million) in 2012, an increase of €**64.2** million.

The net income as at 31/12/2013 stands at (€59.6 million) versus **€2** million as at 31/12/2012.

The operating expenses relative to railway infrastructure projects are equal to €7,798.5 million for 2013, versus €5,377.6 million for the 2012.

The shareholders equity remains negative in the amount of **(€1,343.5 million)** as at 31 December 2013.

I. BUSINESS DURING THE ELAPSED PERIOD AND COMMENTS ON THE QUANTIFIED DATA

➢ Earnings

The loss booked as at 31 December 2013 is equal to €59.6 million in view of operating results of €1,208.1 million, versus a profit of €2 million as at 31 December 2012.

In € millions	**31/12/2013 (12 months)**	**31/12/2012 (12 months)**	**Var. %**
Current operating income	1 208,1	1 415,6	(14,7) %
Non-current expenses and proceeds	0,0	6,0	NA
Financial result	(1 196,8)	(1 261,0)	5,1 %
Income tax	(71,2)	(158,5)	55,1 %
Share of earnings accounted for using the equity method	0,3	(0,1)	374,0%
Net income	**(59,6)**	**2,0**	**NA**

The current operating income fell by €207.5 million, i.e. 14.7%, relative to 2012.

The financial result of (€1,196.8 million) improved by €64.2 million, compared with 31 December 2012.

Evolution of the operating income

The following table presents the evolution of the main items of the expenses and proceeds comprising the current operating income:

In € millions	31/12/2013 (12 months)	31/12/2012 (12 months)	Var.
Network fees	5 359,6	5 209,9	149,7
Electricity transportation	169,5	181,2	(11,7)
Leasing proceeds	82,4	82,9	(0,5)
Other proceeds	78,8	81,6	(2,8)
Turnover	**5 690,2**	**5 555,7**	**134,5**
Operating subsidies	165,3	316,5	(151,2)
Delegated management compensation	(3 193,3)	(3 183,9)	(9,4)
Other network expenses	(168,9)	(178,1)	9,2
Duties and taxes	(85,5)	(81,2)	(4,3)
Other operational expenses	(473,7)	(399,1)	(74,6)
Net depreciation allowance and depreciation of assets	(1 331,8)	(1 257,7)	(74,2)
Customer provisions allocations	(8,7)	(4,5)	(4,2)
Reversals of investment subsidies	469,4	489,6	(20,1)
Total current proceeds	168,7	196,7	(28,0)
Other current expenses	(23,6)	(38,3)	14,7
Current operating income	**1 208,1**	**1 415,6**	**(207,5)**
Non-current proceeds	0,0	6,1	(6,1)
Non-current expenses	(0,0)	(0,1)	0,1
Operating income	**1 208,1**	**1 421,6**	**(213,5)**

i. Network fees

The infrastructure fees in 2003 are equal to €359.6 million, including:

- €5,220.4 million pursuant to minimum services
- €96.8 million pursuant to the additional electricity fee (€95.1 million in 2012)
- €34.9 million pursuant to the additional services (€29.6 million in 2012).
- €0.9 million for services involving usage of IT systems
- €4.7 million relative to the platform fee implemented with the HDS 2014
- €1.9 million relative to the specific usage fee.

Evolution of the minimum services and breakdown by type of fees

The minimum services are equal to €5,220.4 million, an increase of €135.5 million, i.e. +2.6% relative to the same period of the previous year.

(in € millions)	31/12/2013	31/12/2012	Var. %
Access fee (AF)	1 941,3	1 909,7	

Reservation fee (RF)	1 863,5	1 782,3	
Circulation fee (CF)	1 413,7	1 392,9	
Proceeds from prior financial years	1,9		
TOTAL MINIMUM SERVICES (*)	**5 220,4**	**5 084,9**	**2,7%**

(*) net of freight compensation

In terms of the fees for minimum services, 97.2% are collected pursuant to the travellers activity that represents 84% of the traffic, and 2.3% pursuant to the freight activity that represents 14.8% of the traffic.

- The fees for the travellers activity are divided between trains suitable for high speeds (36.2%), main line trains (11.9%), regional express trains (38.6%) and the Transilien activity (13.2%).

- In terms of the fees for freight activities, 29.5% are now paid by alternative rail companies, that represent 33% of the traffic.

The 2.7% increase of minimum services is primarily related to the evolution of the pricing, that offsets the decrease of activity volumes (freight and travellers).

With regard to the other railway fees collected from railway companies:
- The RCE is up by +1.9% relative to 2012, to €96.8 million,
- The fees for additional services are up by 17.9% to €34.9 million, relative to 2012, in view of the change of pricing and invoicing provisions.

Finally, the following are collected:
- The traction energy transportation and distribution fee (French acronym: RCTE) for €162.9 million, versus €165.8 million in 2012;
- The traction current supply fee (French acronym: RFE), collected only from companies obtaining electricity from RFF. It is equal to €6.6 million with a decrease relative to the previous year (€15.4 million in 2012), since a RC discontinued procurements from RFF in 2013;

The following table presents the evolution of the circulation patterns by activity:

In millions of train km	31/12/2013 (12 months)	31/12/2012 (12 months)	Var. %
Trains suitable for high speed rail	**139,6**	**140,8**	**-0,9%**
SNCF	134,6	135,9	(1,0) %
EUROSTAR	5,0	4,9	2,6 %
Mainline trains (French acronym: TGL)	**40,3**	**42,8**	**(5,9) %**
SNCF	39,5	42,4	(6,9) %
THELLO	0,8	0,4	95,1 %
Regional traveller trains	**238,5**	**243,3**	**-2,0%**
Travellers activity	**418,4**	**426,9**	**-2,0%**
Freight activity	**73,4**	**75,7**	**(3,0) %**

SNCF	49,1	53,9	(9,0)%
Alternative Rail Companies* (French acronym: EFA)	24,3	21,8	11,7%
Other	**6,2**	**9,3**	**(33,3)%**
Various (AEF, equipment, shuttles…)	0,9	0,8	12,5%
Infra	5,3	8,5	-37,6%
TOTAL	**498,0**	**511,9**	**-2,7%**

(*) including authorised candidates

The 2013 circulation rate increased by 1.3 points relative to 2012, to 95.1%, despite a 2.7% traffic decrease.
The activity involving trains suitable for high speed rail dropped by 0.9% notably as a result of the historical operator (-1%). This evolution is primarily situated on the Atlantic (-2.8%), Southeast (-3.6%) and North (-6%) axes, that represent nearly 3/4 of TGV high speed traffic. The increase of Eurostar traffic is primarily linked to a one-time summer operation.
The TGL activity is down by 6.10%, a lower decrease relative to the changes seen in 2011 / 2012, i.e. -10%. The TET traffic is notably down in the Centre Limousin (-3.7%) and Ile de France (-3.6%) regions. This partly results from the difficulties with installing the train paths due to works (impact on the South “cross-country line” on Bordeaux <-> Nice).
The activity of the Regional Express and Transilien Trains is down relative to 2012. This decline is primarily attributable to works and certain exogenous factors, such as the accident in Saint Cloud and the derailment in Bretigny-on-Barley.
The freight activity (in trains-km) dropped by 2.9% relative to 2012. This decline is across all freight activities (rail motorway, combined transport, conventional…). Circulation experienced a lesser decline than reservations (-9%). This decline is primarily seen in the regions of Alsace Lorraine & Champagne Ardennes (-8.7%), Bourgogne France Comté (-8.3%), Rhône-Alpes and Auvergne (-9.1%), that represent 50% of freight traffic.

ii. Property rental proceeds

The amount of the 2013 rental proceeds, excluding re-invoicing of expenses, was equal to €82.4 million, as opposed to €81.8 million in 2012.

The rental proceeds are grouped into 4 major categories: rail (9.3% versus 9.9% in 2012), property and real estate (57.9% versus 58.7% in 2012), telecommunications (24.5% versus 24.2% in 2012), networks and miscellaneous facilities (8.2% versus 7.2% in 2012).

	2013	**2012**
in millions in euros	**Activity in 2013**	**Activity in 2012**
Rental proceeds – Rail	7,7	8,1
Rental proceeds – Property & Real Estate	47,7	48
Rental proceeds – Telecommunications	20,2	19,8
Rental proceeds – miscellaneous authorisations & networks	6,8	5,9
	82,4	**81,8**

The “property and real estate” proceeds or equal to €47.7 million, down 0.6% relative to 2012. 53% consist of advertising proceeds (“in station” and “outside station” perimeters) that are equal to 25 but a very slight decline relative to 2012 (€25.7 million).
The 2013 “telecommunication” proceeds or equal to €20.2 million, as compared with €19.8 million in 2012 (2% increase).
The “rail” proceeds are divided between fees invoiced for the combined transport jobsites (48.5%) and occupancy fees paid by SNCF Entreprise Ferroviaire, for traveller parking and freight-related occupancy (51.5%).

iii. The State operating subsidy

The evolution of the State operating subsidy is shown below, while taking into account the rate change that occurred in 2013:

(in millions of euros)	**31/12/2013**	**31/12/2012**
Classical regional passenger trains		
Freight*	110,6	280,3
Total	**110,6**	**280,3**

of which freight compensation of €110.6 million in 2013, and €226.6 million in 2012

The decrease of the State subsidy can be explained by the recognition, in 2013, of the single payment of the compensation intended to ensure the financial neutrality of the rate reform for Freight RCs, with this payment having been the subject of an additional State budget freeze for the 2013 financial year. The other Freight assistance did not result in any payment in 2013.

iv. Other proceeds

The specific branch lines

To 31 December 2013, the recognised amount of the proceeds from terminal installations on branch lines is equal to €14.6 million. This amount is comparable with the amount recorded to 31 December 2012.

Sales of supplies

These proceeds primarily correspond with sales and recoveries of old materials by the SNCF on behalf of RFF, as part of upkeep or renewal operations.

They amounted to €36.2 million in 2013 versus €41 million in 2012, a decline of €4.8 million.

v. The delegated management compensation

The management of rail infrastructures

The delegated infrastructure manager is paid, firstly, within the framework of a management agreement for the upkeep of the national rail network and, secondly, under the agreement for the management of traffic and circulation on the national rail network; these two agreements determine the amount of the annual bases for the compensation.

For 2013, the compensation for the network operation and maintenance services are equal to €2,136.4 million after capitalization, in 2013, of €81.6 million of expenses relative to the IMIS contract and other investment expenditures.

The compensation breaks down as follows:

- €2,204.1 million for the maintenance domain including the OGEs (excluding IDF protocol)
- -€107.2 million of capitalization relative to investment expenditures
- €45.0 million of additional IDF protocol OGE expenses
- -€22.5 million of decreased expenses related to the effect of the CICE
- €9.9 million of miscellaneous and research expenses
- €7.1 million of regularisations for previous financial years

An amount of €26.1 million for other maintenance operations was booked during the financial year, including €23.2 million for the GSMR maintenance costs entrusted to SYNERAIL. This cost associated with the GSMR was equal to €19.7 million as at 31/12/2012.

For 2013, the compensation for traffic and circulation management was equal to €864.5 million.

Platform management

The new traveller station services agreement (French acronym: CSG) was signed in October 2012. It replaces the old platform management agreement (French acronym: CGQ) and took effect on 1 January 2012, until 31 December 2014.

Its cost was equal to €63.2 million as at 31 December 2013 versus €51.8 million in 2012, i.e. an increase of €11.4 million primarily as result of a harsh winter that required snow and ice removal (+€2.9 million), maintenance efforts and small repairs (+€2.8 million), the implementation of a maintenance programme for elevators and escalators (+€0.2 million) and major works (+€3.2 million).

Moreover, since 2013, amendment 1 covers the rail safety signage, and represents an additional cost of €1.6 million.

Property management

The property management tasks are divided vertically between the SNCF, and secondly the managers (primarily NEXITY and YXIME).

They include the real estate management (rental, expenses, works), assistance with disposals, taxation management, as well as the management of the property and urban planning procedures.

Three agreements are in place with the SNCF with regard to this property management:

- a service agreement for the tasks entrusted to the SNCF. The cost of this agreement is equal to €67.4 million for the 2013 financial year, with €0.9 million of prior regularisations, including the compensation for the taxation management and the reimbursement of claims. Down relative to 2012 (€73.2 million), a year impacted by €4.9 million of regularisations relative to 2011. Excluding the impact of these regularisations, the 2012 expense is €68.3 million.
- A financial agreement for repayment of the real estate expenses of the SNCF’s assets occupied by infrastructure installations or by SNCF services performing DIM tasks. For the 2013 financial year, the cost of this agreement is equal to €19.6 million (€17.5 million in 2012). Overall, this €2.1 million increase results from the switch of fluids to actual (+ €7 million) and the identification of services used by the DCF within the SNCF buildings (-€4.9 million).
- An agreement relative to the examination and operational follow-up of occupancy authorisations relating under-track and aerial crossings and on longitudinal borrowings has existed since 2013, in the amount of €1.6 million.

Overall, the expense relative to the agent SNCF is equal to €88.6 million as to 31 December 2013, versus €90.7 million as to 31 December 2012.

For the other service providers, the amount is equal to €12.0 million. They primarily consist of NEXITY and YXIME, for which the management cost booked the 31 2013 is equal to €11.3 million (€10.4 million in 2012).

Finally, the property rehabilitation effort is continuing (€19.7 million in 2013 versus €19 million in 2012). This primarily involves major works and demolitions carried out on assets not occupied by infrastructure technical installations.

vi. Other network expenses: electricity

In 2013, RFF's expenses for electricity were equal to €160.9 million, versus €178.1 million in 2012.

vii. Duties and taxes

(in millions of euros)	31/12/2013	31/12/2012	Var.
Taxes, direct management of taxes	(51,4)	(50,2)	(1,3)
Mandated management taxes and duties	(34,1)	(31,0)	(3,1)
Total	**(85,5)**	**(81,2)**	**(4,3)**

The amount of the duties and taxes increased by €4.3 million. This line item includes the taxation managed on its behalf and re-invoiced by the SNCF, as well as other duties and taxes directly managed by RFF.

viii. The other operational expenses

(in millions of euros)	31/12/2013	31/12/2012
Study expenses net of capitalised production	(66,0)	(60,6)
Works and railway equipment nets of capitalised production	(48,4)	(29,5)
Other external purchases net of capitalised production	(236,2)	(194,3)
Personnel expenses nets of capitalised production	(123,1)	(114,8)
Total	**(473,7)**	**(399,1)**

The other operational expenses amounted to €473.7 million as at 31 December 2013, compared with €399.1 million as at 31 December 2011.
This line item consists of other external purchases net of capitalised production for 49.9%, and personnel expenses for 26%.

The other external purchases net of capitalised production are equal to €236.2 million at the end of 2013 versus €194.3 million at the end of 2012, an increase of 21.6%. This heading includes, for 14%, IT subcontracting, 14.3% for rentals, 34.9% for fees, primarily for IT, and 22.9% for other external expenses (including indemnities paid to rail companies).

Expenses for studies

In € millions	31/12/2013	31/12/2012	Discrepancies	Variations
Operating studies	49,8	45,0	4,8	10,6 %
General studies	16,3	15,6	0,7	4,4 %
TOTAL	**66,1**	**60,6**	**5,5**	**9,1 %**

The expenses for studies are equal to €66.1 million, a 9.1% increase relative to 2012. They are distributed between studies on the formative phase of an identified investment project (75%), and general and strategic studies (25%).

<u>Studies on investment projects</u>

The expenses for project-related studies are equal to €66.1 million, consisting of development projects for 64%, and projects to improve the network quality and renewal for 18%. The remaining 18% consist of investment projects for other activities.

In €M	**31/12/2013**
Development	**32,1**
Major national projects before works	16,1
Major national projects undergoing works	0,4
Major national PPP projects	1,9
Regional Development Projects	13,7
Network compliance upgrade	**4,4**
Renewal and performance	**4,3**
Other	**8,9**
TOTAL	**49,7**

The 2013 financial year was marked by a 10.5% increase of the study-related expenses. The supposition conveys:

- a significant increase of regional development project (studies on the projects in the Ile de France, such as the EOLE project),

- a slowdown, to a lesser degree, of studies on major LGV project in the upstream face, notably as a result of awaiting political guidelines on the prioritization of these major projects and of the conclusions of the Mobility 21 Commission report.

The main studies to the following projects:
- €7.7 million for the PACA LGV (Nice and Marseille rail nodes),
- €6.9 million for the project to extend the EOLE to the west,
- €2.1 million for the Poitiers-Limoges LGV,
- €1.7 million for the Montpellier-Perpignan Modernization,
- €1.6 million for the Roissy-Picardy connection,
- €1.2 million for the Lyon Rail Node,
- €1 million for the new Brittany West Pays de Loire connection.

On the other hand, study expenses increase in 2013 relative to the network compliance upgrade, notably regarding technological development (€1.4 million in 2013) and safety (€1.8 million in 2013), with the studies for train access remaining stable in the amount of €1.2 million.
With regard to renewal and performance, the studies performed in 2013 primarily relate to engineering works and earthworks, equal to €20 million and, to a lesser degree, to the signalling programme and CCR for €0.7 million.
For the other activities, the bulk of the expenses relate to project ownership assistance for IT projects.

Personnel expenses

Personnel expenses accounted for €123.1 million to 31/12/2013, versus €114.8 million to 31/12/2012, i.e. an increase of 7.3%.

The staff is increasing. There were 1,600 agents on the payroll as at 31 December 2013 versus 1495 agents in 2012, meaning an increase of 7% over one year.

ix. Net depreciation allowance and depreciation of fixed assets

Depreciation allowances amounted to €1,331.8 million as at 31 December 2013, compared with €1,257.7 million as at 31 December 2012.

Depreciation of ongoing projects:

The establishment records depreciation provisions on projects in the event of any risk regarding their completion. On 31 December 2013, the provision stands at €23.7 million versus €26.8 million on 31 December 2012. It involves 487 projects and covers the share of expenses financed by RFF.

<u>Depreciation of ongoing projects</u>: cf. §2.1.3

x. Subsidies share transferred to the profit and loss statement

Investment subsidies are transferred to the profit and loss statement in keeping with the completed amortisations, in the amount of €469.4 million.
This figure includes the subsidies for renewal and for upgrading to meet the standards, in the amount of €120.6 million.

xi. The other current expenses and proceeds

The other current proceeds are equal to €168.7 million for 2013, compared with €196.7 million for 2012. The other current expenses stand at €23.5 million for 2013 versus €38.3 million for 2012.
The other current proceeds primarily include disposal proceeds in the amount of €157.2 million in 2013.

The capital gain generated on asset disposals is equal to €136.7 million for 2013, compared with €106.3 million for 2012.

The most significant disposals carried out in 2013 involved:

6. Paris 17th "Batignolles" involving a mixed programme of offices and dwellings;
7. Paris 14th "passage Gergovie" involving a programme of dwellings
8. Salon de Provence involving a mixed programme of offices and dwellings.
9. Rueil-Malmaison "RATP" involving an infrastructure programme
10. Toulouse "Raynal ERM" involving a construction programme for a new workshop reserved for the maintenance of the REGIOLIS trains.

The other elements are related to the operations needed to settle the transfer of the assets to the port authorities.

Financial result

In € millions	**31/12/2013 (12 months)**	**31/12/2012 (12 months)**	**Var.**
Cost of net financial indebtedness	(1 195,3)	(1 261,6)	66,2
Other financial proceeds	1,2	5,9	(4,8)
Other financial expenses	(2,6)	(5,4)	2,8
Financial result	**(1 196,8)**	**(1 261,0)**	**64,2**

The financial result stands at (**€1,196.8 million)** versus (**€1,261 million)** in 2012, i.e. an improvement of +€64.2 million.

xii. The cost of the net financial indebtedness

The cost of the net financial indebtedness improved by €66.2 million to (€1,195.3 million) to 31/12/2013 versus (€1,261.6 million) to 31/12/2012. It includes the expenses inherent to the debt (€1,199.8 million), including the results on derivative instruments for €80.8 million, less the proceeds from the cash and cash equivalents, for €4.4 million.
The improvement of the cost of net financial indebtedness can primarily be explained by an increase of the projects eligible for capitalization of the borrowing costs under the IAS 23 standard, and a market context with very low rates in 2013.

xiii. Other financial expenses and proceeds

The other financial expenses and proceeds firstly include the interest on current accounts and, secondly, default interest invoiced by suppliers as well as the default interest invoiced by RFF in the event of late payments by its customers.

(in millions of euros)	31/12/2013	31/12/2012
Current account advance interest agreement	0,2	2,0
Other financial proceeds	0,9	4,0
Total other financial proceeds	**1,2**	**5,9**
Advance interest expenses in current account	(1,9)	(1,7)
Other financial expenses	(0,7)	(3,7)
Total other financial expenses	**(2,6)**	**(5,4)**

➢ Balance sheet

Fixed assets

xiv. Production and acquisition of fixed assets

The total amount of the expenses for tangible investments for 2013 is equal to €7,809.9 million.
This amount includes:

- €7,718.5 million of investment expenses, consisting of:
  - ❖ €7,716.7 million of expenses on infrastructure investment projects
    - including €3,542.1 million of mandated production (including €0.6 million for the DCF activity)
    - including €742.9 million of direct production
    - including €111 million of capitalization of interest excluding PPP relative to the said production
    - including €3,320.7 million of production relating to PPP and concessions (GSMR €171.2 million, BPL €827.3 million, SEA €2,143.7 million and CNM €178.5 million)
  - ❖ €0.2 million of increased advances pursuant to real estate reserves
  - ❖ €1.6 million of agent expenses relative to real estate and property management

- €91.4 million of other acquired investment expenses
  including €81.8 million of infrastructure investment

The following table presents the expenses by type of project in question.

In €M	31/12/2013	31/12/2012	Variation

MAJOR DEVELOPMENT PROJECTS		**3 865,5**		**2 408,6**	**1 456,9**
Major National Projects BEFORE Works	26,8		40,0		
Major National Projects UNDERGOING Works	415,1		583,3		
Major PPP projects	276,8		184,2		
Major PPP Projects (partners project ownership) including financial expenses	3 146,7		1601,2		
REGIONAL DEVELOPMENT PROJECTS		**995,2**		**708,0**	**287,2**
Regional Development Projects	995,2		708,0		
NETWORK COMPLIANCE UPGRADES		**158,3**		**121,8**	**36,5**
Safety	71,5		57,1		
Access to Trains	63,4		35,6		
Interoperability (ERTMS and ETCS)	14,4		18,5		
Environment (NBP acoustics, others…)	9,0		10,6		
RENEWAL AND PERFORMANCE		**2516,6**		**2049,8**	**466,8**
Tracks	1 424,5		1 241,4		
Signalling and Operation (CCR, GOC, DCF, productivity programme)	304,2		227,8		
Telecom (including GSM-R in RFF project ownership and fibre plan)	161,6		91,4		
GSMR telecom (partners project ownership)	171,2		122,9		
Electric traction	81,1		70,5		
Engineering works and earthworks	210,0		144,1		
Stations (RGHV and REM)	4,9		14,7		
Other programmes (regional programmes, Bad weather, CEEF)	109,0		87,1		
including OGE-IRAI	*107,2*		*84,4*		
Improvement of the regularity (QSRP, QIDF and other regularity)	27,4		27,3		
Commercial investments (ICF and ITE)	22,7		22,6		
OTHER PERIMETERS		**139,4**		**80,2**	**59,2**
Real estate / Property perimeter	74,6		39,7		
Works for third parties	64,8		40,5		
OTHER		**134,8**		**26,0**	**108,8**
Miscellaneous	23,7		-62,2		
Other investment expenses			13,5		
Financing costs excluding PPP	111,1		74,8		
TOTAL		**7 809,9**		**5 394,4**	**2 415,5**

The capitalised expenditures as at 31 December 2013 are equal to €7,809.9 million and are up by +€2,415.5 million (+44.8 %) relative to 31 December 2012 (€5,394.4 million). They result primarily from higher expenses within of framework of partnership contracts, as well as regional development and track renewal projects.

With regard to development projects, the increase of capitalised expenditures was equal to +€1,744.7 million (+55.9 %), and can primarily be explained by:

5. a significant impact, of +€1,637 million including €707 million on the projects LGV Brittany Pays de Loire and the Nîmes Montpellier Bypass (one complete year of work), €922.5 million on the SEA project, as well as the junction projects involving the existing network, that were all in the realisation phase in 2013.
6. an increase of €287.2 million (+41%) on the regional development projects, notably due to a few significant projects, such as the 2nd phase of the Sillon Alpin Sud (+€59 million),

the modernization of Calais-Dunkirk (+€41 million), as well as of the projects in the Ile de France: Tangentielle Nord (+€36 million), the Evangile Station (+€28 million), Massy Valenton (+€26 million), the extension of the EOLE (+€25 million). Moreover, most of the projects financed as part of the 2007-13 CPER are now in the realisation phase.

7. a change of -€168 million with national projects, in keeping with the schedule of the works for the 2nd phase of the LGV East high speed line.
8. A slowdown of the expenses capitalised on major projects in the upstream phase, notably linked to the pending political guidelines and the report from the Mobility 21 Commission relative to these projects.

The expenses for the network compliance upgrade are up by 30%, primarily relative to safety at level crossings and train access in the Ile de France.

The renewal and performance activity is also up by 23%, i.e. +€466.8 when compared with 31 December 2012. The main changes are the following:

- +€183.1 million for track operations (of which €130 million on the lines of the main LGV and UIC 1 to 6 network);
- +€119 million for Telecoms (including GSM-R and Fibre Plan)
- + €76 million for signalling and operations
- +€65.9 million for engineering works and earthworks

xv. Entries into service

xvi.

Investment projects: cf. paragraph II “2013 SIGNIFICANT EVENTS” .

The additional entries into service involve:

- €60.5 million of projects through direct project ownership
- €83.7 million for the GSMR PPPs (4 first segments)
- €5.1 million of projects through delegated project ownership excluding SNCF
- €1.3 million of investment for the DCF activity
- €8.6 million for operations and other

The amount of Intangible assets put into service is equal to €20.2 million for the 2013 financial year, versus €4.5 million in 2012.

xvii. Valuation of the assets on the closing date of the financial statements

Infrastructure CGU
An impairment test was performed on 31/12/2013.
Adopted discounting rate: 5.5% no change relative to 31/12/2012. A rate change of +/- 0.1% results in a variation of -/+ €1 billion of the discounted value of the flows.
The value is also dependent on the long-term inflation rate used in order to project the flows beyond 2030 as part of the terminal value calculation. The sensitivity is in the area of +€0.9 billion per increase of 10 basis points of inflation.

The benchmark net book value on 31/12/2013: €31.9 billion.

Property CGU
RFF has seen no indication that this CGU’s assets had lost any value.

xviii. Investment subsidies

The other subsidies listed in the non-current liabilities amount to **€21,748.5 million** versus **€18,714.2 million** as at 31 December 2012, i.e. an increase of €3,034.4 million (+16.21%).

The net subsidies on fixed assets put into service are equal to €10,162 million as at 31/12/2013 versus €10,973.2 million (€10,975.2 million excluding port tracks) at the end of 2012.

xix. Net financial indebtedness

It corresponds with the loans and financial debts less the cash and cash equivalents, as well as the fair value of the asset derivatives, and plus the fair value of liability derivatives.

(in millions of euros)	Note	31/12/2013 current	31/12/2013 non-current	31/12/2013 total	31/12/2012 current	31/12/2012 non-current	31/12/2012 total
Financial debt (2)		4 425,9	35 043,3	39 469,2	4 253,4	31 883,7	36 137,1
Cash and cash equivalents		(3 255,0)		(3 255,0)	(2 489,8)		(2 489,8)
NDI to maturity > 90 d at inception		(650,5)		(650,5)	(740,7)		(740,7)
Subtotal nonfinancial debt before consideration of derivatives		**520,4**	**35 043,3**	**35 563,7**	**1 022,9**	**31 883,7**	**32 906,6**
Asset derivatives (1)		(73,0)	(780,6)	(853,5)	(54,8)	(1 304,8)	(1 359,5)
Liability derivatives (1)		141,4	1 674,2	1 815,5	153,0	1 927,1	2 080,1
Total net financial debt		**588,8**	**35 936,9**	**36 525,7**	**1 121,1**	**32 506,1**	**33 627,2**

(1) primarily allocated to the debt
(2) including bank overdrafts

xx. Breakdown of the financial debt

(in millions of euros)	31/12/2013 Current	31/12/2013 Non-current	31/12/2013 Total	31/12/2012 Current	31/12/2012 Non-current	31/12/2012 Total
RFF long-term debt	2 913,4	33 854,6	**36 768,0**	2 443,7	30 683,3	**33 127,0**
SNCF long-term debt	30,4	1 188,7	**1 219,1**	450,8	1 200,4	**1 651,2**
Short-term debt	1 482,1	-	**1 482,1**	1 358,9	-	**1 358,9**
Financial debt	**4 425,9**	**35 043,3**	**39 469,2**	**4 253,4**	**31 883,7**	**36 137,1**

In 2013, RFF raised €4.9 billion on the international capital markets in 30 public or private operations denominated in EUR or GBP.
RFF notably increased the liquidity of its benchmark public issues on the pound sterling and euro markets, and by issuing a new line in euros.

These new issues by tapping on the existing lines, as well as the new issue, break down as follows:

- A new issue in the amount of €1 billion at 3.125% maturing on 25/10/2028.
- Five taps of €100 million each, and a tap of €600 million, of its RFF line 4.25% maturing on 07/10/2026, taking the total outstandings to €3.6 billion.
- Three taps of €100 million each, of its RFF line 5% maturing on 07/10/2033, taking the total outstandings to €3.1 billion.

- Three taps of €150 million, €100 million and €500 million, of its RFF line 4.50% maturing on 30/01/2024, taking the total outstandings to €3.75 billion.
- A tap of €100 million of its RFF line 4.375% maturing on 06/02/2022, taking the total outstandings to €2.6 billion.
- Two taps, of £50 million and £125 million, of its RFF line 2.375% maturing on 23/12/2015, taking the total outstandings to £625 million.

Private loans represent a total amount for which the amortised cost is €1,450.2 million as at 31 December 2013.

➢ Cash flow table

In € millions	31/12/2013	31/12/2012	Variation
CAF before net financial indebtedness cost and tax	**1 928,0**	**2 045,8**	**(117,7)**
Tax payable	**(12,4)**	**(48,2)**	**35,7**
Variation of the working capital requirements linked to the operational activity	**246,0**	**(103,7)**	**349,8**
Net cash resulting from operational activities	**2 161,6**	**1 893,8**	**267,8**
Cash flow from investments activities	**(3 102,9)**	**(3 078,4)**	**(24,5)**
(including WCR investment variation)	*81,1*	*(530,4)*	*611,6*
Cash flow from financing activities	**1 707,2**	**(732,2)**	**2 439,4**
(including WCR financial variation)	*(347,6)*	*(322,4)*	*(25,2)*
Cash position variation net of bank overdrafts	**765,9**	**(1 916,8)**	**2 682,6**

The internal financing capacity – equal to €1,928 million as at 31/12/2013 versus €2,045.8 million at the end of 2012 – is down as a result of the decrease of the operating subsidy provided by the State.
The cash position for operational activities improved by €267.8 million in view of:

- a decrease of the tax expense equal to €35.7 million,
- an improvement of the WCR of the operational activities equal to €349.8 million relative to 31/12/2012.

The cash related to investment operations at the end of 2013 is stable relative to the previous year, thanks to a noteworthy improvement of the WCR investment (+€611.6 million).

The cash related to financing operations involves the flows related to:

- loan issues and repayments
- net financial interest paid
- collateral received / paid as part of hedging operations
- investments

The cash increase of €2,439.4 million relative to 2012 primarily traces back to the decrease of the investments in NDI at more than three months, as well as an increase of the recourse to long-term indebtedness.

II. 2013 SIGNIFICANT EVENTS

Correction of the impact of delays in the entry into service of projects delegated to the SNCF

The new automated system for accounting entries into service encountered implementation and then operating difficulties related to the information systems as of April 2012. These difficulties prevented the performance of the accounting entries into service that should have been completed in the operation systems in 2011 and 2012.

To ensure that the financial statements present an image of the economic reality of the entries into service, additional entries were posted in 2011 and 2012:

- Assets entered into service: €8,198.6 million
- Subsidies entered into service:€3,099.3 million

At the same time, depreciation expenses and reversals of corresponding subsidies were posted in 2011 for respective amounts of €326.8 million and €131.1 million.

To 31/12/2013, the entries into service were caught up in the information systems in the total amount of €7,794.6 million and €1,980.9 million. At the same time, the depreciation expenses and subsidy reversals were reintegrated into the information system.

To 31/12/2013, additional entries into service once again had to be posted by “OD” in order to account for the efforts to finalise the entry into service files carried out in December 2013. As such, the amounts entered into service are €1,047.9 million for assets and €587.3 million for subsidies. Depreciation expenses and subsidy reversals were also recognised by OD for respective estimated amounts of €24.3 million and €14.1 million.
These entries into service will be regularised in the information systems in the first half of 2014. By 30/06/2014, the accounting entries into service will therefore have been completely regularised in the information systems.

Brétigny-sur-Orge accident

On Friday 12 July 2013, Paris-Limoges train n°3657 derailed in the Brétigny-sur-Orge (Essonne) station. At this point, only the origin of the accident is known. The investigations in order to determine the causes are still in progress.
At this point, only the origin of the accident is known. The investigations in order to determine the causes are still in progress. The Bureau d'enquêtes sur les accidents de transports terrestres (BEA-TT) released its progress report in January 2014. This report, that examines the events and their causes, was presented to the SNCF and RFF directors on 13 January 2014. It will be used to strengthen the safety-related actions for the benefit of the rail system. This intermediate document constitutes a technical investigation. Determining liability is the task of the ongoing legal proceedings.

Rail reform

The major outlines of the rail system reform were presented to the Council of ministers on 29 May 2013. The first reading of the draft law will take place on 16 June 2014 in the National Assembly.

III. METHOD CHANGE

First application of the IFRS 7 amendment on the offsetting of financial assets and liabilities that has been adopted across Europe (EU regulation n°1256/2012 of 13 December 2012 published on 29 December 2012 and amending EC regulation N°1126/2008)
The amendment relates to the information having to be provided with regard to recognised financial assets and liabilities that are offset according to paragraph 42 of IAS 32. It also relates to the information having to be provided on posted financial instruments that are subject to enforceable master netting arrangements or similar agreements. Such information is presented in note 4.15.3.
First application of the IFRS 13 standard, that stipulates the risk components having to be included in the fair value of derivatives in view of the market participants, that has been adopted across Europe (EU regulation n°13/2012 of 11 December 2012 and amending EC regulation n°1126/2008).
The standard relates to the valuation of financial instruments at fair value that must take into account the counterparty's risk of default and, with regard to liabilities, the entity's own credit risk (IFRS 13.42). If the instrument is an asset, its value is adjusted notably in order to consider the counterparty's credit risk (commonly referred to as CVA - Credit Value Adjustment); inversely, if the instrument is a liability, its value is adjusted in order to recognise, amongst other things, the company's own credit risk (DVA - Debit value Adjustment).

Application of the new version of the IAS 19 standard "Employee benefits" that was adopted by the European Commission in December 2011 (EU Regulation n°475/2012, published on 5 June 2012):

c) Actuarial gains and losses relative to personnel benefits for defined benefit plans after employment are now recognised in OCI (Other Comprehensive Income) rather than through profit or loss (IAS 19 R.120).

In compliance with the amendments made to the IAS 19 standard, RFF now applies the recognition of actuarial gains and losses completely in OCI (IAS 19 R.120).

The consequences in the financial statements are the following:

- On the pension commitments:

The impact linked to this first retrospective application is -€0.2 million to 01/01/2013 on the level of the OCI, but neutral on the level of the total shareholders equity.

To 31/12/2012, the total impact of the actuarial gains and losses booked in the financial statements therefore amounted to -€0.2 million versus -€1.1 million to 31/12/2011.

To 31/12/2013, the actuarial gains and losses booked in OCI represent an amount of +€1 million.

- On the working time accounts:

The impact linked to this first retrospective application is +€2.1 million to 01/01/2013 on the level of the OCI, corresponding with the first discounting effect.

To 31/12/2013, the actuarial gains and losses booked in OCI represent an amount of -€0.2 million.

d) The classification rules for personnel benefits between long term and short term have also been reviewed on the basis of the expected payment dates and no longer the dates when the payments could be demanded (IAS 19 R.8).

As such, the commitments relative to working time accounts have been reclassified as long-term benefits since the practices at RFF indicate that the settlement of these benefits only occurs more than 12 months after the due date (IAS 19 R.8).

The impacts linked to this first application are visible on the level of the balance sheet and of the shareholders equity. To 31/12/2012, the discounted amount of the commitments relative to the working time accounts is €5.2 million after a discounting effect of €2.1 million.

IV. EVENTS AFTER THE CLOSING

There is no event after the closing to be pointed out.

V. Report on CSR (Corporate social responsibility) Grenelle 2 law

In application of article 225-102-1 of the Commercial code, the report on the company's social responsibility is provided below.

Réseau Ferré de France (RFF) performs its industrial and commercial activities while pursuing progress and integrating sustainable development concerns. Indeed, lawmakers have positioned RFF as a major player in sustainable development. In its article 1, the law of 3 February 1997 that established the RFF indicates that the purpose of the public corporation is *“the development, coherence and enhancement of the national rail network, while adhering to the principles of public service and while promoting rail transport in France, with the aim of sustainable development.” »*

RFF has therefore chosen to report on its performances in terms of social, environmental and societal responsibility using the format provided by article 225 of the Grenelle II law as of 2012 even though the implementing decree for the article applicable to public establishments and corporations had not been published.

By publishing the first CSR component in its 2012 management report, RFF committed itself to verification of its published information by independent third party institutions. The RFF statutory auditors certified that the 2012 management report contains the information required by article R. 225-105-1 of the Commercial code.

For the 2013 financial year, RFF continued by implementing a CSR report that targets:

- relevance, with its indicators having to be defined according to their specific stakes;
- reliability, by relying on guidelines and information systems that guarantee the quality, credibility and comparability of the published information;
- integration, i.e. putting such information into perspective with the accounting and financial information, such as to provide the senior executives, partners and stakeholders with a more global view of the performance.

In concrete terms, a series of indicators was prepared in response to the decree’s 42 subjects. Also, a protocol was prepared in order to describe the reporting perimeter, the information collection process, the governance of the initiative and to present all of the indicators. A summary of this protocol can be found in the third part of this CSR component, in the form of a methodological note.

The first part of this CSR report presents the company governance and, in particular, its oversight of sustainable development stakes. The second part is devoted to the year’s commitments and achievements in social, environmental and societal terms. At the end of the report, noteworthy achievements from 2013 are presented. The relevant indicators are shown at the end of each topic. The third part notably provides a summary table of the indicators and a correspondence table with the topics in the decree, the ISO 26000 standard and the GRI.

1- Sustainable development governance and oversight

1.1. Continuous improvement governance and oversight

1.1.1. General organisation of the company

The company's general organisation revolves around the chairman, the deputy chief executive officer and of six deputy general managers: "marketing and planning", "operations", "major projects", "finance and purchasing", "secretary-general" and "Ile-de-France".

Twelve regional departments reporting directly to the chairman and to the deputy chief executive officer look after, within their respective territories, the implementation of the strategic orientations and the company's operational responsibilities, under the direction of the deputy general managers. In general, they are organised around four services, in charge of the network's technical and commercial management, investment projects, real estate and property development, as well as administrative and financial affairs. In view of the specific stakes within the Ile-de-France, this regional department has its own organisation.

The general organisation is notably based on the conclusions of the September 2011 report under the joint aegis of the Inspectorate-General for Finance and the Environment and Sustainable Development General Council, recommending better management of the interface between RFF and the SNCF, improved governance, the removal of redundancies and greater clarification on the different head office functions.

1.1.2. Corporate governance

RFF is a national public establishment of an industrial and commercial nature, the articles of incorporation and duties of which are listed in the amended decree n° 97-444 of 5 May 1997; this implies certain specific features, notably in terms of:

- Composition of the Board of directors (BD): seven State representatives, five persons chosen on the basis of their competence, six representatives elected by the company employees; The State's representatives to the RFF BD and the persons chosen on the basis of their competence are appointed by decree subsequent to a report from the deputy minister in charge of transportation.

- Independence of the directors: as a supplement to the provisions of the decree, the Charter of relations with the Agence des Participations de l'Etat (APE) indicates that "*a director is said to be independent when this person maintains no relations of any kind with the company, its group or its management that could compromise the performance of his/her freedom of judgment*". ».

- Compensation of the directors: the chairman's compensation is set by ministerial decision; the chairman relies on three persons from the BD relative to the objectives of the COMEX members and their annual assessment (system inspired by the AMF recommendations and the corporate governance principles set down by the Association Française des Entreprises Privées (AFEP)/ Mouvement des Entreprises de France (MEDEF)).

- Organisation of the RFF external oversight: as a public corporation, the company is subject to economic, financial and technical oversight by the State (ministers in charge of the Economy and Budget, that the minister in charge of transportation), and by the Etablissement public de sécurité ferroviaire (EPSF); it also falls within the scope of investigation of the IGF, and is subject to inspections by two independent administrative authorities: the Court of Auditors and l'Autorité de régulation des activités ferroviaires (ARAF). Its financial statements are certified by statutory auditors.

The company's governance rules target compliance with the provisions of the Charter of relations with the APE and public undertakings, and are inspired by the principles included in the corporate governance code for listed companies and are based on the principles enacted in the code of corporate governance of the listed companies under the joint aegis of the AFEP and the MEDEF.

In application of article L.225-37 of the Commercial code, the chairman of the RFF board of directors drafts a report on the composition of the board and the application of the principle of the balanced representation of women and men within the board, on the conditions for the preparation and organisation of the board's works, as well as on the internal control and risk management procedures set up within the company.

1.1.3. Overall steering of the sustainable government initiative

Within the Strategy department, the Sustainable development strategy unit defines the company's strategic orientations with regard to sustainable development. It has relays in all of the company's departments in order to implement the selected orientations and to disseminate best practices, both within the support or transversal functions, and in the operational functions.

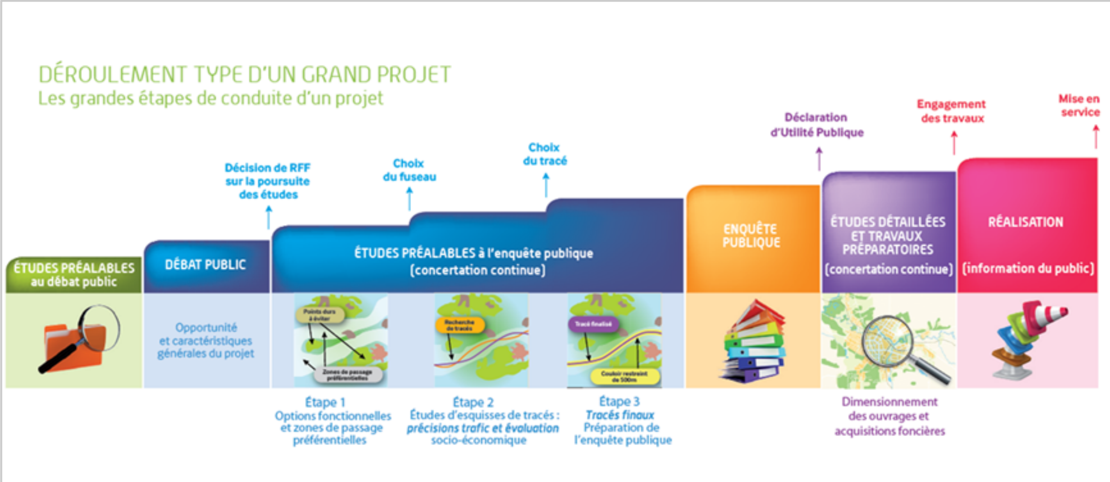
To promote the stakes of sustainable development within the future unified infrastructure manager, an Environment and Sustainable Development department will be created in 2014. The blueprint for this department was entrusted to Christian Dubost, previously the regional director of the RFF Midi Pyrénées Region.

1.2. Consultations with our external stakeholders

At the start of the 2000s, RFF initiated an ambitious consultation policy. In the general context of growing environmental consciousness and the desire of people to be informed and involved in the decision-making processes that have an impact on their lifestyle, bringing together the conditions for the social and societal acceptance of the management and development of the rail infrastructure is a key challenge for the network manager.

The RFF stakeholders are presented on the page "actors in the railway world" on the site rff.fr (http://www.rff.fr/fr/notre-entreprise/les-acteurs-du-ferroviaire).

Since its creation, RFF has worked to develop consensus-building has an initiative that will make it possible to consult with and involve both public and private partners, users – companies or individuals – and, beyond that, all citizens in the definition of railway projects. Thirteen public debates were organised on rail-related projects, and more than 70,000 people participated.



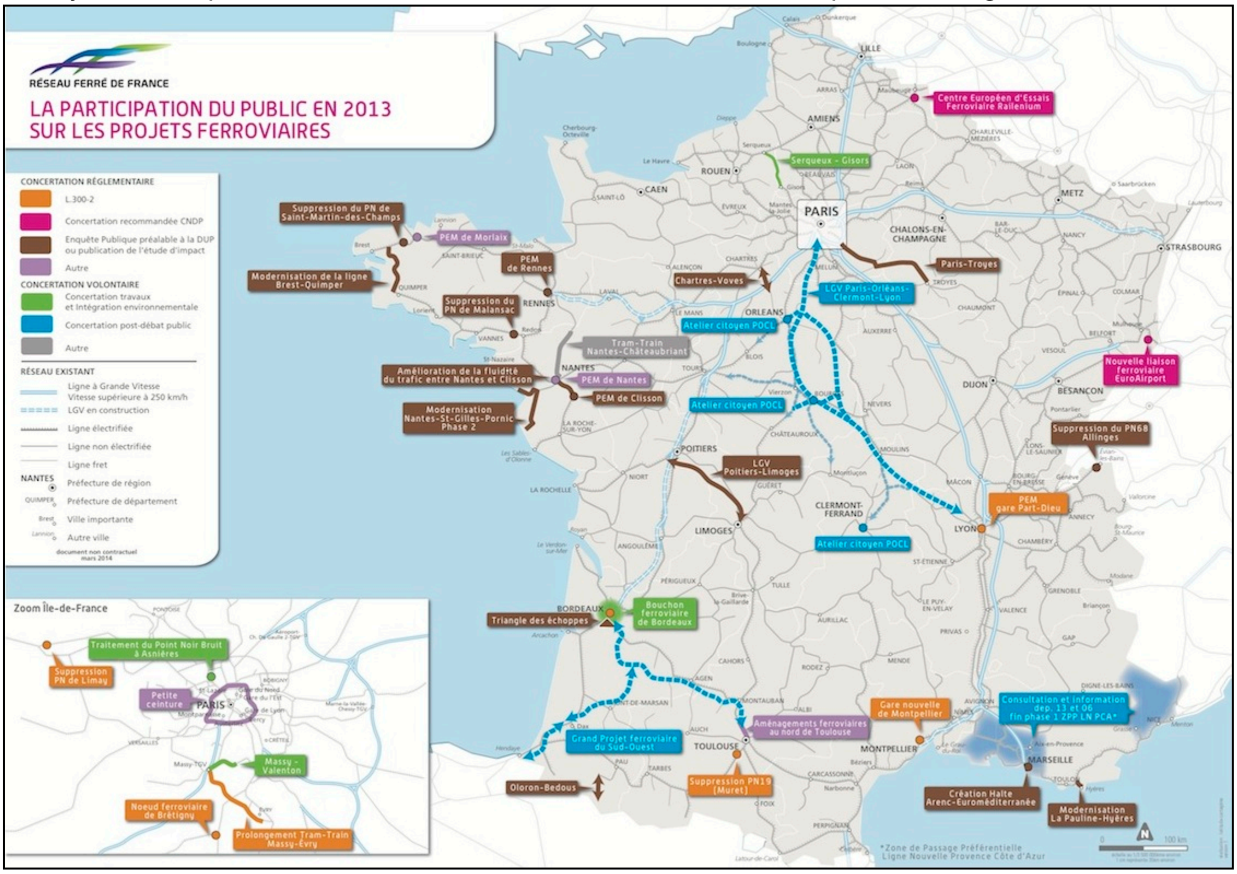
RFF developed consultation initiatives individual company the preparatory studies for the public debate, followed by "post-debate" studies, through to the preliminary inquiry for the Declaration of public interest (French acronym: DUP). To this end, the company has implemented innovative tools (local consultation charters, consultation guarantor, Internet sites for expressing views, etc.) and deployed significant resources. RFF has set up a charter for carrying out consultations, that includes precise commitments in order for the provisions for the implementation of the consensus-building to adhere to a quality requirement.

These initiatives have been extended to projects outside of the construction of lines, notably the development of railway rest stops, as well as the company's main business lines such as the preparation of schedules, the work timeslots with a high impact, and notably consensus regarding acoustic protection.

Focus: Consultation regarding acoustic protection on Eole

The public inquiry on the EOLE project resulted in a favourable opinion from the inquiry commission, but with two reservations. Pursuant to its commitments, in 2013, RFF initiated a consultation with the concerned communities, under the aegis of a mediator, in order to reach an agreement on the maximum noise levels that would have to be respected, and on the necessary protective provisions. RFF has committed to a guarantee of results and, consequently, to an overall improvement of the current situation.
The results of updated models were presented, along with a multi-criteria analysis of the relevance of acoustic strings, and the principle of an iterative treatment of railway Noise Black Spots (rNBS).
The main ideas expressed no opposition to this treatment principle. A pedagogical booklet describing the project in the results of the acoustic studies was left with each community for analysis.
A review meeting with the 5 leading communities concerned by this system will be organised in 2014 in order to implement, under the prefect's authority, this treatment principle in order to be able to extend it to all of the communities concerned by the project.

Each year, RFF publishes a charter on its consultations with the public throughout the national territory.



2 Commitments and achievements

The challenges of sustainable mobility require a lasting railway network

The national railway network is a key component of any sustainable development policy, since it provides the territories and their population with sustainable low-carbon mobility using a varied energy mix that therefore has a low dependency on oil, that is respectful of the environment since it consumes less space and energy while being favourable for biodiversity, and that is safe, high-performing in its service areas and accessible to all members of the public, including the most fragile members such as persons with reduced mobility.
This sustainable mobility requires a quality infrastructure network that is present throughout the national territory, that is open in order to receive new services and capable of supporting, without incident, growing traffic with modern commercial practices in order to maximize value, with refurbished industrial techniques that provide for cost control and compliance with environmental and social standards, and with an economic model that is as balanced as possible in order to ensure its sustainability.

It therefore requires high-performing services that are differentiated according to the needs of customers, travellers or shippers, adapted to the requirements of the territories and to the serviced audiences. It controls its costs and is transparent with regard to them, while being open to innovation in order to ensure the traffic's development.

Improving the network's quality contribute to developing the traffic numbers, which will allow for better financing of the network.

RFF strives to provide its customers with services that suit their needs, in order to encourage the development of traffic numbers, increase its proceeds and thus better finance the network. To this end, the company carries out three types of actions: adaptation of the commercial offer to customer needs and enhancement of the competitiveness of rail versus other modes, renewal and modernization for safe and efficient management of the network, and development in order to improve the accessibility of the territories and promote balanced economic development.

2.1. Societal information: responding to the challenges of sustainable development for goods and persons

To meet the differing expectations of its customers, of the local and territorial communities, of Europe and more generally of its stakeholders, RFF places research and innovation at the heart of its infrastructure development policy in order to "Develop and adapt the rail infrastructures for tomorrow". The aim is for the company to develop modern rail infrastructures that are respectful of the environment, socially responsible and economically viable, in order to:

- increase the competitiveness and attractiveness of rail services;
- transport a larger volume of passengers and merchandise;
- increase energy efficiency and reduce the environmental footprint of rail services;
- accompany the development of the territories;
- harmonize the infrastructures within Europe.

2.1.1 Offering a safe and quality of network in order to meet the expectations of customers and stakeholders

Including sustainable development concerns at the very heart of its industrial and commercial activities confirms RFF's desire to improve the quality of its service while satisfying the expectations of its stakeholders.

a) Guaranteeing safety

It is the task of RFF, as manager of the national railway network, to design, develop, ensure the consistency and promote the value of the national railway network, on which many rail companies are now operating. Maintaining the high level of the safety of persons on the national railway network is one of the company's strong commitments, as demonstrated by the constant decline in the number of persons killed or seriously injured on the network (excluding suicides). RFF's responsibility in the area of railway safety has translated into 3 fundamental requirements:

- guaranteeing, on the level of the design, modernization and maintenance of the network, infrastructure usage conditions that will allow rail companies to assure that they can circulate safely;
- providing rail transport operators with reliable and suitable information relative to the status of the infrastructure and its usage provisions, as well as the operating documentation so that they can take this information into account or put it into practice in the safety procedures that are incumbent upon them, as part of the transportation service that they provide;
- ensuring the safety of users, the personnel, third parties, the transfer the goods and the environment, by means of defining and implementing procedures unnecessary resources, both with regard to RFF and in terms of the recourse to service providers and the supply of equipment.

Focus: Renewal of the safety authorisation

In compliance with decree n°2006-1279 of 19 October 2006 relative to the safety of railway circulations and the interoperability of the railway system, RFF and SNCF, as delegated infrastructure manager (SNCF DIM), must have a safety authorisation provided by the EPSF, that confirms their ability to meet the regulatory safety requirements and to control the risks related to the management and operation of the infrastructure open to public circulation.

RFF and SNCF DIM received their first safety authorisation in February 2008, for a duration of 5 years. In 2012, RFF and SNCF DIM worked together in order to pursue a renewal of their safety agreement by the EPSF, that was obtained on 14 February 2013.

Improving the safety of level crossings

As most accidents these days involve the users of level crossings (LC), as well as persons authorised to circulate within the railway rights-of-way, the policy implemented in the last several years notably targets improving or doing away with level crossings, as well as implementing systems in order to prevent third parties from accessing the railway rights-of-way. RFF also strives to ensure the protection of travellers in the stations, by ensuring that tracks can only be crossed safely.

The national railway network includes approximately 15,000 level crossings open to road traffic. 98% of accidents between a vehicle or a pedestrian and a train are due to failure to comply with the highway code and with basic road safety rules. Even though the number of deaths (32 in 2011, 33 in 2012, 29 in 2013) confirms the general downward trend, this figure cannot help but recall the importance of the need for prevention and the safeguarding of level crossings.

In recent years, the policy for improving LC safety has revolved around the following main points:

- the **safeguarding of LCs**, with a substantial financial effort (the actions to bring them up to standards and to improve safety cost approximately €20 million per year);

- **prevention and communication**: in 2008, RFF initiated the “National road safety day at level crossings” in order to increase the awareness of road users regarding the dangers generated by risky behaviour in the vicinity of level crossings. In 2009, this day was extended across Europe. It is now worldwide under the leadership of the International Union of Railways (UIC), and now involves some 40 countries focusing on this societal challenge;

- **repression and dissuasion:** after works carried out by RFF, by the Road Safety and Circulation department and by the track managers, radars were installed alongside the LCs included in the national safety programme in order to punish roadway users who do not come to a stop at the flashing lights of a LC (crossing radar) or adhere to the speed limit when approaching LCs (speed radar).

Focus: Level crossings, vigilance objective

On 24 September 2013, the sixth National road safety Day was held, with one major innovation: co-producing the prevention messages with road users. (http://www.rff.fr/fr/gestion-page-d-accueil/actualites/passages-a-niveau-objectif-vigilance).

For this year, the aim was to work with users in order to prepare the safety messages for tomorrow. As such, the campaign involved:

- *1000 displays in the cities, on the topic of Roadway prevention;*
- *on 24 September: 12 sites in France and approximately 300 participants mobilized in the regional departments (Roadway prevention volunteers, SNCF agents, RFF employees, elected officials, State representatives, road safety, etc.);*
- *direct discussions with uses of the road on the sites of level crossings, with road and rail safety agents;*
- *the installation of temporary level crossings in the city centre of Marseille and Chalon-sur-Saône, in order to meet with new audiences and to raise their safety-related awareness.*

This policy, revolving around the major topics, has helped to cut the number of accidents at level crossings in half over the course of the last 10 years. It is RFF’s ambition to continue and enhance this risk control policy regarding accidents at level crossings. As a continuation and supplement to the efforts indicated above, the Board of directors validated new orientations in December 2013, with the aim of rolling out a programme of actions based on the following principles and objectives:

- **Improving** knowledge:

- of the LC grounds and its environment, since the surroundings of level crossings can have a direct impact on the conditions for its crossing by road users;
- of the public's behaviour at level crossings, in order to adapt the structures and prevention / communications campaigns that will help to improve safety of the new behaviours of the various users;
- an improvement of the location of level crossings, in place since 2009 in order to continue and further the efforts to map level crossings within GPS programs.

- **Strengthened prevention**

- **Increased security and improved risk control**, in order to safeguard all level crossings in a lasting manner (whether or not they are listed in the national safety programme). The safety problems seen at certain level crossings justify modifications of the infrastructure (road and rail) in order to prevent accidents. The radical solution involves removing the level crossing, while deviating the road traffic or altering the level of the crossing. When this is not possible, an in-depth assessment of the causes of accidents, near accidents or incidents, as well as analysis of user behaviour, makes it possible to carry out modifications of the infrastructures in order to increase the safety level. The set-up of a national and territorial master plan ensures prioritization and a better follow-up of the works involved in the improvement or removal of level crossings.

The Allinges ruling

In April 2013, the so-called Allinges trial began: on 2 June 2008, the collision of a school bus and an express regional train at level crossing "68" that services the Evian-les-Bains / Geneva-les-Eaux line caused the death of 7 students.
This ruling resulted in an in-depth change in terms of liability, both criminal and civil, while imposing on the infrastructure manager (IM) a general safety obligation that goes beyond mere compliance with the applicable legislative and regulatory texts. This evolution of the case law requires clarification and a framework for the liabilities for each of the actors concerned - SNCF DIM and RFF - with safety at level crossings.
Without waiting for this clarification requested jointly from the relevant ministers by the Chairmen of RFF and of SNCF, RFF has begun working on changes to its policy for level crossings, in close collaboration with SNCF Infra and the Direction des Circulations Ferroviaires (DCF), looking ahead to the unification of the infrastructure managers. These changes are in line with the action plan announced by the deputy minister in charge of transportation on 24 September 2013, along 4 lines:

- eliminating forced crossings;
- responding to the specific needs of heavy goods vehicles and coaches;
- Improving the information for users of the road;
- firstly securing the level crossings that have been identified as priorities for removal or equipment.

The Brétigny-sur-Orge accident and the launch of the Vigirail programme

On Friday 12 July 2013 at 5:11 PM, Intercity train 3657 Paris-Limoges derailed in the Brétigny-sur-Orge (Essonne) station, causing the deaths of seven people and hospitalising another 30. Nearly 1000 SNCF and RFF agents volunteered, in the Paris region as well as in the Centre and Limousin region, to look after the victims and their relatives, to provide information to travellers, and to set up alternative transportation means. More than 200 people worked constantly in 3x8 hour shifts to replace the tracks, catenaries, platforms, signalling installations, etc., so that all traffic was once again moving by 30 July, for all railway companies and all activities. Taking full responsibility, and before the end of the inquiries regarding this dramatic accident, SNCF and RFF launched several actions in order to strengthen the maintenance of the railway network. The switching verification plan was implemented as of 14 July 2013. In 2 weeks, nearly 5,000 core units, 100,000 rail joiners, 250,000 bolts and 520,000 attachments were verified. On 5 August, a programme was launched in order to assess the "loosening" phenomena. 181 switches were examined and an international panel of experts was gathered.

RFF and SNCF decided to launch a preventive programme in order to strengthen the safety of switches and to modernize the maintenance. The 8 October 2013, the programme Vigirail was launched. This programme, committing €410 million over 4 years, includes an in-depth overhaul of the upkeep and maintenance methods for the railway network. It notably includes:

- a strong acceleration of the programme for the renewal of switches on the heavily travelled zones;
- innovative surveillance methods such as analysis and verification of the rails by video,
- digital recording of the observations made by the personnel during local rounds;
- in-depth review of the personnel training with new technologies, while enhancing and simplifying the maintenance guidelines.

By adopting this Vigirail programme, RFF and SNCF are accelerating the renewal of track equipment on the heavily travelled or dense zones of the network, in keeping with the State's decision to devote financial efforts to the existing network.

Finally, RFF and SNCF have committed to the transparency of this programme. In addition to placing the safety reports online, a continuous information blog is available on the SNCF Internet site, while an update of Vigirail is planned for February 2014.

b) Offering a reliable and quality infrastructure

RFF is managing, modernizing and developing a network at the heart of Europe. Continuously evolving for more than 150 years, this network requires constant adjustments in order to meet the travel requirements of both travellers and merchandise.

Since 2008, the company has been implementing a vast modernization programme for the network national, while signing a performance contract with the public authority relative to the modernization effort, involving €13 billion through to 2015, a leading to the replacement of 1000 km of tracks per year versus 500 km beforehand. Under the impetus of the State and the regions, the significant efforts served to stop the ageing of the network, but without sufficiently rejuvenating it to reach an optimal average age.

On 15 October 2012, the production of a Grand Network Modernization Project (French acronym: GPMR) was requested of the RFF by the deputy minister in charge of transportation, at the time of the study carried out by the École Polytechnique Fédérale de Lausanne (EPFL). This study considered the implementation of the audit performed in 2005 on the condition of the network, that resulted in the launch of the network renovation plan.

The proposal of this modernization plan led to 6 major ambitions, building on 4 major action levers.

Six major ambitions. The first is to guarantee the control technical condition of that right and effective financial balance, so that the country has a railway tool that meets its expectations. This objective constitutes the basis of the GPMR.

It is accompanied by five longer-term ambitions:

- consolidating the network safety;
- putting regular service at the heart of the infrastructure manager's concerns;
- facilitating usage of the train;
- providing a response to the capacity stakes;
- contributing to the energy and ecological transition, and better inserting the network into its environment.

Four major action levers. In response to the challenges, 4 major levers have been identified:

- ensuring a lasting view of the network, shared with all actors;
- implementing an industrial infrastructure policy that focuses on renewal over current maintenance, while pursuing productivity and service quality gains;

- modernizing the operation through automation with available new technologies in order to increase the reliability, economics and performance;
- guaranteeing the “system” approach by pursuing, with the SNCF and other rail companies, optimisation set include all of the rail system components.

These levers are completed by innovation or a comparison with the other major infrastructure managers. The GPMR roll-out will take into account the network’s considerable diversity and the long timeframes specific to the rail sector.

Four sub-networks. There are strong contrasts within the network. The need is therefore to provide consistent responses that suit the stakes and needs of the four sub-networks that have been identified, namely:

- the Ile de France networks, for which modernization is a priority and the major rail nodes;
- the High Speed network;
- the structuring network;
- the territory’s extended service lines;

Across the network, specific stakes have been identified with regard to freight.

Three timeframes. The proposal is to work while focusing on horizons of 6 years (2020), 12 years (2025) and the longer term, and to update the plan every three years in order to ensure its relevance over time.

To produce its proposals, RFF worked with its partners in the future unified infrastructure manager (French acronym: GIU): DCF and SNCF-Infra. RFF also contacted the SNCF and the other rail companies meeting within the Union des Transports Publics (UTP) and, more broadly, with the main actors in the mail system.

During its session on 19 September 2013, the RFF Board of directors approved the guidelines presented in the draft of the network major modernization plan and asked to continue the initiative in collaboration with the other stakeholders, notably through a territorial extension. The approved guidelines constitute the basis of an ongoing reflection both within the railway infrastructure manager and with all system actors, in order to bring to light orientations that are shared, accurate and quantified. It is then planned that the GPMR will be implemented on the territorial level.

The first action launched in September 2013 involved in adaptation of the GPMR guidelines by axis. As such, RFF organised the production of master plans for the network’s main axes while involving the various components of the future unified infrastructure manager. Half of the axis master plans had been produced by the end of 2013. Using the same principles, the GPMR guidelines will be extended to the major rail notes in 2014, also in the form of master plans. The aim is for the master plans for the axes and nodes, as well as the territorial extension, to be submitted for consultation with the rail system’s stakeholders.

As such, the GPMR constitutes the collective work and mobilisation framework for the employees from RFF, SNCF Infra and DCF, in order to ensure the modernity of the railway network and to offer new opportunities to the French railway sector.

c) Responding to a growing need for mobility

In a context of upwardly trending energy prices and a growing environmental constraints, rail transportation will grow and relevance in order to better deal with mobility requirements. Companies and the general public demand a modern and accessible network that is consistent with the other transportation modes and technical / commercial services, that are always adapting to their needs.

Indeed, since its creation, the company's aim has been to provide high-performing transport services that combine better usage of the network and consideration of the needs of its direct and indirect customers, i.e. the network's users. These needs relate to service continuity, the frequency and reliability of the travel times, as well as the consistency of the transport multimodal chain.

To meet this demand, the company is working to improve the fluidity of the roots and to increase the competitiveness and attractiveness of rail services for the final customer, by increasing – with a constant network – the offer available to both travellers and freight. Many challenges must be met:

- working on the urban nodes, congested areas, notably within the Ile de France network, in order to make the traffic more fluid and thus to accommodate more trains under better operating conditions;
- continuing the roll-out of the phasing of the schedules, for trains that are sufficiently frequent and regular, optimised connections and good intermodality conditions;
- ensuring balance between the allocation of train paths to customers and safeguarding the capacity for upkeep and regeneration works on the network, that are needed in order to ensure its safety and sustainability;
- harmonizing the infrastructures within Europe: the interoperability and harmonisation of the national structures is an objective that the instructor managers must meet in order to promote rail transportation in Europe.

Focus: Customer satisfaction, an objective at the heart of all of our concerns

The satisfaction level of our customers is an important criterion for the network's performance. Since 2010, RFF has worked to measure the satisfaction level of its customers through a biennial opinion survey on the quality of its commercial relations (legibility of the organisation, management of customer demands, legibility of the pricing, etc.). The surveys make it possible to measure improvement of overall customer satisfaction, with the score increasing from 5.5/10 in 2010, to 6.2/10 in 2012.
In 2013, against the backdrop of the rail reform, an ad hoc survey was carried out on the perception of the unification of the infrastructure manager. Performed in September with 154 customers, the survey indicates that RFF is a legitimate establishment, but that it remains "complex" in the eyes of customers. The outcome is that the future institutional groups are positively perceived by RFF's customers.

d) Considering the specific needs of persons with reduced mobility

Each day, a growing number of persons with reduced mobility (PRM) uses the transportation infrastructures. It is therefore important to contribute actively to the continuity of their overall travel experience. The resulting improvements, such as level-changing equipment or access ramps on the platforms, are not limited only to PRM. The facility train access for all travellers and increase the fluidity of the traffic on the busiest lines.

The performance contract signed between the State and RFF between 2008 and 2012 headset on objective of 250 stops on the network made accessible by 2012. Using the public financing provided to RFF over the period, 66 train stations included in the Accessibility National Master Plan (SDNA) and 82 stations included in the Accessibility Regional Master Plans (SDRA) were made accessible. In addition, new stations and stop were put into service that meet the PRM accessibility requirements, along the lines of the "Créteil Pompadour" (94) station commissioned in December 2013, along with the stops arranged within the framework of the safety project, intended to do away with Track Crossing by the Public (French acronym: TVP). In late 2013, the accessibility arrangements for 91 stations were in progress, and nearly 400 stations were undergoing or had undergone accessibility studies.

Moreover, to accelerate the project implementation rhythm, in October 2013, the RFF Board of directors validated a financing policy for investments in the stations, that notably strengthened RFF's level of financial participation with regard to the increasing PRM accessibility. As such, over and above the financing provided by the Agence de Finance des Infrastructures de Transports de France (AFITF) until 2013, RFF is ready to add equity financing, with the agreement of the partners, and notably the regional Transportation organising authorities (French acronym: AOT).

The financial stakes are considerable for RFF, as ensuring accessibility within the RFF perimeter of stations listed with the SDNA and SDRA will cost more than €4 billion. As such, in the Ile-de-France, the cost of accessibility upgrades for 143 stations on the SDA list was equal to €1,090 million (2009 economic conditions) for the infrastructure manager's perimeter, with financing from RFF for €273 million (25%).

Focus: Urbaccess, RFF is renewing its presence

For the second consecutive year, RFF was one of the main partners of Urbaccess, the European Accessibility Trade Fair that was held at the CNIT in Paris on 13 and 14 February 2013 in the presence of Marie Prost-Coletta, Ministerial delegate for accessibility to the MEDDE, of several representatives of Urbaccess' partners as well as associations of persons with reduced mobility.
*Located just opposite the trade fair's entrance, the RFF teams staffed a stand that was visited by more than 130 visitors wishing to discuss matters relating to accessibility. Moreover, nearly 250 people asked many questions during the roundtable entitled "*Transport and Accessibility*", in which RFF participated.*

e) Protecting the population from adverse noise effects

Adverse noise effects related to railway traffic
Adverse noise effects are a subject of concern people residing near transportation infrastructures. The noise generated by the train traffic is primarily due to the rolling sound generated by irregular contact between the wheel and the rail. In the vicinity of stations already crossing metallic bridges, other types of noise can prove to be disturbing. Even though the sound disturbance related to rail transportation noise is limited when compared with the noise generated by road or airplane traffic, controlling these disturbances is necessary in order to promote the network's best possible integration into the lives of our co-citizens. In IDF, where the issue of adverse noise effects is particularly important, coming to terms with rail noise within an "infrastructure system / rolling stock" vision has now been encouraged thanks to the set-up of 2-level governance that includes:

- a regional railway noise committee, the objective of which is to encourage exchanges and decision-making between stakeholders;

- a technical committee that includes the Direction Régionale et Interdépartementale de l'Équipement et de l'Aménagement Ile-de-France (DRIEA), the Ile-de-France Region, RFF and SNCF, that meets on a regular basis in order to review the progress of the operations and prioritize the necessary actions.

In compliance with the regulations relative to limiting the level of emitted noise, RFF complies with the noise levels perceived in the vicinity of the infrastructure for which it is responsible.

In the development phases for new rail projects, the risk of adverse noise effects is considered by RFF as of the initial study phases of projects, so that the acoustic aspect will be an integral part of the project's design, while notably complying with the indicators and threshold values established by the regulations.

On the existing network, RFF pairs classification data for noisy tracks: these data are provided to the prefects for the purposes of classifying these tracks and their transfer in the local urban planning documents, in order to control the development of residential zones along the existing tracks. In application of article R571-48 of the environmental code, RFF is required to comply with the maximum noise levels authorised by a direct treatment of the infrastructure or its immediate surroundings. If this is not economically or environmentally possible, a treatment of the structure “that takes into account the actual usage of the parts exposed to noise” is performed, such as acoustic insulation.

In compliance with the Grenelle objectives, the company has also undertaken, for many years, to deal with railway Noise Black Spots (rNBS) on the existing network by implementing screen-type acoustic protection, or even façade protective structures when the construction of screens is technically impossible or unreasonable in terms of costs. This represents a considerable investment: from 2008 to 2013, RFF committed to devoting €140 million, all financing sources taken together, in order to deal with certain of the most critical zones. To illustrate, 829 PNB buildings have been treated or are in the process of treatment, which is equivalent to protective measures for the benefit of 11,214 people, and 6000 linear metres of screens built by the end of 2013.

Focus: The treatment of adverse noise effects in the Ile de France and Rhône Alpes

In IDF, the construction of protective structures as part of the PNB pilot sites is continuing with the end of the works at Quincy-Sous-Sénart and the acceptance of a screen of 2 m high and 460 ml, financed 25% by RFF (25% State, 25% IDF Region, 20% Essonne General Counsel and 5% Urban community of Le Val d’Yerres), and the start of the construction works on acoustic screens in Bondy and Noisy-le-Sec. In 2013, this project, with financing by the ADEME (ADEME 43%, RFF 13%, State 20%, IDF Region 20%, Seine-Saint-Denis Regional Council 2%, Noisy-le-Sec 2%, Bondy 1%), saw the installation of 325 ml of screens 2 to 3 metres high and the performance of diagnostics for the accommodations that are to be the subject of an additional façade treatment.
In Rhône-Alpes, just in 2013, 1000 ml of acoustic screens were built and 7 operations to deal with NDS PNB are in progress (Vallée du Rhône, Vallée de la Maurienne and Lyon) for the benefit of 1000 dwellings protected by façade insulation.

Adverse noise effects related to worksites
The limitation of adverse noise effects during the worksite phases is also controlled by a national policy.

When the project requires an environmental assessment, the project owner must provide the departmental prefects and the mayors of the communities within the territory where the works and jobsite installations are planned, with a document “consideration of noise during the worksite” that summarizes the useful information elements on the nature of the worksite, its anticipated duration, the expected adverse noise effects as well as the measures taken to limit these disturbances. These regulations regarding “ambient noise”, for its part, verses compliance with the “normal usage” rules relative to equipment on worksites.

In the specifications for companies, RFF imposes the use of approved worksite machinery that complies with noise standards. These rules apply on all worksites relative to projects subject to an environmental assessment. On the renewal and maintenance worksites, this initiative is part of a voluntary process, notably in dense urban zones.

Recap table of the relevant indicators for the topic
“Offering a safe and quality of network in order to meet the expectations of our customers and stakeholders”

Indicators	2011	2012	2013
Arrival punctuality rate 5 min. (%)	88.4	88.3	87.3
Number of minutes lost per 100 km by the RC (min): - For RC reasons - For IM and external reasons		-	 1.95 1.20
Investment expenses intended to improve service	23.6	27.3	27.4

regularity (M€)			
Share of freight commercial proceeds originating with railway companies other than Fret SNCF (%)	20.4	25	38
Customer satisfaction (score out of 10)	-	6.2	-
Amount of investment expenses capitalised by the major development projects (€M)	1,844.6	2,531.5	4,150.4
Amount of investment expenses capitalised by the regional development projects (€M)	692.5	708.0	995.2
Amount of the investment expenses capitalised for network compliance upgrades (€M)	110.6	121.8	158.3
Amount of the investment expenses capitalised for network renewal and performance (€M)	1,777.0	2,899.6	2,321.2
Amount of duties and taxes (€M)	76.9	81.2	85.5
Number of accidents involving people on the network (number of persons killed)	88	73	84
Number of accidents involving people on the network (number of persons seriously injured)	53	37	64(*)
Number of accidents involving people on the network (number of suicides)	332	356	288
Total safety investments (€M)	42.5	57.77	73.8
LC on the National safety programme that have been eliminated (number)	4	4	8
Investments devoted to dealing with NBS, outside of development and modernization projects (€M)	6	8	9

(*) The significant increase in the number of serious injuries in 2013 is primarily due to the Brétigny accident: 23 people seriously injured only thing that event.

2.1.2 Promoting the balanced servicing of the territories and accompanying the planning policies

a) An interconnected and networked infrastructure, present throughout the national territory

The heart of RFF's mission, network access, the definition of schedules and rail services, the modernization of the infrastructure or the development of new lines, will all bring the mobility of persons in circulation of goods into play. Indeed, mobility is systematically in question any major considerations of territorial development, such as France's integration into Europe, the nature of the relations between cities and their large areas of influence, social and environmental fragility of areas away from metropolisation movements.

As owner and manager of the national railway network, RFF works, relative to these questions, together with all development actors, whether national, regional or local. The company must ensure the coherence of its network but, at the same time, it must consider the expectations of these actors. The latter are very often partners, since they are its customers or participants (for example, regions) in the financing of the network's modernization.

But RFF also wishes for the development actors to be aware that they cannot expect everything from the railway network. To ensure the greatest possible accessibility of the territory, the complementary nature of the various transportation networks must be envisaged while focusing the efforts on the most relevant places. For new line projects, the size of the investments is progressively leading to a reappraisal of the classical questioning: is no longer the effects expected from a new line in terms of development that justify a project, but rather the development project into which this new line is inserted that ensures its legitimacy as a result of the services that it provides to the territories that it serves.

In an effort to take these various dimensions into account, several actions were carried out in 2013. They can be grouped into three major categories:

- the quality ramp-up of the land-use planning studies, notably with design bureaus working on behalf of RFF, the project owner;
- the integration of RFF into development networks through cooperative efforts with the DATAR (Délégation interministérielle à l'Aménagement du Territoire et à l'Attractivité Régionale) or the IHEDATE (Institut des Hautes Etudes de Développement et d'Aménagement des Territoires en Europe);
- the involvement of the development actors around the subjects, with RFF as interface and driving force behind innovative initiatives.

Focus: the IHEDATE partnership

In 2013, RFF became a partner of the IHEDATE. Created in 1999 on the initiative of the DATAR, this Institute provides qualified professionals with training relative to:

- *Developing, amongst territorial decision-makers in France, and understanding of the systemic challenges (economic, social, ecological) faced by cities and territories, and contributing to the reflection on the conditions for sustainable development and planning;*
- *Raising awareness of territorial strategic management amongst professionals who are able to serve as conduits and magnets within their company, community, association or ministerial structure;*
- *Building a network based on mutual understanding between actors having to work together in the preparation of development strategies and on planning project (in 2012, the network of "veterans" has more than 500 people).*

In 2013, the starting year of the partnership with the IHEDATE, RFF wished to guarantee the scope and sense of this partnership. After the initial participation of two RFF auditors in the training cycle (the regional directors from Provence Alpes Côtes d'Azur and Normandy), several actions were carried out, such as the posting of the monthly seminar "Who controls communication networks?" within the company's offices. ». In July, RFF organised a workshop for some 20 IHEDATE auditors who considered the following question: "How can a project for a new rail line encouraged the emergence of a territorial project? ». Over two days, the group reviewed issues surrounding the conduct of major railway projects, with the help of various project managers. In December, the fruits of their reflections resulted in an oral presentation and a written document that was disseminated to all RFF employees, via the internal communication site "Passerelles".

b) Valorisation of the property assets in order to accompany the territory's enhancement

As the second-largest property owner in France, RFF has a diversified estate of buildings and real estate, rural and urban, of approximately 103,000 ha, spread throughout the territory. It primarily consists of railway rights-of-way (97,000 ha) for 50,000 km of tracks and 4.7 million m^2 of buildings. The company must reconcile future railway needs and the development projects of the communities. In partnership with the local authorities, it notably contributes to the housing policy by releasing lands to the local authorities or to the State for the installation of public facilities, eco-neighbourhoods and housing units, including social housing.

In general, RFF is rarely the source of any pollution on the lands in its possession. Indeed, the company does not perform any operation of materials on these lands, and generally does not have the capacity as an operator of Classified installations for environmental protection (French acronym: ICPE). In case of an assignment of lands, in order to exhaustively inform the buyer and to secure the assignment process, RFF carries out soil examinations at its expense, in order to exactly determine the nature and scope of any pollution, an event that the land proved to be polluted (historical study and, if relevant, diagnostics with sampling). Additional studies, that can be carried out by the buyer, are intended to define the remediation objectives on the basis of the future usage or of the acquirer's project, and the techniques to be used in order to reach these objectives. Following the discovery of soil or subterranean pollution, in case of polluting waste within a parcel that is to be sold, investigations are performed so as to determine the nature and scope of the pollution, its origin and causes (waste related to non-rehabilitation by a previous operator, dumping site for third parties, etc.) and its authors. The investigations also allow RFF to define the various actions having to be implemented: waste removal, choice of the treatment method according to the results of the assessment and remediation works for possible pollution of the ground and/or underground water.

Focus: Preservation of the rights-of-way: lasting valorisation of unused lines
An extremely small part of the railway network consists of unused railway lines. In response to requests for reuse from the communities, RFF is contributing to their local projects by once again giving immediate collective usefulness to the rights-of-way or without giving up a hypothetical railway-related future. Transformations into green spaces or the usage of tourism rail traffic are contributing to sustainable mobility.

Recap table of the relevant indicators for the topic
"Promoting the balanced servicing of the territories and accompanying the planning policies"

Indicators	2011	2012	2013
Surfaces sold during the year (ha)	-	271	220
Surfaces sold during the year in order to create dwellings (ha)	-	8	14
Residential units created (number)	-	572	1,173
Social housing units created (number)	-	352	606
Share of the kilometres of lines closed during the year that have been the subject of protection of the right-of-way (%)	-	65	67

2.1.3 Participating in giving momentum to the economic and social fabric

a) Innovation at the heart of the industrial project

RFF intends to make innovation a key axis for the network's development, by helping young companies to create new products and services for the railway market, for the benefit of travellers and the territories. As such, in 2013, the company organised the first "Réseau Ferré de France Suppliers Innovation Challenge" in cooperation with the SNCF (Engineering team) and the DCF, and with the sponsorship of BPI France (Oséo) and of the "ITrans" competitiveness cluster.

Directly targeting young innovative companies, SME and SMI, this Challenge serve to bring to light and recognise new ideas that are applicable to the national railway network, around two topics: the new energy technologies and information processing applicable to the railway sector.

On the leader board amongst SME/SMI, 3 companies were recognised:
- Grand Prize Winner: ADETEL EQUIPMENT (System for intermediate storage of electrical energy at Supercapacities 1500VDC);
- Trophy for the Best Developed Innovation: EPESEM (stand-alone level crossing);
- Jury's Award Trophy: RINCENT ND TECHNOLOGIES (multi-frequency stand-alone radar for rail platforms).

On the leader board amongst young innovative companies, 3 were recognised:
- Grand Prize Winner: SI CONSULT (Cable theft detection and geolocation system);
- Trophy for the Best Developed Innovation: RHENOVIA PHARMA (information senses for a communicating network);
- Jury's Award Trophy: ECOME (geothermics for buildings, platforms and tracks).

Focus: City of Paris Innovation Grand Prizes
Since 2010, the company has been a partner of the City of Paris Innovation Grand Prizes that are a source of motivation for the entire community of start-ups in Paris and the Ile de France. As such, RFF participates in the selection of files and their evaluation in terms of the development of innovation in France, whether technological, technical or social. This year, the first prize in the "Digital technologies" category was distributed by the RFF secretary-general to the company "Fasterize", a start-up specialising in accelerating websites through the automatic optimisation of the content of their pages, which is also known as "Front-End Optimisation" or FEO.

b) Strong territorial footing

To assess its major infrastructure are projects, such as the construction of a LGV (high-speed line), network modernization, electrification of railways, RFF carries out socio-economic analyses on the basis of guidelines prepared by the State, in compliance with the transportation code (articles L1511-1 and L1511-2).

For the project owner, he can nevertheless be difficult to measure the effects of railway equipment on the territory's regional development and planning. It has many effects: improving the accessibility, image or renown of the newly serviced sites, effects on the economy and local development via new economic, cultural or tourism activities.
The transportation code calls for the preparation of an "*appraisal of the socio-economic and social results […] at the latest five years after [the] commissioning*" of certain projects (article L. 1511-6).

Since the Domestic transport orientation law (French acronym: LOTI) and its implementing decree of 1984, some 40 "ex post" assessments have been performed by the various project owners, including 7 high speed railway lines and the electrification of 6 existing lines. The analysis of the LOTI assessments indicates to what degree it is difficult to monetize a project's externalities, even though the testimonials from users and local actors confirm the positive contribution on the local efficiency and socio-cultural development of the communities in question.

Focus: LOTI assessments

Produced by RFF, LOTI assessments are validated by the Conseil Général de l'Environnement et du Développement durable (CGEDD) and released to the public. This year, RFF completed the LOTI assessment of phase 1 of the LGV East European high speed line. In its opinion n°009145-01 of July 2013, the CGEDD notably pointed out, relative to the impacts on the environment and the development of the territories, the "very complete system implemented by the SNCF, and then by RFF, in order to take into account the operation's environmental impacts at its various steps, to ensure the correct implementation of the adopted measures in order to reduce or compensate for environmental impacts and, finally, to prepare the operation's environmental appraisal five years after commissioning (…)", as well as the appraisal prepared by RFF relative to the development of the territories, which is "(…) well-documented, with references to many studies coming from different horizons" and "well-established" conclusions.
http://www.rff.fr/fr/gestion-page-d-accueil/actualites/publication-du-bilan-loti-de-la-lgv-est-europeenne-premiere-phase

c) RFF supports the long-term unemployed

RFF makes an effort to consider social, environmental and societal criteria in its purchasing policy and in the selection of its suppliers.

Project owner for the network's development, RFF entrusts the construction and modernization works for its infrastructures to agent companies that must meet its requirements in terms of societal development, notably with regard to solidarity, social integration or the dissemination of knowledge. Whether through direct project ownership or mandated project ownership, RFF strives to ensure that a share of the hours within the contracts will be allocated to jobs created through social integration.
RFF also calls on companies specialising in large infrastructure projects when carrying out its large-scale worksites. Eiffage, Vinci and Bouygues, involved through partnership of concession master contracts, notably on the LGV high-speed line projects, also apply RFF's requirements relative to CSR.

Finally, according to the law, RFF delegates the maintenance and renewal activities on the existing network to SNCF Infra, which benefits from the SNCF's structured responsible purchasing policy. This ambitious policy has been recognised since, in May 2012, the SNCF was awarded a European Sustainable development trophy for its responsible purchasing policy.

Focus: railway works as a lever for social integration

As the railway network is intended to provide much more than just a mode of sustainable transport, RFF has undertaken back its investments in the development and upkeep of it network will be levers for social integration. The RFF's PACA regional department has adopted the ambition of systematizing, during the works that it performs and I would be suitable, the recourse to persons requiring integration.
To this end, partnership agreements have been signed with certain structures looking after the deployment of Local Integration Plans: Emergences before the Marseille Provence Mediterranean conurbation and Maison pour l'Emploi for the Toulon Provence Mediterranean conurbation. These agreements have the following objectives:

- *advising RFF during the implementation of its social integration policy;*
- *promoting the inclusion of employment integration clauses into contracts for works, services or intellectual services that fall under the competence of RFF as the director mandated Project ownership, in order to develop the integration and qualification offer within the territory;*
- *providing a coherent response to partners in the economic world;*
- *inventorying and generally processing the job offers generated by the employment promotion clauses contained in the RFF contracts:*
- *promoting the integration of groups experiencing exclusion, by implementing employment assistance measures, as well as mobilisation and training actions;*
- *ensuring the tracking and correct performance of the employment promotion clause within companies, and preparing reports for RFF.*

As such, as part of the real thing of the Mourepiane (Marseille) connection, approximately 100 integration hours were worked, involving preparatory works and brush clearing; the works on the third track between Marseille and Aubagne, for their part, led to the contractor lies in of 8350 hours of integration hours worked.
In the Ile-de-France, for the 8th consecutive year, integration worksites for the maintenance of the Petite Ceinture were implemented with 4 associations, involving 40 persons for one year, in the amount of €124,000. Excluding the Petite Ceinture, a master contract "RFF, Transilien et Chantier Ecole" was signed in 2012-2013 for the upkeep of railway embankments with the help of integration worksites, with an annual budget for RFF of €115,000. En 2013, much worksites were used for the upkeep of the Aval, Stains and Blanc-Mesnil railway embankments in the total amount of €113,000, and of the Epinay and Deuil-la-Barre embankments in the amount of €102,000.

For its in-house operations, RFF has set objectives for each regional department and the head office relative to the recourse to adapted establishments (EA) and work-related establishments and assistance services (ESAT). The agreement of 28 June 2013 relative to the employment of disabled workers without objective in terms of beneficiary units (UB) within the following priority sectors: general means, communication, food services and rental of rooms, digitization / indexing / reprography.

d) Partnerships and sponsorship

RFF establishes many relationships with all kinds of stakeholders, that are described throughout this report (France Nature Environnement, IHEDATE, etc.). The sponsorship-related actions are relatively limited. RFF supports the French Fencing Federation and all French teams, thereby helping to promote a sporting discipline that conveys shared values.

Recap table of the relevant indicators for the topic "Participating in giving momentum to the economic and social fabric"

Indicators	2011	2012	2013
Amount of the annual AGEFIPH tax (€K)	210.342	168.697	204.810
Amount of SNCF purchases allocated to the protected sector in the name and on behalf of RFF (€K)	-	-	82.91 (*)
Equivalent jobs (French acronym: EE) obtained by the protected sector for the SNCF INFRA activities carried out on behalf of RFF (number)	-	-	3.51 (*)
Contracts with social integration clause over the total number of SNCF INFRA activity contracts signed for RFF (number)	-	-	141 / 365 (*)
Number of social integration hours worked relative to the total number of integration hours contractualized by the SNCF INFRA activity on behalf of RFF (hours)	-	-	68,271 / 68,940 (*)

(*): These indicators are provided by the SNCF Purchasing department. Their perimeter is that of the purchases made by the Infra activity on behalf of RFF. Moreover, RFF carries out its own actions in support of the long-term unemployed. Reliable and relevant indicators to report on this are being prepared.

2.1.4 Developing the activities while implementing business best practices

RFF works exclusively within French territory and, accordingly, monitors the application of the law within its activities. As the project owner of its projects, RFF requires the various participants to undertake that they will comply with and ensure compliance, within their own perimeter of influence, with the international and European standards such as the conventions of the International Labour Organisation, the principles of the United Nations Global Compact and the Declaration of the Rights of Man and of the Citizen. Within the context of its geographical perimeter of intervention, the subjects relating to the elimination of forced or mandatory work or the effective abolition of child labour are not major stakes for RFF. Subjects relating to the freedom of association and the right to collective bargaining as well as the elimination of discrimination in employment and profession will be covered in part 2.3 "Social information" of this report.

a) Ethics

In terms of ethics, various documents call on the employees to adopt the correct behaviour when faced with an identified situation. They include the code of ethics adopted in 2008 and appended to the company's rules of procedure, that set out a certain number of ethical principles relative to the law and the respect for persons, instructions relative to corporate gifts, a Charter on the usage of information technology and communication resources, a memo relative to the conditions for covering hospitality expenses and, finally, since October 2013, a Social media usage charter.

RFF created the position of an ethics manager in 2008, and an Ethics committee in December 2012.

The ethics manager, appointed by the chairman, has the status of a director. Her role is to prevent risks of an ethical nature, to promote the implementation of ethical values, and to listen and to provide advice in these matters to RFF's employees. As relevant, she can also be contacted by any employee in case of a question or doubt on the application of the conduct principles and rules in specific situations.
The ethics manager relies on an Ethics committee that serves as a body for preparing and promoting ethics within RFF. This committee can issue recommendations and propose priority areas for efforts as part of the deployment and development of the ethics programme. Each year, the ethics manager submits an annual activity report to the chairman, which is presented to and discussed by the Executive committee.
In 2013, it was decided to strengthen the monitoring of the compliance with the values and principles covered by the ethics code. A supervised ethics whistleblowing system is to point out facts or questions from the employees regarding allegedly serious events has been set up. A whistleblowing mechanism has been designed in the form of an automated processing on the basis of a protected e-mail address *alerte.deontologie[@]rff.fr*, that can only be accessed by the ethics manager. This address will be operational in January 2014.

Focus: Social media usage charter
In November 2013, with the support of the RFF admin committee, the External Relations, Communication and Consultation department set up a Social media usage charter in order to raise employee awareness relative to this practice.
If the weather is made up of 3 key principles that will allow social media users to avoid any risk that could be a hindrance to themselves or to RFF:
Rule n°1: Always bear in mind that whatever you say becomes public and permanent;
Rule n°2: Always speaking your own name, making no commitment on behalf of RFF;
Rule n°3: Do not disclose confidential information and never use an official element without formal authorisation.

b) Preventing corruption and conflicts of interest

Various oversight mechanisms were implemented or strengthened, particularly relating to the oversight of contracts and the purchasing policy, at the end of a mission dedicated to preventing fraud and corruption, the conclusions of which were presented in 2005.

More specifically with regard to procurement contracts, the procurement contract quality verification service within the "Finance and Purchasing" division contributes, by means of primarily a priori verifications, to securing the procurement contract devolution and contractual management procedures. It facilitates the performance of its duties by the Procurement contracts and purchasing panel (COMA), by means of a prior examination of the files subject to its opinion, as well as the coordination and selection of files for information. Chaired by a Chief counsellor at the Court of Auditors, representing the chairman of the Board of directors, the COMA includes, in addition to the latter, eight other members: four directors evenly distributed between directors appointed by the board from amongst the personalities chosen for their competence and representing the employees, and four civil servants respectively appointed by the ministers in charge of the economy, the budget, competition and transportation. The Government Commissioner and the head of the Mission de contrôle économique et financier des transports, or their representatives, also sit on this panel.

This panel gives a preliminary opinion on the awarding of any procurement contract in an amount greater than a threshold set by order of the deputy minister for transportation, which differs in the event that the procurement contracts include works, supplies or services.
Also, since 2012, the company has offered legal training specifically with regard to compliance of procedures over and above the Contracts manual, which also includes appendix on “ethical principles applicable with regard to signing contracts and relations with suppliers” (chairman’s report on the company’s governance and risk management).
RFF promotes vigilance with regard to situations that could result in conflicts of interest. The company has a Director’s charter on conflicts of interest, appended to the Board of directors’ rules of procedure. The ethics code also devotes a specific chapter the conflicts of interest and prohibits any RFF employee from handling any business in which s/he has a direct or indirect personal, family or financial interest that could compromise his/her independence.

Recap table of the relevant indicators for the topic
“Developing the activities while implementing business best practices”

Indicators	2011	2012	2013
Referrals to the ethics officer (number)	6	6	3

2.2. Environmental information: developing the ecological management of the national railway network

In terms of its environmental performances, notably with regard to reducing greenhouse gas emissions, energy efficiency and the consumption of space, railway transportation represents a true opportunity for the community, provided that its environmental footprint can be limited. Involved throughout the territory in view of its linear infrastructure, RFF must always strive to promote the best possible integration of its works into the environment, at a cost that is economically acceptable for the community. An overall environmental management of the infrastructure is the main challenge for decreasing the environmental footprints, controlling energy consumption, contributing to the preservation of biodiversity, water quality and aquatic environments, are some of the main challenges having to be met.

In principle, as the owner and manager of the national railway network, RFF should report on the environmental impact of all of the activities and sites that it controls. However, the legal and property separation between the railway network manager, RFF, and the historical operator, SNCF on the first hand, and the delegation to SNCF Infra of the maintenance and renewal of the network, secondly, complicate data access. As such, looking ahead to the infrastructure manager’s unification, it was decided, for example, it was decided to reproduce the information released to the public by SNCF with regard to raw material purchases that unambiguously involve the infrastructure (purchases of ballast and track ties).

2.2.1. Steering the environmental stakes

More than 2% of RFF’s total personnel is dedicated to environmental subjects.
In addition to the Sustainable development strategy unit within the Strategy department, the Development department and the Network quality and maintenance department have implemented operational policies and look after quality upgrade at environment tasks, respectively for investment operation and for renewal and/or upkeep operations on the existing network. The legal department looks after the company’s legal safety; to this end, it is in charge of identifying and preventing legal risks,

including with regard to environmental matters. The Real Estate and Property department notably identifies the activity's environmental impacts on the real estate property, specifically in the ground pollution and the energy consumption of the buildings.

Each RFF regional department has at least one environment officer who looks after the policy's regional adaptation.

Created in 2004, the Environment Business Line Coordination (French acronym: AME) includes all of the environment managers in the region and the head office, and representatives of the transversal departments (Legal affairs department, Property department, External relations, Communication and Consultation department, represented by the unit in charge of Consultation). This coordination encourages exchanges and information sharing between the head office services from the regional departments in order to develop and capitalise on the technical and legal expertise, with the objective of the legal and regulatory security of the projects, but also in order to support the company's development in its business lines as fully-fledged infrastructure manager. Links between the network of "Consultation correspondence" and the environment business line coordination exist and result in days of common exchanges.

Focus: The regional departments, laboratories of ideas for innovative local initiatives in order to promote exchanges and sharing around projects

To limit the disturbances from the Mourepiane (Marseille) rail connection project, RFF participated alongside the Ecole Nationale Supérieure du Paysage and a grade school in an initiative called "Archikids", that was intended to allow the inhabitants, local actors, and architectural students who will be the project designers of the future, as well as professional actors to jointly reflect on the valorisation of railway lands adjacent to the railway and to fully participate in the definition of the development and the future of their environment.

Frescoes in station underground passageways

To improve the services in the Biot-Antibes and Villeneuve-Loubet stations, and so as to avoid considerable graffiti on the underground walls, a partnership was set up in 2003, with an association involved in social life and education. Thanks to the efforts of a local graffiti artist, the production of frescoes in the underground passageways served to brighten up the passageways and to generate a good image and even create an identity for these stations, according to the project's partners.

An eco-responsible internal policy

- The management of waste from RFF's "life at the office"

In 2007, RFF began selective sorting in the offices have its headquarters and then, in 2012-2013, in the offices of its second Paris building. This action has been completed by various recovery and recycling programmes for other consumables: used batteries since 2007, consumables from copiers, lights and neon tubes since 2011 and, most recently, two machines for recycling cans, plastic bottles and goblets on one of two Paris sites. This can recycling system made it possible to make a donation to the association Bouée d'espoir, a civic mutual assistance association (€1,400 in 2013). This action will be extended to the head office building in 2014. Selective sorting is also carried out within the regional department, with containers for household waste, paper recycling, cardboard and glass.
To continue with this progressive initiative for the better management of raw materials and waste, the company is preparing to implement the collection of bio-waste, starting in 2015.

- Print rationalisation

An initiative to regulate printing was undertaken several years ago, as well as more recently as an experiment in certain regional departments. This action has a threefold objective: decreasing paper consumption, generating savings, and securing / ensuring the confidentiality of printouts relative to people outside the company, and even internally for certain documents. The confirmed lower number of printouts lends credence to the relevance of this system, that should be rolled out in 2014. The installation of a badge reader system on the copiers in order to protect printouts and to avoid useless printing is also being studied.

On 1 October 2013, the system was completed by the set-up of an integrated reprographic centre (French acronym: CRI), with the objective of:

- improving the service;
- decreasing the number of photocopiers and of wasted photocopies;
- renegotiating the paper cost (-8%);
- rationalizing the stock of individual printers;
- securing copies and printouts (usage of the badge);
- setting up a “routing” policy for printouts.

In place for the benefit of the occupants of both pairs buildings, this service will be progressively deployed throughout the region in 2014.

Focus: an ecological printing policy
As part of its Publishing activity, the External Relations, Communication and Consultation department produces more than 80,000 documents each year, which is in addition to the publications by the central and regional departments.

With the aim of the correct dissemination of these media, as well as of waste management and recycling, the DRECC launched a DD initiative entitled “Ecological printing policy”: the choice of paper, the search for “green” suppliers, the management of NPAI, each element contributes to this initiative’s effectiveness. Initiated at the head office in 2003, relative to the RFF’s institutional media, the initiative could then be deployed for all RFF publications. It has already been hailed during presentations given to other companies or suppliers, such as, for example, the European Board of the largest European paper company.
To illustrate, the use of recycled paper (100% recycled paper and no film coating of the cover) for the printing of the RADD and 2012 financial report, for issue n°19 of the magazine Lignes d’avenir, and greeting cards (10,000 units) resulted in savings of:

- *7,687 kg of wood;*
- *99,851 L of water;*
- *8,431 kg of waste (for the rubbish tip);*
- *5,531 kWh of energy;*
- *708 kg of CO_2;*
- *5,571 km of travel by car.*

- Travel rationalisation

As in the regional department, recent years have focused on rationalising the need for travel. In addition to encouraging the usage of videoconferencing and audioconferences, in 2013, most RFF site worked on setting up a Company Travel Plan (French acronym: PDE), a mapping of the home-work commute, information initiatives on gentler methods (public transit), bicycling workshops and training in city driving. To illustrate, in Midi-Pyrénées, the RD therefore looks after the annual subscription to “Vél’O Toulouse”, with its self-serve bicycle rentals.

Environmental management system

RFF is not involved in a certification process, as such certification is not an objective in and of itself for the company. On the other hand, the quality management and environmental management procedures used by RFF in his capacity as project owner draw their inspiration from the ISO 9001 standard: Quality management systems - Requirements", version 2008 and of the ISO 14001 standard: Environmental management system, version 2004.

More specifically with regard to a project's environmental aspects, RFF ensures:

- that the main contractors necessarily submit, with their company consultation file, an *Environmental Respect Notification*, that is notably intended to define the provisions that each company must take in terms of environmental management and sustainable development within the framework of its contract, to clarify the points having to be taken into account by each company relative to the nuisances related to the performance of the works, on the basis of the sensitive nature of the sites in question;
- that each company performing works prepares a *Compliance Plan for Environmental and Sustainable Development Commitments*, that notably contains a description of the sensitivity and constraints related to the sites involved in the worksite and the implemented resources, the tasks that are part of the worksites and their impact on the environment, as well as the provisions that they are imposing on each company and subcontractor, along with the environmental protection systems;
- that each company prepares *Special Environment Procedures* when specific works have to be performed; they describe the potential nuisances that can be generated by the works, and the provisions adopted in order to avoid them.

All environmental damage is handled as a non-compliance, and each company must remedy, at its expense and as quickly as possible, any damage to the environment as a result of its actions.

In case of mandated project ownership, a *Sustainable Development Management Plan* describes the provisions adopted by the mandated project owner in order to manage and respond to RFF's instructions, such as the resources and organisation, the measures intended to avoid, reduce or compensate / limit any ecological impact, to protect the environment and to benefit the project's integration into its environment).

Recap table of the relevant indicators for the topic
"Steering the environmental stakes"

Indicators	2011	2012	2013
Noise training RFF agents provided with training in environmental subjects (number) Environmental training provided (hours)	-	33 231 hours	No session in 2013
Nature protection training RFF agents provided with training in environmental subjects (number) Environmental training provided (hours)	-	19 133 hours	5 (*) 35 hours
Water act training RFF agents provided with training in environmental subjects (number) Environmental training provided (hours)	-	64 84 hours	9 (*) 63 hours

(*) These modules have already been taken by nearly all of the target public.

2.2.2. Reducing our pressure on natural resources and decreasing our environmental footprint

Economic and demographic development is exerting increasing pressure on raw materials, ecosystems, the ground, the air and the water. On the level of RFF's activity, the renewal of the elements comprising railway infrastructures results in an inevitable drawdown on the planet's resources, while generating significant volumes of waste having to be treated. As such, to help preserve these natural resources, the company strives to optimise their usage while pursuing innovative solutions in which the waste and used products, re-inserted into the value-creation circuits through recycling and reclamation, become true resources.
Moving from a linear economy to a circular involving waste and its recycling is the challenge that must be met by 2020, by focusing the efforts on the search for new techniques that will notably make it possible to lengthen the lifespan of the infrastructure's components.

Focus: Launch of a RFF/SNCF study on industrializing the reclamation of removal products
Steered by RFF and SNCF and carried out by SNCF Consulting, this study is intended to produce a map of what already exists regarding the reclamation practices for ten selected removal products (track and signalling) with the aim of defining a target reclamation process for each removal product, along with an economic model. Study brought to light the best practices having to be pursued, the action tickets and the experiments to be implemented in order to industrialize certain practices. These actions will be launched in 2014.

a) Sourcing of raw materials

The management of removal products from the national railway network (RFN) is part of this constant improvement initiative that firstly targets preventing the production of waste, while treating waste with recycling being the first choice. The main materials involved in RFF's activity cycle consumes significant quantities of raw materials, such as:

- the ballast, crushed stones on which the railway track is laid; 2,640 thousand tonnes purchased in 2012 (*);
- the sleepers, wood or concrete elements placed diagonally to the tracks and under the rails, to maintain the spacing and inclination,
  - wooden sleepers: 310,000 units purchased in 2012 (*);
  - concrete sleepers: 1,460 units purchased in 2012 (*);
- the rail, a profiled steel component that itself primarily contains iron ore.

(*) A reliable and relevant indicator on the quantity of raw materials purchased by the unified network manager is being prepared. The quantities of purchased resources shown above are the data taken from the 2012 SNCF CSR report (http://www.sncf.com/fr/rse/rapport-annuel-rse).

b) Optimisation of the waste management

To better control the pressure on these resources, RFF reuses its used products or recycles its waste whenever technically, legally and economically feasible, whether during its "day-to-day" activities or as part of its activity as the infrastructure manager, in compliance with the hierarchy of treatment methods defined by the regulations (articles L 541-1 et seq of the environmental code: preparation for the purposes of reuse, recycling, reclamation, notably waste-to-energy conversion, elimination). The aim is for the company to better manage and reclaim its waste through an industrial approach that is based on the reuse of its materials that have been disposed of, the implementation of waste treatment platforms, etc.

This steel rails are reused as long as their level of wear will permit it, which is notably the case for the rails from the High Speed Lines, offering more use for low traffic lines or even service tracks, or recycled (100%) through the local steel sectors, with this deal than being sold for recasting.

The ballast is partly reused for really purposes, after screening and even reprocessing. A portion of the cleaned but non-reused ballast is sold, notably for the purposes of roadwork.

The creosote-treated wooden sleepers still in good technical condition are reused as soon as possible (need for immediate outlets for a rail operation) and in compliance with the regulatory requirements (notably article L 541-1 s. of the environmental code). With regard to creosote-treated wooden sleepers that have reached their end-of-life, RFF has committed to a responsible management policy for such waste considered to be hazardous by the regulations. As such, the prohibition on sales to professionals was decided upon in 2008, prior to being extended to individuals in October 2009. Two master contracts have been signed on behalf of the RFF by SNCF Infra, one relating to sleepers coming from the day-to-day upkeep and from the historical stock, i.e. sleepers spread randomly throughout the territory and often in poor condition, and the other relating to track renewal operations, meaning greater quantities in a more specific area, in order to send the sleepers that have reached their end-of-life to approved sectors that offer favourable reclamation from an environmental viewpoint.

To rationalise this policy and seek out a long-term solution that will serve to safeguard the process for eliminating sleepers, and notably while further increasing the traceability, and in order to optimise its economic balance, in the first half of 2014, RFF and SNCF Infra will be launching a call for proposals from industries for the treatment of creosote-treated wooden sleepers by means of cogeneration, i.e. the simultaneous production of steam and electricity by means of burning of the sleepers.

c) The usage of agrochemicals

Agrochemicals are used within the national railway network for the weeding of 70,000 km of railways (95,000 ha), to prevent and/or destroy any and all vegetation on the tracks within its network. Though necessary to ensure the circulation safety and reliability, the usage of agrochemicals remains a major challenge with regard to safeguarding water tables and surface waters. As such, in 20 years, RFF and its delegated infrastructure manager decreased the quantity of products purchased by nearly 40%. RFF is working to overhaul its industrial practices regarding the management and control of vegetation, by developing alternative methods to the usage of agrochemicals in sensitive areas. In 2011, 134 tonnes of agrochemicals were purchased, versus 108 in 2012 (*).

The outsourcing of the vegetation treatment for the infrastructure's "green areas", i.e. the immediate vicinity that extends on average more than 3 m beyond the tracks, is currently in the experimentation stage. Three contracts have been signed with service providers specialising in vegetation maintenance: they undertake to subsequently define a master plan and management plans that will guarantee vegetation control that respects the environment and that is compatible with the network's operation.

On 14 June 2013, RFF and SNCF Infra signed an agreement on the use of pesticides on the railways, with the ministries of the environment (MEDDE), agriculture (MAAF) and health (MASS). This agreement has three axes: improving knowledge with regard to design and maintenance, improving the treatment processes and improving the exchanges and communication with the general public. This agreement also includes the integration of the MASS in order to improve the protection of the abstraction of drinking water, and its inclusion in the ECOPHYTO 2018 plan.

A challenge for RFF is to improve its knowledge regarding its water consumption. Beyond the use of domestic water by its personnel, RFF wishes to learn more about the water consumption associated with the spreading of agrochemicals, as well as the water used by the buildings involved in its industrial activity.

(*) The quantities of purchased resources shown above are the data taken from the 2012 SNCF CSR report (http://www.sncf.com/fr/rse/rapport-annuel-rse).

Accidental spills on the worksites

To the best of our knowledge, in 2013, there were no significant accidental spills of products that could be harmful to the environment.

Focus: Anti-vegetation geotextiles in order to safeguard water resources

Cognizant of the growing questions amongst the public and scientists regarding these molecules, and more generally regarding weeding (by chemical means), the railway world is displaying transparency in an effort to build a sustainable and responsible network, while reconciling economic performance and environmental performance. Together, RFF and SNCF have committed to an initiative to rationalise their practices and to experiment with new methods.
As such, in the PACA region, during the works to reopen the Avignon-Sorgues-Carpentras line, a section with a high ecological potential, 2 km of geotextile (anti-vegetation netting) were installed under the track and path between Althen-des-Paluds and Entraigues-sur-Sorgues. The objective of the experiment, that began in November 2013, is to prevent vegetation from growing in order to avoid the spreading of agrochemicals within this particularly sensitive area. The results will be tracked over several years, until the renewal of the track, and feedback will be provided in order to judge the interest value of more extensively using this type of procedure.

In the IDF, this experiment with alternative technologies to classical upkeep methods was carried out within the protection perimeters in the immediate and nearby vicinity of the abstraction of drinking water from Dragon springs (St Loup de Naud in department 77), with the installation of geotextiles under 3 km of track. The Seine Normandy Water Agency is a financial partner in this on-site experiment.

Recap table of the relevant indicators for the topic "Reducing our pressure on natural resources and decreasing our environmental footprint"

Indicators	2011	2012	2013
Volume of waste produced: creosote-treated wooden sleepers (tonnes)	-	78,000	82,988
Volume of waste produced: asbestos removed from the building stock (tonnes)	632	121	207(*)

(*) 72% of the 207 tonnes of asbestos removed from the RFF building stock was vitrified in order to be used as a sub-layer for roads, with the remaining 20% having been removed to specialised waste treatment installations.

2.2.3. Promoting the energy transition and taking part in the efforts to combat climate change

RFF is fully aware that the position of rail transport within the overall transport system creates a challenge with regard to controlling GHG emissions. Indeed, in order to comply with the Factor 4 objectives, it is particularly necessary for rail transport to play the greatest possible role in the policies to reduce greenhouse gas emissions, not because it consumes, given that the overall logical energy consumption of the national railway network accounts for less than 2% of the energy consumption in France (8 TWh vs. 450 TWh), but because it allows for savings. In view of all methods for transporting merchandise and persons across the territory, the railway network provides a more sustainable medium for alternative mobility, since it is less dependent on fossil fuels. Moreover, while the activity offers a worthwhile alternative within the framework of climate policies, it does not dispense the company from working in an effort to decrease its own GHG emissions.

a) Decreasing our Carbon footprint

RFF's "life at the office" carbon footprint

Every three years, pursuant to article 75 of the law of 12 July 2010 known as the "Grenelle 2" law, RFF produces its "life at the office" GHG appraisal; it was prepared in 2012, using 2011 data. For the coming years, RFF is committing to a progress initiative that will see the annual measurement of its GHG emissions related to its tertiary activity.

The appraisal for the 2009-2011 period indicates that the emissions from the RFF head office and regional departments naturally followed the growth of the establishment's personnel, increasing from 5,900 tonnes of equivalent CO_2 in 2008-09 to 6,900 tonnes in 2011, i.e. +17%. However, GHG emissions per staff member fell from 5.2 tonnes in 2008-09 to 5.1 tonnes in 2011. RFF is committing to a progress initiative that includes an objective to reduce its GHG emissions per staff member by around 10% over the 2013-2015 period.

The carbon footprint for the LGV high speed line projects and the modernization of existing lines under RFF project ownership

The carbon footprint applied to major railway infrastructure projects confirms rail not only have a sustainable transportation mode but also as an efficient means for combating climate change. The carbon footprint perimeter for a LGV line considers the entire useful life of the transportation system (design, construction, operation), and even of a more extended perimeter that includes the infrastructures, stations and rolling stock. It is therefore used to identify the main emission stations related to construction, such as the operation of worksite machinery, transportation of materials, techniques for earthworks, and to reduce the effects by implementing action plans and associated optimisation tools.

From the viewpoint of climatic warming, if we now consider all of the emissions related to the construction and operation of a new line as well as the emissions avoided thanks to the change of mode from road or air transport to rail transport, the advantages of rail clearly predominate.

b) Controlling our energy consumption

80% of the energy consumed on the railway network is used for training traction. While part of this usage cannot be avoided, it is worthwhile to seek out sources of potential energy savings. While certain actions fall more within the remit of the railway companies, such as eco-driving training, other actions more directly involve the infrastructure manager. This clearly has to do with designing the infrastructures with the objective of consuming less energy, or electrical power supply installations that can be used to capture the energy generated during braking. However, improving the energy performances of the railway sector must be pursued while focusing on a system-wide approach, within the framework of suitable governance.

In 2013, the works to convert the 1500 V catenary to 25 kV between Bellegarde and La Plaine-Genève illustrates the network manager's choice to focus on electrification systems that offer outputs that are up to three times higher.

A second source of energy savings could be found in the unified infrastructure manager's buildings. Measuring the energy consumption of buildings is of central importance.
In the future, the network manager's extended perimeter will serve to provide a complete overview of the GHG emissions related to its tertiary activity. It will then be possible to make it part of a virtuous circle, and therefore to more efficiently define the target priority actions for reductions.

c) Developing renewable energies: RFF encourages the production of green electricity

In 2011, RFF began working with Eolfi (subsidiary of Veolia Environnement, purchased by the ASAH group in 2012) within a joint venture called Airefsol Energies, the aim of which is to design and develop green electricity production plants. As such, RFF provides access to lands that are useless for railway activities so that they can be used for the installation of photovoltaic electricity production plants, and EOLFI contributes its expertise relative to renewable energies.

The possibilities for the company to contribute to the development of renewable energies also include the development of the rental offer of lands, for example for biomass companies, the renovation of the building stock in order to integrate, during major renovations, supply sources coming from renewable energies or even the greening of its energy procurements.

d) Adapting to the consequences of climate change

During the seminar organised in June by the Ministry of transportation regarding the National Climate Change Adaptation Plan (French acronym: PNACC), RFF and SNCF jointly presented the studies intended to assess the railway system's resiliency and adaptation to climate change, namely the "Résilience" study by RFF and the "ClimatD'Rail study by SNCF. The outcome is that construction standards and network maintenance procedures are key parameters.

Recap table of the relevant indicators for the topic "Promoting the energy transition and taking part in the efforts to combat climate change"

Indicators	2011	2012	2013
GHG emissions specific to the RFF activities (in TeqCO_2)	-	6,900	-
GHG emissions from the management of the rail network -in TeqCO_2 -in keqCO_2 per furrow-km	-	354,000 0.65	-
Electricity consumption specific to the railway network national (MWH)	793.6	783.7	783
Share of circulating trains with electric traction (%)	76.8	77.1	77.4 (*)

(*) of which, per activity: TAGV (high speed trains): 100%; TGL (main line trains): 80.9%; TER (regional express trains): 55 %; Transilien: 96.9 %; Freight: 74. 6%

2.2.4. Preserving biodiversity and improving the environmental footprint of our activities

The policy surrounding the preservation of biodiversity in France is primarily based on two axes:

- firstly, strengthening the protection of natural settings;
- secondly, limiting the deterioration of habitats and the disruption of species.

RFF is particularly concerned by the challenge of preserving biodiversity. Railway lines can modify the ecological consistency of ecosystems and reduce the exchanges between species. However, railways can also serve as ecological corridors, or corridors for refuge or passage for certain species. As a civic-minded public corporation, RFF places ecological performance at the heart of its projects for new lines, as well as the management of the existing network. Since this involves a local subject, rooted within the territories, but for which the benefits of global and collective, and because harmony between railway projects and the protection of biodiversity is possible, RFF has made this part of enhancing the network's value, by striving to protect, restore and promote biodiversity alongside the existing network and within the framework of the development of new lines throughout the territory.

a) Incorporating biodiversity into all projects

For the company, considering the environment as part of its studies for railway projects involves an iterative process of dialogue, consultation with all services, specialists, experts in the field in keeping with the definition and design of the project, with increasing scales of accuracy. As the infrastructure manager and project owner, RFF focuses primarily on avoiding impacts on natural settings as of the very start of the design of projects.
This continuous environmental assessment initiative begins with the earliest study phases and continues through to the completion of the works, and beyond with a follow-up after the structure's commissioning. At each project step, impacts that cannot be avoided are reduced, or result in compensation: construction of passageways for animals or hydraulic structures for crossing watercourses, creation / restoration of habitats for protected species (ponds, underground, prairies), compensating afforestation, etc. Other accompanying measures could also, for example, promote sites of ecological interests in the vicinity of new lines.
These measures are the outcome of 30 years of experience in progress in terms of environmental engineering. In order to integrate a constantly more demanding sustainable development initiative in all of its projects, RFF is also developing its own tools and guidelines in addition to the ones imposed by law (impact studies, socio-economic analysis): assessment tool for investments from the viewpoint of their contribution to sustainable development, known as the "RFF investment projects sustainable development quotation" tool, and management plan for investment projects, specific guidelines for the environmental management system on worksites.

RFF is working to make the most of this extensive experience in order to optimise its network modernization, renewal and maintenance policy while striving to manage, reduce and/or anticipate the risks generated by these industrial activities.

Focus: A research project targeting a better grasp of our environmental impact
RFF, SNCF Infra and the CEREMA (Ministry of ecology scientific and technical network) have put together a project in order to build and test a methodology for assessing the impacts of a railway line within its environment. This co-financed project, costing more than €200,000, will into investigate 4 environmentally vulnerable sites, and insofar as possible to isolate the line's impacts within its environment.

b) Integrating the concept of the Green and blue frame within the existing network's management

To decrease the ecological fragmentation of the territories, the state has ordered the setup of a Green and blue frame (GBF) by 2012. As the flagship initiative of the Environment Roundtable, the ambition of which is to reverse the decline of biodiversity to the preservation and restoration of ecological continuity, this initiative is a territorial development tool that strives to (re-)establish a consistent ecological network across the national territory, in order to allow plant and animal species to circulate, find sustenance, reproduce and rest.

The linear infrastructures (canals, railways, energy transportation…) that crisscross the territory interact with the natural settings and, as such, were initially identified as potential causes of the ecological fragmentation of the territories. However, they can also be transformed into biodiversity reservoirs and, in certain cases, into ecological corridors if a favourable layout and upkeep are provided.

For RFF, the challenge is to accompany the set-up of the Green and blue frame as soon as the environmental requirements are compatible with the network's operation, while taking into account the regional ecological coherence arrangements. Its role, firstly, is to assess exactly how the infrastructure fragments the spaces and ecological continuity and, secondly, to determine if it plays a beneficial role relative to refuge, dispersion or easier movements for certain species.

Several research projects have recently been launched in order to further examine these two questions, with the medium-term objective of obtaining indicators to assess the impacts on biodiversity as accurately as possible. For example, in an effort to further its knowledge of the relations between ordinary biodiversity and the existing rail network, RFF carried out two studies as part of a CIFRE doctoral thesis, one relating to ordinary biodiversity in and around the RFF rights-of-way along a classical line (TER) and high speed line (LGV) in the Seine-et-Marne department, the other relating to railway rights-of-way as habitat / hunting territories for common bats. These two studies indicate that the existing network is not only a barrier for biodiversity, but that it can also be part of a framework for "ordinary" biodiversity on the basis of the taxa, species and landscape matrix.

Focus: biodiversity in the Petite Ceinture in the IDF

From 27 December 2012 to 14 February 2013, a consultation was carried out by the City of Paris and RFF, on the future of the Petite Ceinture.

The Paris city council, during its meeting on 22 and 23 April 2013, expressed the desire "(…) for the launch in 2013 of a study on the ecological services of the Petite Ceinture (thermoregulating role, biological corridor, etc.), in order to measure them and determine the conditions that would serve to improve them. »

This study will take a further look at biodiversity and the territory's adaptation to climate change, carrying on from the study completed in 2011 and 2012 by the Atelier Parisien d'Urbanisme on the future of the Petite Ceinture. This will be the forerunner of a broader initiative to understand the services provided by green spaces and natural spaces in a dense urban area. In December 2013, an agreement was signed between RFF and the City of Paris for the launch of an ecological study on the Petite Ceinture over a period of 18 months (budget: €115,000 was 78% of financing from RFF, 22% from the City of Paris)

2.2.5. Improving knowledge about the environment and encouraging innovation

RFF is becoming a major player in the knowledge relating to these areas, whether through actions carried out by the company along with local nature preservation associations, or through national research projects on subjects such as:

- the transversal ecological permeability of the railway network through the deployment of new scientific protocols;
- the determination of the groups of species most concerned by fragmentation;
- the set-up of a catalogue of restoration measures for the areas of ecological continuity and their surroundings, in order to improve the network's ecological transparency.

As part of their partnership, France Nature Environnement (FNE) and RFF are working together to improve the integration of biodiversity within the existing network and within the rail development projects, to reflect on the stakes and impacts of railway lines on the layout and accessibility of the territories, and to protect the rights-of-way not used by RFF by giving priority to usage by the railway sector over any other possible reuse.
This desire for better knowledge will also allow the company to invest in a search for innovative solutions that are more respectful of the environment and other settings. By developing the railway network in an eco-responsible manner for the entire public, RFF is providing access to a transportation mode that respects people, the territories and the environment.

Focus: Establishing partnerships and working over time
As part of preparing its policy, RFF also relies on certain stakeholders. As such, in 2012, a guide on environmental best practices (guide "biodiversity and major rail projects: integrating ecological stakes as of the study stage"), was prepared with FNE. The outcome of a three-year partnership with an annual budget of €120,000, this guide, intended for the project owners and members of an association dedicated to protecting nature and environment, is intended to be educational. Its objective is to combine sustainable mobility and respect for biodiversity. This pedagogical guide explains the operational method in which biodiversity must be taken into account at the various steps of a railway project. The document also proposes a framework for structured exchanges between the company and environmental associations.

Recap table of the relevant indicators for the topic
"Improving knowledge about the environment and encouraging innovation"

Indicators	2011	2012	2013
Amount of the overall environmental provisions (€M)	127.8	116.7	115.0
R&D research projects (number)	22	21	21
Amount of R&D investments devoted to the environment (€K)	343	134	342

2.3. Social information: a commitment to serve as an example in the management and development of our human resources

For RFF, it is essential to devote careful attention to the personnel's satisfaction at work, but also to its qualification level and the development of its skills, since the employees constitute RFF's only truly productive resource, and therefore an essential lever for the company's performance.

RFF has taken various measures to ensure the forward-looking and preventive management of its human resources, scrupulous management of the rules and principles contained in the labour code and in the fundamental conventions of the ILO, and also of the fundamental values relative to CSR (combating discrimination in terms of jobs and professions, promotion of biodiversity, quality of the social dialogue, occupational health and safety, etc.).

RFF carries out its activities within France, in compliance with the labour code.

In 2013, a method agreement signed at the RFF in order to support the rail reform project
The Government has initiated a rail reform in an effort to modernize the railway public service, to make it more efficient and less expensive, in the service of everyone in France. The reform proposes the creation of an integrated public industrial group that would bring together the carrier and the unified infrastructure manager, with common steering, industrial synergies and true social unity. The draft law was presented to the Council of ministers on 16 October 2013, and it will be examined by the Parliament in the spring of 2014.
The reform proposes a soul infrastructure manager in order to bring together the currently dispersed and poorly coordinated actors in charge of the infrastructure (RFF, SNCF Infra and the SNCF rail traffic department).
One of the conditions for success of the unification of the infrastructure manager is RFF's ability to fully buy in to this initiative through the mobilisation of its employees and their know-how. This implies providing everyone with indispensable elements regarding visibility, personal security and valorisation of one's skills, thereby allowing everyone to fully participate in the future reform's implementation.
With this in mind, the RFF Management and the three trade union organisations represented within the company, the CFDT, the UNSA RFF and the CFE-CGC, signed a method agreement on 23 July 2013 in order to accompany the current rail reform project. This agreement includes Management commitment in terms of guaranteeing and improving the current social framework within RFF, the jobs of employees, securing personal careers, valorising the skills, consultation with the employee representative bodies, during the period of the reform's set-up and implementation. The agreement also determines the provisions for social and human support of the rail reform, including by the management, by providing a framework for the secondment of personnel between RFF and SNCF and the collaborative operational methods implemented in the interval. Finally, a social monitoring mechanism has been set up for the entire transitional period leading to the set-up of a fully-fledged infrastructure manager, in order to escalate and handle the difficulties encountered by the company's employees.

2.3.1. Implementing a dynamic policy in favour of lasting employment and well-being at work

A company's lasting success is based on the skills and investment of the women and men comprising it, but also on their complementarity nature. RFF strives to offer its employees a professional environment that will ensure their development, and motivating prospects for the future.
The Human Resources department (HRD) accompanied and supports RFF's strategy by developing its human resources in line with its commitments and priorities, while providing the departments with the

resources needed (in terms of human resources and facilities) that will allow them to fulfil their tasks and to reach their objectives. It prepares and implements a job and skill strategy that is consistent with the strategic orientations, in keeping with the fixed payroll budget, it organises the social dialogue together with the Social and human development department, and it signs the joint agreements.
The professional risks prevention policy falls under the Social and human development department (SHDD) for which one of the missions is to promote better quality of life at work.

With the support and methodology of the Audit and Risks department, an initiative to map the HR risks was launched in 2013. It is planned that the HR sector (HRD/SHDD) will be consolidated in early 2014, notably in order to prepare a common risk control plan.

a) Personnel

As at 31 December 2013, the total RFF personnel stands at 1600 employees (present), including 87 seconded. The growth rhythm was maintained in 2015 (approximately +7%), though we note a slowdown of the company's growth as of the year end, that has to be considered against the prospect of the unified infrastructure manager.
Over the course of the year, RFF also hired an average of 80 employees per month on fixed term contracts.
49 of the employees hired in 2013 were under the age of 25 years (total of the open-ended contracts, fixed term contracts and secondments), while 33 were over the age of 50.

Given their low numbers, layoffs are not a major issue for RFF.

Focus: Method and job continuation agreement

Via the method agreement of 23 July 2013, and in order to account for the evolution in progress in the rail sector, for which the legal, organisational and social characteristics are not known, the company's Management has undertaken to maintain all employees and their jobs for the duration of the agreement. This means that no organisational change, even experimental, related to the framework for the reform project that results in a modification of the employment contract can be imposed on a RFF employee. This includes the hypotheses for the interruption of the employment contract, but also functional and/or geographical mobility.

b) Compensation

All RFF employees and their dependents are covered by a plan providing collective provident fund services and the coverage of health care expenses.

In terms of compensation, RFF targets fairness, transparency and legibility for all employees.

In general and individual salary increase campaigns are carried out on a regular basis. In 2013, the Management wished to simplify the wage policy that was perceived as complex, according to the results of the social barometer, and to further build up the accountability of the managers. It therefore prepared a wage policy based on the following principles:

- The management of a budget increase and salary evolution by the directors

A budget of 1.5% of the payroll was assigned to them, with a general increase of at least 1% for the ETAM (Employees, Technicians and Supervisors) of 1% at least. The criterion of demonstrable performance in the position was maintained. As such, particular efforts were devoted to the lowest wages. In 2013, 93% of eligible persons received an increase.

- A FMJS budget and reduction of salary differentials fixed at 0.5% is managed by the HRD

Promotions are accompanied by wage increases scheduled over time, relative to taking up the position.

The reduction of wage differentials for the same job and/or between men and women is one of RFF's objectives, included in the agreement on equality and professional gender mix signed with the social partners in 2012.

Individual performance is compensated by means of a salary supplement. Approximately 140 employees (senior executives and department heads in the regional department) are also eligible for a variable part paid on the basis of reaching their personal objectives.

The collective performance of all employees is also compensated through sharing in the company's results. The 3rd profit-sharing agreement has been signed with the social partners for the 2012-2014 period. The amount of the profit-sharing in 2013 was 2.91%.

Focus: Employee savings agreement

This agreement, signed on 23 December 2011 between RFF and the trade unions (CFDT, CFE-CGC, UNSA RF) for an unspecified duration, allows the employees to set up a medium or long term savings plan (PEE or PERCO), with a matching contribution from the company. It describes the general and special terms for opening and adding to the accounts, but also the rates for the matching contributions.

c) Social dialogue within the company:

By placing the notions of social cohesion and human development at the heart of its company project, RFF has given its employees and their representatives a role and a privileged position. It was therefore the name of the company management to establish and maintain a quality social dialogue goes beyond the mandatory negotiations. This is borne out by the organisation of the relations with the social partners undertaken by the company through various agreements, including the most recent ones related to the rail reform project. In 2013, the company management and the representative trade union organisations adopted the principle that the quality of the social dialogue established with all of the existing personal representative bodies will lead to an ability to work together on the social construction of the future infrastructure manager.

The agreements signed with the trade union organisations

The wealth of the social dialogue is also measured by the agreements signed with the trade union organisations. The collective agreement on trade union law, signed between RFF and the trade unions (CFDT, CFE-CGC, UNSA RFF) on 22 June 2012 for a period of 2 years is intended to provide the personal representatives with technical means, training and assistance and/or replacement provisions, as well as a credit of hours that is specific to the representative body and their status within this structure. This agreement was signed so that the personnel representatives could carry out their mandates under the best possible conditions. The method agreement of 23 July 2013 intended to accompany the ongoing rail reform project, completed this mechanism by providing the personnel representatives with specific means in case of significant changes within the company and its environment:

- negotiation assistance;
- temporary replacement of certain personnel or trade union representatives in case of a significant increase of the activity related to their mandate;
- emergency dialogue meeting with the Management in case of a risk of collective conflict;
- other resources such as a credit of hours, budget for studies and recourse to internal skills.

Moreover, rounding out a body of collective agreements that is already very rich, 2013 also saw the signing of the method agreement relative to accompanying the rail reform project of 23 July, an amendment to the collective agreement relating to the organisation of the CHSCT (Health and Safety) on 21 February 2013, and a company agreement in support of disabled workers (28 June 2013).

The Works council

While the leading mission of the Works Council (WC) relates to its economic and professional duties (commissions relative to vocational training, professional equality, housing, mutual assistance fund and provident fund…), the WC plays an essential role in social and cultural terms, that allows the employees and their descendants to benefit from services, tickets for performances, travel, sporting our cultural activities at advantageous conditions.
The importance of the WC within RFF was also reasserted in the method agreement, the information and consultation provisions of which were strengthened by the method agreement of 23 July 2003.

The Health, Safety and Working Conditions Committees (CHSCT)

RFF also wished to exemplary in terms of health, safety and working conditions: it is only necessary to set up a CHSCT if the staff consists of more than 50 employees. However, since 2002, each RFF establishment (the head office, the building accommodating to head office departments and the Ile-de-France RD and the 11 other regional departments) has its own CHSCT.

d) Occupational well-being, a major objective for the Company

For the company, the quality of life at work is closely linked with issues relating to the health of the employees. The overall policy at RFF is to target a constant improvement of the living conditions at work, and more generally of the “well-being” in the workplace.

Organisation of the working time:
27 days of paid holidays are allocated per year. According to the agreement on the adjustment and reduction of the working time signed between RFF and the trade union organisations in 2002, amended in 2012 (for an unspecified duration), the reduction of the working time applies to all RFF personnel, except the senior executives.

The reduction of the working time is obtained by means of an overall arrangement:

- the number of work hours per year is 1583 hours (instead of the legal maximum of 1607 hours) with the employees and then being able to choose either a weekly schedule of 37 hours 17 minutes or of 38 hours 20 minutes (with, in this case, 6 days of compensatory time off),
- irrespective of the schedule, the number of RTT days per employee is equal to 10 days per,
- the company is closed for two days per year.

This leads to a total of 45 days of holidays outside of special holidays for family events as listed in the collective bargaining agreement.

Finally, it should be noted that the employees have a certain degree of flexibility as to their work schedule. Two time slots have been defined: between 7:30 and 10:30 for arriving and between 4:00 and 7:30 for relieving (Friday or day before public holidays, from 3:00 to 6:30).

Part-time work
Of the 1,600 employees in 2013, 97 have chosen to be part-time. The Parenting charter signed in May 2009 confirms the company’s desire to provide support for parenting. The company approves all requests for part-time work submitted by a mother or father in order to take care of one or more child(ren).

Pursuant to the company policy in favour of the quality of life at work, a telecommuting experiment was carried out in 2013, notably with the objective of measuring the consequences of this new organisational method in terms of improving the working conditions of RFF employees.

Focus: RFF explores new leads for the well-being of its employees
A panel consisting of 45 employees representing the trades and functions at RFF experimented with telecommuting from 4 February 2013 to 28 June 2013. The main objective of the experiment with this new work organisational method was to:
measure the increase of employee well-being resulting from decreased commuting time, as well as improvement of their working conditions and efficiency;
verify the conditions for the successful implementation of telecommuting and identify possible recommendations (also based on a benchmark with other companies).
The appraisal of this experiment is positive since it demonstrated extensive support for this working method amongst the people who experimented with it, a feeling shared better managers and their environment; its roll-out at RFF has already been approved.
The experiment results confirm that when telecommuting, tasks are performed in an at least equivalent manner as at a fixed station. For example, 98% of the telecommuters considered that there work is

performed at least as well as not better while telecommuting, and 89% felt that they perform better when telecommuting. The telecommuters were also able to have access to all professional information needed for the correct performance of their work. After an adaptation period, many experienced increased confidence in the autonomy in the performance of their tasks.
Their managers and team members did not indicate any particular difficulties: 96% of the managers involved provided their telecommuting employees with satisfactory supervision. The professional exchanges with telecommuters were satisfactory for 99% of the colleagues of the telecommuters, and 97% of the managers. Finally, while a few technical problems occasionally arose at the start of the experiment, they were quickly resolved.
Telecommuting is also a factor in the well-being of the employees who tried it: 98% of them noticed an improvement of their quality of life and of their work. The reduced stress and fatigue related to commuting times were in addition to be able to enjoy more time for personal and family life.
In conclusion, 100% of the telecommuters supported telecommuting, as did 92% of their managers and 98% of their direct colleagues. However, they all pointed out that telecommuting requires discipline and prior organisation with the team, but also that this working method must be limited to one or two days per week, to facilitate the work organisation and prevent any risk of isolation.
Faced with the results of the experiment, the Management decided to roll out telecommuting in 2014. At the end of the negotiations, that began in October 2013 with the trade union organisations on the basis of the various lessons from this experiment, a telecommuting agreement is scheduled to be signed in the first quarter of 2014, for possible roll-out starting in March / April.

Focus: Internal barometer and personnel opinion survey
The internal barometer is an integral part of the social monitoring system in place within the company. Launched in Q4 2012, the survey carried out with all permanent employees is an opportunity for unrestricted expression and also to measure the company's internal climate. Published in 2013, the results provided a "national" score of 14.24/20 for the feeling of pride of working at RFF, and 13.48 for manager confidence in the employee; in general, 80% of the employees feel proud to be working at RFF, which shows a strong attachment to the company.
A new edition of the internal barometer will be carried out at the very start of 2014.

Satisfaction surveys are also carried out, notably by the service provider support departments, as well as by the Legal department and the IT services department.

All of these elements contribute to combating absenteeism, and have allowed RFF to obtain honourable results in this regard.

e) Professional life / private life balance, a major objective

The company makes efforts to implement responsible and lasting working conditions, not only to ensure day-to-day work under comfortable and satisfactory conditions, but also to allow the employees to optimally juggle the needs of their professional life and their private life.

As such, in November 2011, the trade union organisations and the RFF Management signed an agreement on working times and the balance between professional life and private life. The agreement notably includes compensatory time off for unusual travel between home and the workplace, a new work organisation with regard to the scheduling of meetings, as well as other actions such as increased holidays for family events, in order to assist employees with relatives who are disabled or ill. This agreement also includes an innovative measure in favour of parenting, given that the paternity leave has been increased to 31 days instead of the legal 11 days.

The Charter on the usage of electronic messaging within a professional setting defines the rules for the correct usage of e-mail in order to ensure human relations, improve collaborative work and, in the end, work better together. This charter was released in September 2013 and provided to all RFF employees, in response to:

- the Management's commitment under the company agreement of 22 November 2011 on working times and the balance between professional life in private life, which recalls that any usage outside of work must be for imperative reasons and must not cause any burden on the employee in case of non-response;
- the recommendation from the occupational healthcare after a survey on the usage of a laconic messaging at RFF, carried out in 2011.

With the objective of raising employee awareness and developing behaviours, this is a preventive initiative used in many companies as part of the occupational health policy.

f) RFF is continuing its policy against casual work

Of the company's 1,600 employees on 31 December 2013, 100 are on term contracts (CDD). The policy against casual work resulted in 20 term contract positions being transformed into permanent contract positions, as well as limited recourse to temp work, with a 44% decrease in the average number of temp workers.

Recap table of the relevant indicators for the topic "Implementing a dynamic policy in favour of lasting employment and well-being at work"

Indicators	2011	2012	2013
Total number of employees on 31/12	1,410	1,495	1,600
Breakdown of the staff by qualification • Executives • ETAM (Employees, Technicians and Supervisors)	 1,173 237	 1,255 240	 1,364 236
Geographical distribution of the staff • Paris • Region	 833 577	 905 590	 976 624
Share of part-time personnel	5.25	6.29	6.06
Number of resignations	33	44	30

Personnel expenses (€M)	103.7	114.8	123.1
Number of ordinary WC meetings during the year	-	14	11
Number of extraordinary WC meetings during the year	-	-	4
Number of ordinary meetings of the 13 CHSCT	-	52	52
Number of extraordinary meetings of the 13 CHSCT	-	11	8
Number of meetings with the personnel delegates	-	109	143
Number of meetings with the trade union delegates	-	21	24
Absenteeism rate (%)		2.28	1.77

2.2.2. Implementing an overall policy to manage physical and psychosocial risks

The overall prevention policy for professional risks is intended both to prevent physical risks and psychosocial risks (stress, resulting illnesses…), in order to ensure the safety and to protect the physical and mental health of the employees, while improving living conditions of work.

a) An overall policy for protecting employee health and safety

As indicated in the applicable texts, each establishment's Single Professional Risks Assessment Documents (French acronym: DUERP) are properly updated in order to maintain a current image of the risks faced by RFF employees and, if necessary, to adjust the action plans.

In addition to this effort to update the DUERP, the SHDD supports the management and its organisational reflections and pilots the support actions behind any changes or transformations. In 2013, the administrative and financial services managers were trained in how to fill out the DUERP forms so as to guarantee a quality oversight of this initiative by the territorial rank that is as close as possible to the establishment director.

In compliance with the applicable regulations and working with the CHSCT, personnel members are trained in the safety instructions in the usage of emergency means.
It is possible to become a first response team member (French acronym: EPI) or a workplace first aider (French acronym: SST); each site has an authority.

No occupational illness has been identified up to the present time. The agreements signed with the trade union organisations or the personnel representatives regarding occupational health and safety involve organisation of the CHSCTs with the signing, on 21 February 2013, of an amendment to the collective agreement and the balance between private life and professional life with the November 2011 agreement relative to working times and the balance between professional life and private life.

b) The prevention of psychosocial risks

The initiative for the prevention of psychosocial risks

Psychosocial risks and their prevention have become a major concern in the field of occupational mental health, as notably confirmed by the fact that the regulation on psychological harassment has been added to the labour code. With the relational, behavioural and organisational questions have been asked, their subjectivity and transfer from the individual to the collective complicate their assessment, related actions and prevention.

In compliance with article L. 232-2 of the Labour code, RFF has prepared a Single Safety Document (French acronym: DUS) for each of its sites (head office and the 12 regional departments), that identifies the professional risks and the existing measures or avenues for improvement.
In 2012, the company launched a participatory initiative relative to psychosocial risks in the 13 RFF establishments in order, firstly, to prepare a map of the psychosocial risks (PSR) in the 13 RFF establishments and, secondly, to prepare a common assessment methodology in order to describe the psychosocial risk in the DUS forms, with the objective being to produce a diagnostic and an action plan within each establishment.
In 2013, the first psychosocial risks prevention initiative for all RFF establishments was finalised. With oversight by the SHDD, this was carried out for each establishment in two parts: firstly, an assessment of the risk and protection factors, then the preparation of the prevention plan. With the objective of identifying corrective measures, the prevention plan is built around 4 axes:

- making sense and providing reference points;
- adjusting the workload and improving the conditions for its performance;
- recognising and developing skills;
- anticipating crisis situations and creating a social connection.

For each establishment, this work was carried out while relying on groups representing the various work units, in order to ensure a participatory and multi-disciplinary assessment that encourages social dialogue. Each establishment’s action plan has now been presented to the CHSCT.

Recap table of the relevant indicators for the topic
“Implementing an overall policy to manage physical and psychosocial risks”

Indicators	2011	2012	2013
Frequency rate of the workplace and commuting accidents	5.46	4.66	6.58
Severity rate of the workplace accidents	0.04	0.02	0.003

2.2.3. Efforts intended to support career development, training and internal mobility.

a) Career guidance for the employees

Every day, RFF works to ensure that sustainable development permeates the company and its business lines. RFF is progressively adapting its human potential to the new industrial requirements in order to have the skills, over time, needed to perform its missions. To reach this ambitious objective, RFF relies on a dynamic social policy based on the performance and professionalism of its employees, as well as on openness and diversity.

b) From HR management to skills-based management

Quality of life at work, training, change support and team management are some of the essential dimensions considered by the company on a day-to-day basis. In particular, RFF devotes considerable effort to maintaining and developing the skills of its employees, as part of its professional development policy, the cornerstone of which is the 2010 FMJS agreement, in order to accompany the evolution of RFF's business lines, anticipate the establishment's needs in terms of skills, and to provide each employee with a clear view of the available professional pathways in view of the changes within the establishment, as well as its mission and objectives.

c) Customised career and talent management

The "Cassiopée" HR information system is used for the management, training, annual assessment and development interviews, as well as the professional interviews (career interview coordinated by the people in charge of the different streams), and professional passports (company CV). In 2013, Cassiopée was completed by a recruiting module that provides the employees with access to an internal job market that notably includes a mobility alarm system.
To provide each employee with motivating professional prospects, while notably responding to the expectations of young generations, the appearance of new business lines as well as longer careers, the company launched its skills / trades initiative. The positions are now grouped and organised into 34 reference jobs and 85 typical jobs, in order to better identify the job descriptions and gateways, thereby encouraging mobility and progress along professional career paths.
The implementation of the FMJS agreement also made it possible to "catch up", in three years, an historically weak situation in terms of advancement rate. Moreover, a channel for the advancement of Executives was set up on 31 December 2012.

To promote access to training, several mechanisms exist and are available to RFF employees: training plan, DIF (individual training entitlements), professionalization period, VAE, CIF and skills appraisal. Access to internal mobility is facilitated by the existence of a dedicated space, with:

- Quick uploading of internally available offers.
- A detailed job description for each offer (assignments, desired profile, city,…).
- A search engine by keyword, contract type and business line sector.
- A mobility alarm in order to receive offers corresponding with the search criteria, directly by e-mail.

To optimise the recruiting of new employees on the labour market, with the site rff.fr and the various specialised recruiting sites (Monster, Keljob, APEC, …).

Focus: the UIM, an opportunity to develop of new competences
The unification of the IM and DIM functions is an opportunity to propose a new business line starting point: introducing sustainable development requirements into the practices of all trades, both horizontally (towards the actors involved in sustainable development) and vertically (to all trades involved in its implementation) will make it possible to develop new skills that are closely related with other company policies (example: purchasing policy, risk management,…). The development of these new skills will be facilitated by the fact that, in 2014, RFF employees will have access to the training catalogues from the various SNCF universities.
Sustainable development is a lever for modernization, but also for research regarding new stakes and innovation (example in terms of the efforts to combat noise): as such, whether with regard to arranging, developing or modernizing the network, in the service of collective interests and sustainable mobility, the GIU's sustainable development initiative and its resulting professionalization will allow it to develop new skills and new areas of expertise.

Focus: cross-mobility
Since the start of the year, 31 cross-mobility files have been validated. 14 of them involve RFF employees seconded to SNCF, most often in operational domains (primarily investment and operations) and, to a lesser degree, within support functions (human resources and finance). Inversely, 17 SNCF employees were seconded to RFF: 20 % in support functions (HR, IT and finances) and 80% operational personnel (primarily operations, but also investment, sales, maintenance and works). Certain of these mobility operations are already underway.

d) A significant investment in terms of training

By developing training mechanisms, RFF is offering, for the benefit of employees and the company's performance, career options that, throughout a career, will make it possible to reconcile efficiency, satisfaction at work, as well as personal and collective development.
Notably as a result of the set-up of two new 3-year training plans, the company's efforts have accelerated considerably in the last four years. In 2013, the investment represented €4.5 million, an increase of 124% relative to 2009. The number of training hours is up by 50% relative to 2009, meaning a total of 38,000 hours of training provided.

The internal and intra training offer more than tripled (+257%), increasing from 40 training courses in late 2009 to a choice of 143 available at the end of 2013.

To encourage capitalising on knowledge and employee buy-in, a significant part of the training (almost 40%) is provided by employees currently working within the company. The number of internal trainers almost quadrupled (+280%), increasing from 20 at the end of 2009 to 76 at the end of 2013, as a testament to very high motivation for internal transfers of skills.
The number of work placements increased by 74%, from 1554 at the end of 2009, to 2700 at the end of 2013. The number of women trainees increased from 38% in late 2009 to 47% in late 2013, while the share of ETAM trainees increased from 12% in late 2009 to 16% in late 2013.
RFF offers a complete mechanism as of a new hire's arrival: from the integration base (the company's institutional and European environment, the company's economics and finance, railway basics, commercial basics…) for the newcomer arriving at the Ecole de la maîtrise d'ouvrage (training in partnership with the Ecole Nationale des Ponts et Chaussées) and leading to a certificate, throughout his/her career, the employee can develop skills in various domains: legal, administrative, financial, railways, languages, IT tools, management and personal development, i.e. a total of 143 training courses available in the training catalogue. This strong development of training meant that, in 2013, 67% of the employees received some form of training.

In the end, the company is striving to develop manager training in order to provide managers with support as they improve their management practices, by means of customised and “tailor-made” support mechanisms (management workshops with 6 to 8 persons), seminars as well as customised coaching offers.

Recap table of the relevant indicators for the topic “Efforts intended to support career development, training and internal mobility”

Indicators	2011	2012	2013
Number of training hours provided during the year (h)	33,392	37,578	38,000
Share of the payroll dedicated to continuing training (%)	5.83	5.82	5.86

2.2.4. Committing to diversity and equal opportunity

A sustainable development initiative with regard to human resources makes use of social measures in order to combat stereotypes and to share ethical values, while participating in the overall reduction of the activity’s environmental impact. As such, the efforts to combat discrimination are part of a societal challenge that includes reducing inequalities between employees, from their hiring through to their departure from the company by means of levers such as: accessibility, change of behaviour relative to women and minorities, efforts to keep seniors in their jobs and participation in the re-insertion of the long-term unemployed.
The company’s policy is therefore strongly tied to diversity: multiple profiles, origins and career paths, promoting of equality between women and men, advancement of women (assistant’s profession, accessing management positions…), implementation of an executive advancement channel, integration of handicapped persons, accompaniment for young people and seniors.
The company has implemented a Senior plan, in compliance with the regulations (Social Security Financing law). For younger people, for the last 3 years, RFF has offered a specific support mechanism called “Réseau J” that provides 4 days of reflections for young people aged between 25 and 30 years, and with 2 years of seniority.
With 80 trainees and 40 work-study students in 2013, RFF is also participating in the efforts to train and integrate young people, with the share of engineer training being the largest. 90% of the work-study contracts lead to diplomas (BTS / master level tertiary or engineers).

Focus: The wage policy in the service of fairness
In terms of compensation, RFF targets fairness, transparency and legibility for all employees. The reduction of wage differentials for the same job and/or between men and women is an important objective, that is present in the agreement on equality and professional gender mix signed with the social partners in 2012.
In 2012, the company carried out a revaluation of the lowest salaries which, when combined with the advancement policy for ETAMs, led to an average monthly wage increase for the latter of 2.56% (1% for executives). More generally, the compensation bracket is higher by 5% relative to 2011, but remains stable over two years: the ratio between the average 10% highest compensation figures and the average 10% lowest compensation figures stands at 4.39 (versus 4.17 in 2011). One of the measures adopted in 2013 was to determine a minimum percentage increase (1%) for the ETAM (Employees, Technicians and Supervisors).

Focus: Jobs of the future

A master agreement relative to jobs of the future created by the law of 26 October 2012, in order to facilitate the integration of young people without diplomas or with basic diplomas into working life, was signed on 13 November 2013 by RFF. It anticipates the hiring of 15 young people in jobs of the future. The aim of the jobs of the future, created by the law of 26 October 2012, is to provide young people without diplomas or with only basic diplomas or that reside in sensitive areas, with lasting integration into professional life, by means of the set-up of a "tailor-made" mechanism for their integration and accompaniment, as well as the deployment of training actions that provide qualifications or diplomas. In 2013, RFF had already recruited one young employee via an employment contract.

a) RFF reasserts its attachment to professional equality between men and women

The company is continuing the efforts undertaken in the last several years regarding the gender mix of the personnel, feminization and the evolution of mentalities by providing a new impetus to its policy for professional equality between women and men.
The agreement relative to equality and professional gender mix of 1 October 2012 sets out clear and specific objectives relative to applications from women, as well as access to upper-level supervisory and management positions. The agreement also calls for other measures intended to reduce wage differences, for an identical position and/or between women and men, recruiting (for each available position, the HRD undertakes to present at least one female candidate) as well as for the feminization of upper executive positions.
RFF will strive to successfully rebalance the composition of its Board of directors between men and women, that currently includes 13 men and 5 women, in order to be compliant with the provisions of law n°2011-103 of 27 January 2011 relative to the balanced representation of men and women within Boards of directors and supervisory boards and to professional equality, once these texts come into effect. Each year, the chairman of the RFF board of directors reports on the composition of the board, the application of the principle of the balanced representation of women and men within the board, on the conditions for the preparation and organisation of the board's works, as well as on the internal control and risk management procedures set up within the RFF.

b) RFF supports the employment of handicapped workers

Since 2008, the company has promoted the orientation, integration, and continued employment of handicapped workers, as well as raising personnel awareness regarding handicaps as ratified by the company agreement of 22 April 2009. Its action aligns with the framework of the law of 11 February 2005, that set RFF's employment obligation at 6% of the personnel.
On 28 June of last year, the RFF Management and union signed a new corporate agreement in favour of disabled workers. This agreement consolidates the aforesaid agreements and amplifies the actions taken up to now, for the purposes of meeting, by 2015, the intermediate objective of 4.5% handicapped persons within the RFF staff.
This has resulted in an action plan around 5 axes. In particular, it serves to strengthen the support for disabled workers, by ensuring that they will be able to put their skills into practice, with appropriate arrangements if necessary. It includes guarantees for continuing work, notably in case of the declaration or evolution of the disability.
In 2013, in compliance with the company agreement of 28 June 2013, 3 people were hired on open-ended contracts and the total number of disabled workers in 2013 stood at 46.
This mechanism will have to be completed by the set-up of training for all employees with regard to handicaps, and another training course for managers with regard to their social role, in order to make them aware of questions regarding discrimination, notably in terms of recruiting.

Focus: The week for the employment of handicapped workers

From 18 to 24 November, "The week for the employment of handicapped workers" as it is officially designated, was on centre stage at RFF. Objective: increase awareness of disabilities, particularly invisible ones, and make them less dramatic within a professional setting.
The key moment during this week was the introduction to sign language, in partnership with the association "Sortir avec les mains", as well as the daily videos of a disabled worker "Changez de regard sur le Handicap" (Changing the view of Disability).

Recap table of the relevant indicators for the topic "Committing to diversity and equal opportunity"

Indicators	2011	2012	2013
M/W distribution within the overall staff (as a %)			
• Women	44.40	45.02	45.38
• Men	55.60	54.98	54.62
Distribution of M/W executives (as a %)			
• Women	29.57	31.10	32.31
• Men	53.62	52.85	52.94
M/W distribution of ETAM (as a %)			
• Women	14.82	13.91	13.06
• Men	1.99	2.14	1.69
Number of workers with disabilities	36	44	46
Share of salaried personnel with a disability	3.4	3.4	3.3
Number of employees < 25	31	28	15
Number of employees > 50	241	253	313

3 Extra-financial reporting

3.1 Methodological note

a) Regulatory context

RFF decided to report on its annual results relating to social, environmental and societal responsibility as of the 2012 financial year, though the implementing degree of articles 226 of the Grenelle II law, applicable to public establishments and companies, has not yet been published. To the extent that RFF issues securities on a regulated market in order to manage its debt, the company is already voluntarily preparing a report on the impact of its activities under the format of article 225 (of the Grenelle II law).

This voluntary initiative illustrates the fact that RFF strives to perform its industrial and commercial activities while pursuing progress and integrating sustainable development concerns. Indeed, lawmakers have positioned RFF as a major player in sustainable development. In its article 1, the law of 3 February 1997 that established the RFF indicates that the purpose of the public corporation is *"the development, coherence and enhancement of the national rail network, while adhering to the principles of public service and while promoting rail transport in France, with the aim of sustainable development." »*

Reporting principles

RFF's social, societal and environmental reporting initiative is based on the recruiting system indicated in articles L. 225-102-1 and R. 225-104 to R. 225-105 of the French Commercial code. It is inspired by the international standards and norms, notably:

- The transparency principles of the Global Reporting Initiative (GRI 3), that RFF has been using as a reporting framework since its 2009 sustainable development report,
- The ISO 26000 standard on the Societal Responsibility of Organisations.

2013 initiative

By publishing a CSR section, in compliance with the Grenelle II law, as part of its management report, RFF is committing to the verification of the published information by an independent third party institution, while responding to the expectations for the visibility of CSR performances through relevant indicators.

RFF has chosen to present its performances truthfully, while using a series of indicators that specifically respond to the following 3 criteria:

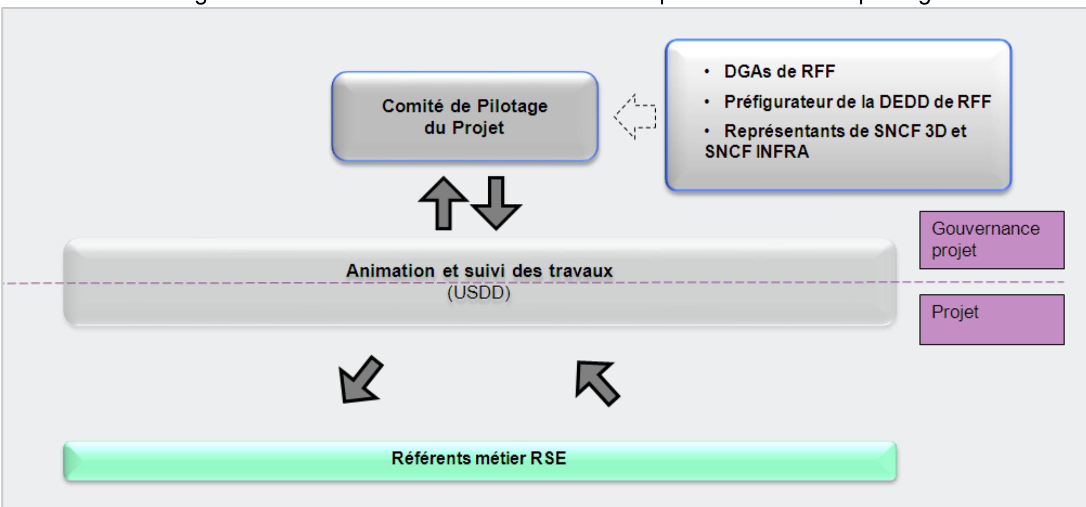
- *Materiality*: degree of the indicator's impact on RFF's strategy and financial health.
- *Sector specifics*: illustration of stakes specific to the sectors and to RFF itself, with sector-specific initiatives.
- *Stakeholder expectations*: degree of expectation of the stakeholders, notably from the viewpoint of civil society.

The initiative was carried out collaboratively, with all of the company's departments, in order to:

- Select the quantitative and qualitative information having to be reported;
- Prepare a reporting protocol that guarantees the data quality and traceability;
- Draft the management report's CSR component.

Governance of the initiative

Diagram 1: Governance of the initiative to set up the 2013 CSR reporting



RFF chose to implement suitable governance by means of a specific oversight mechanism for the preparation of the 2013 management report's CSR component, on the basis of:

- **a steering committee** made up of all RFF assistant delegated directors or their representatives, representing the company's support functions and business lines, representatives of the SNCF (Sustainable development and Infra department) as well as the prefigurer of the RFF Environment and Sustainable Development department;

- **a project team** in charge of the oversight of the initiative (and most particularly of the COPILs), proposes the perimeter and the information to be reported by the "CSR" business line authorities (availability, relevance); organises and coordinates the works of the "CSR" business line authorities; defines the perimeter and consolidates the information to be reported on social, societal and environmental levels, for validation by the COPIL.
- **"CSR" business line authorities**, that bring together the business lines in charge of defining indicators falling within their area of expertise, and for their calculation and collection methods ("indicator forms").

The COPIL arbitrates and validates the choice of the report's indicators, the reporting protocol, and determines the indicator(s) having to be certified, if relevant. It also serves as the review committee for the CSR report.

Appointed by the COPIL, the *"CSR" business line authorities* (contributors and/or validators) are responsible for defining one or more indicator(s) within their domain, and for the information traceability. It is up to each *"CSR" authority* to involve the competent or interested persons. Their feedback is returned in the format of the "Indicator form", which is then submitted to the project team, that facilitates and coordinates the initiative.

The oversight of the CSR reporting initiative will be adapted in 2014 after the internal organisational changes, notably with the creation of an Environment and Sustainable Development department, in view of the extra-financial reporting relative to the 2014 financial year.

2013/2014 calendar:

- COPIL n°1 (5 December 2013): launch of the initiative with the DGA and identification of the *CSR Authorities.*
- COPIL n°2 (15 January 2014): progress of the indicator forms and first version of the CSR report.
- COPIL n°3 (29 January 2014): progress, validation of the completed indicators, validation of the feedback on the CSR report, proposal of a draft protocol and launch of the collection.
- COPIL n°4 (19 February 2014): validation of the report and protocol
- Board of directors for validation of the financial statements and management report on 19 March 2014.

Collection process

Each indicator has an associated *Contributor*, who collects, verifies and consolidates the data within his reporting perimeter. The indicators then undergo a first validation by the *Validator* in charge of the indicator's production within his activity.
For this year, the quantitative and qualitative data were collected over the first 3 weeks in February, using a Collection grid Excel file provided to the Validators.
All data are centrally collected and consolidated by the *Administrator* within the RFF Strategy department, who verifies the data consistency, the compliance of the calculation methods and the reporting perimeters.
Via the chain of Contributors-Validators-Administrators, the protocol establishes control points in order to limit risks of error in the transmission of information, thereby increasing the reliability of the production of indicators. This document applies to all actors identified within the reporting initiative, and will be provided to them at the time of each reporting period.
In parallel, still this year, RFF will publish a separate detailed Activity and Sustainable development report, in response to the specific expectations of all stakeholders, notably the users of the French rail network, customers, financiers, representatives of civil society and employees[3].

History and evolution of the data

[3] More information on the site rff.fr : http://www.rff.fr/fr/mediatheque/publications/developpement-durable-2664

Any methodological change that could influence the comparability of the reported data with the data from the previous year, a description of any event that could have an impact on the reported data, or any other information required for the assessment of the data quality must be pointed out by the Validator at the time of the data collection, to the department in charge of the general consolidation.

For a given indicator, the data is presented over 3 years of history and completed, when relevant, by comments that explain its evolution (notably discrepancies or, in the opposite case, the indicator's stability).
For certain indicators, it is possible that the history may not apply to the same perimeter as in 2012, or not be available. In such a case, notably for "new" indicators, the 2013 data will be the "benchmark" data for the subsequent reports.

Methodological specificity of certain indicators:

Emissions of greenhouse gases:
The Greenhouse Gases (GHG) appraisals intended to respond to the company's obligations under article 75 of law n° 2010-788 of 12 July 2010 and conveyed to the prefects in December 2012, were produced on the basis of the 2011 data. The GHG emissions report for the activity specific to RFF (head office and RD) has been produced in compliance with article 75 of the Grenelle II law, on scopes 1 and 2 (mandatory) as well as on certain elements of scope 3 (optional): purchasing, freight, real estate, waste, travel (residence-work/professional/visitors).
Emissions are calculated in compliance with the methodological guide published by the Ministry for Ecology, Sustainable development, Transportation and Housing.
The employed emission factors are the ones from the Base Carbone® or, failing that, come from recognised national sources. The list of these factors is available in the compilations of the 2011 GHG inventories published on the Internet site.
In 2013, RFF also published its report on the GHG emissions resulting from the management of the national railway network, on the basis of:
- the activity specific to the RFF establishment,
- the activity of SNCF Infra (including DCF) on behalf of RFF as part of the network management (excluding possible investment operations);
- the electricity purchased by RFF in order to offset losses in the IFTE[4].

Consumption data:
The consumption of water, electricity and natural gas can be assessed by reading meters or, failing that, using the invoiced amounts. Should none of the above data be available, the previous year's value is used as a last recourse.

Accidents involving people:
According to the terms of article 17 of decree n° 2006-1279 relative to the information obligation of the manager of the national railway network infrastructures, RFF produces, for the elapsed year, a report on the safety activities of RFF, the maintenance DIM and the DCF. This annual safety report, prepared while following the instructions of article 18 of Directive 2004/49/EC of the European Parliament, is sent to the EPSF before 30 June. Accordingly, the data regarding accidents must be considered, at the time of the March publication of the present report, as provisional.

Internal training:
Training-related data are consolidated in July, in order to be communicated to the WC in September. Accordingly, the data regarding training must be considered, at the time of the March publication of the present report, as estimates.

[4] Fixed electric traction installations.

The number of minutes lost by rail companies on the NRN:
The indicator of the Performance Improvement System (PIS), the number of minutes lost per 100 km, is measured, for the infrastructure manager and the rail companies included within the PIS perimeter, over a reference period of 12 months (1 July N-1 to 30 June N).

Financial indicators
The reporting methodology for the financial data is presented in detail in the *Consolidated financial statements as at 31 December N* part, in Note 3 “Summary of the accounting and assessment principles and methods” in the financial report.

Reporting perimeter

General perimeter
The report relates to all of the RFF activities likely to result in social, environmental and societal consequences: organisation of traffic on the railway network, improvement of the network’s quality and attractiveness (maintenance, modernization), development of new lines, real estate and property management.
The reporting should relate to all of the activities and sites that RFF controls as owner and manager of the national railway network. However, the legal and property separation between the railway infrastructure manager, RFF, and the historical operator, SNCF, and secondly the devolution to SNCF of the field performance of the missions that are in principle entrusted to the infrastructure manager, complicates the data access.
In 2012, the information on social, environmental and societal data was reported across the RFF organisational and functional perimeter, excluding the activities of the DIM (SNCF INFRA and DCF).
In 2013, as part of the rail reform and looking ahead to the unification of the infrastructure manager, RFF is extending the functional perimeter of report 225 to include certain environmental and societal data from SNCF INFRA within its infrastructure maintenance and upkeep activities. The HR perimeter remains strictly specific to RFF.
The SNCF’s new automated SD reporting tools and the databases are, as of the 2013 financial year, shared with RFF in order to harmonize the indicators, the processes and the tools within the framework of the future unified infrastructure manager.
All of these activities are carried out in mainland France.

Social perimeter
The social reporting relates to all of the personnel of the RFF Public Establishment of an Industrial and Commercial Nature (French acronym: EPIC). In 2013, this included a head office (on 2 sites) and 12 regional departments throughout the national territory.
The consolidated HR data for the RFF EPIC are prepared using the same definitions and calculation bases as the data in the corporate balance sheet of the EPIC, and relate to all employees of the RFF EPIC.

Environmental perimeter

In compliance with the environmental code, and notably the provisions relative to the liability for damages caused to the environment as indicated in L 160-1 et seq, RFF assumes its environmental liability only within its liability perimeter as the owner and manager of the national railway network, which nevertheless includes, firstly, the determination of the management principles and objectives for the DIM, and, secondly, the oversight of the delegated missions (legal and property separation between RFF, the railway infrastructure manager, and the SNCF, the historical operator, and, secondly, the devolution to SNCF of the field performance of the missions that are in principle entrusted to the infrastructure manager).

As part of the rail reform and looking ahead to the unification of the IM, the functional perimeter of the RFF's report 225 includes, for 2013, data from SNCF INFRA with regard to the volume of waste produced (creosote-treated wooden sleepers).

A reliable and relevant indicator on the quantity of raw materials purchased / consumed, including agrochemicals, by the unified network manager is being prepared. The quantities of purchased resources shown above are the data taken from the 2012 SNCF CSR report (http://www.sncf.com/fr/rse/rapport-annuel-rse).

Societal perimeter

As part of the rail reform and looking ahead to the unification of the IM, the functional perimeter of the RFF's report 225 includes, for 2013, data from SNCF INFRA with regard to inclusive purchases and the contacts signed by the DIM SNCF INFRA on behalf of RFF:

- the amount of the purchases allocated to the protected sector in the name and on behalf of RFF;
- equivalent jobs (French acronym: EE) obtained by the protected sector for the SNCF Infra activities carried out on behalf of RFF;
- the number of social integration hours worked relative to the total number of integration hours contractualized by the SNCF Infra activity on behalf of RFF;
- the number of contracts with social integration clause over the total number of SNCF Infra activity contracts signed for RFF.

These indicators are provided by the of SNCF Purchasing department. Moreover, RFF carries out its own actions in support of the long-term unemployed. Reliable and relevant indicators to report on this are being prepared.

External verification

RFF has directed its statutory auditors to perform verification works in order to confirm the presence in the 2013 management report of all information indicated in article R. 225-105-1 while identifying, if relevant, any omitted information not provided with the explanations stipulated in the 3rd sub-paragraph of article R. 225-105.

3.2 Table of the indicators

3.2.1 Societal indicators

Indicators	2011	2012	2013
Arrival punctuality rate 5 min	88.4	88.3	87.3
Number of minutes lost per 100 km by the RC: - For RC reasons - For IM and external reasons	-	-	1.95 1.20
Investment expenses intended to improve service regularity (M€)	23.6	27.3	27.4
Share of freight commercial proceeds originating with RC other than Fret SNCF	20.4	25	38
Customer satisfaction score	-	6.2	-
Amount of investment expenses capitalised by the major development projects (€M)	1,844.6	2,531.5	4,150.4
Amount of investment expenses capitalised by the regional development projects (€M)	692.5	708.0	995.2
Amount of the investment expenses capitalised for network compliance upgrades (€M)	110.6	121.8	158.3
Amount of the investment expenses capitalised for network renewal and performance (€M)	1,777.0	2,899.6	2,321.2
Amount of duties and taxes (€M)	76.9	81.2	85.5
Number of accidents involving people on the network: number of persons killed	88	73	84
Number of accidents involving people on the network: number of people seriously injured	53	37	64
Number of accidents involving people on the network: number of suicides	332	356	288
Total safety investments (€M)	42.5	57.77	73.8
Number of LC on the National safety programme that have been eliminated	4	4	8
Investments devoted to dealing with NBS, outside of development and modernization projects (€M)	6	8	9
Surfaces sold during the year (ha)	-	271	220
Surfaces sold during the year in order to create dwellings (ha)	-	8	14
Number of dwellings created	-	572	1173
Number of social housing units created	-	352	606
Share of the kilometres of lines closed during the year that have been the subject of protection of the right-of-way (%)	-	65	67
Amount of the annual AGEFIPH tax (€K)	210,342	168,697.40	204,809.74
Amount of SNCF purchases allocated to the protected sector in the name and on behalf of RFF (€)	-	-	82,910
Equivalent in number of jobs (French acronym: EE) obtained by the protected sector for the SNCF INFRA activity carried out on behalf of RFF	-	-	3.51
Number of contracts with social integration clause over the total number of SNCF INFRA activity contracts signed for	-	-	141 / 365

RFF			
Number of social integration hours worked relative to the total number of integration hours contractualized by the SNCF INFRA activity on behalf of RFF	-	-	68,271 / 68,940
Number of referrals to the ethics officer	6	6	3

3.2.2 Environmental indicators

Indicators	2011	2012	2013
Noise training Number of RFF agents provided with training in environmental subjects Number of hours of environment training provided	-	33 231 hours	No session in 2013
Nature protection training Number of RFF agents provided with training in environmental subjects Number of hours of environment training provided	-	19 133 hours	5 35 hours
Water act training Number of RFF agents provided with training in environmental subjects Number of hours of environment training provided	-	64 84 hours	9 63 hours
Volume of waste produced: creosote-treated wooden sleepers (tonnes)	-	78,000	82,988
Volume of waste produced: asbestos removed from the building stock (tonnes)	632	121	207
GHG emissions specific to the RFF activities (in $TeqCO_2$)	-	6,900	-
GHG emissions from the management of the rail network -in $TeqCO_2$ -in $keqCO_2$ per furrow-km	-	354000 0.65	-
Electricity consumption specific to the railway network (MWH)	793.6	783.7	783
Share of circulating trains with electric traction	76.8	77.1	77.4
Amount of the overall environmental provisions (€M)	127.8	116.7	115.0
Number of R&D research projects	22	21	21
Amount of R&D investments devoted to the environment (€K)	343	134	342

3.2.3 Social Indicators

Indicators	2011	2012	2013
Total number of employees on 31/12	1,410	1,495	1,600
Breakdown of the staff by qualification • Executives • ETAM (Employees, Technicians and Supervisors)	1,173 237	1,255 240	1,364 236
Geographical distribution of the staff • Paris • Region	833 577	905 590	976 624
Share of part-time personnel	5.25	6.29	6.06
Number of resignations	33	44	30

Personnel expenses (€M)	103.7	114.8	123.1
Number of ordinary WC meetings during the year	-	14	11
Number of extraordinary WC meetings during the year	-	-	4
Number of ordinary meetings of the 13 CHSCT	-	52	52
Number of extraordinary meetings of the 13 CHSCT	-	11	8
Number of meetings with the personnel delegates	-	109	143
Number of meetings with the trade union delegates	-	21	24
Absenteeism rate		2.28	1.77
Frequency rate of the workplace and commuting accidents	5.46	4.66	6.58
Severity rate of the workplace accidents	0.04	0.02	0.003
Number of training hours provided during the year (h)	33,392	37,578	38,000
Share of the payroll dedicated to continuing training	5.83	5.82	5.86
M/W distribution within the overall staff (as a %)			
• Women	44.40	45.02	45.38
• Men	55.60	54.98	54.62
Distribution of M/W executives (as a %)			
• Women	29.57	31.10	32.31
• Men	53.62	52.85	52.94
M/W distribution of ETAM (as a %)			
• Women	14.82	13.91	13.06
• Men	1.99	2.14	1.69
Number of workers with disabilities	36	44	46
Share of salaried personnel with a disability	3.4	3.4	3.3
Number of employees < 25	31	28	15
Number of employees > 50	241	253	313

3.3 Correspondence of the RFF CSR indicators in view of the implementing decree of article 225

	TOPIC Art. 225	LIST OF RFF CSR INDICATORS	TICKET CODE	GRI 3	ISO 26000
Governance of the organisation	1st sub-paragraph of article R.225-105	Corporate governance and risk management		1.1 - 1.2 - 4.1 - 4.5 - 4.8 to 4.12	6.2
		Overall steering of the sustainable development initiative			6.2
		Raising of employee awareness regarding sustainable development			6.2
SOCIETAL INFORMATION					
Territorial, economic and social impact	**I-3°-a)** Territorial, economic and social impact of the company's activity -Regarding employment and regional development -On neighbouring or local populations	Amount of investment expenses capitalised by the major development projects (€M)	SOCT03	EC8 - SO1	6.8.9
		Amount of investment expenses capitalised by the regional development projects (€M)	SOCT04	EC8 - SO1	6.8.9
		Amount of the investment expenses capitalised for network compliance upgrades (€M)	SOCT05	EC8 - SO1	6.8.9
		Amount of the investment expenses capitalised for renewal and performance of the existing network (€M)	SOCT06	EC8 - SO1	6.8.9
		Amount of duties and taxes (€M)	SOCT07	EC8 - SO1	6.8.9
		Arrival punctuality rate at 5 minutes (punctuality of the trains)	SOCT08a	SO1	6.7.8 - 6.8.3
		Number of minutes lost per 100 km by the RC: - For RC reasons - For IM and external reasons	SOCT08b	SO1	6.7.8 - 6.8.3
		Investment expenses intended to improve service regularity (M€)	SOCT09	EC8 - SO1	6.8.3
		Investments devoted to dealing with NBS, outside of development and modernization projects (€M)	SOCT11	EC8 - SO1	6.8.3
		Number of R&D research projects	SOCT18	EC8 - SO1	6.8.6
		Number of social integration hours worked relative to the total number of contractualized integration hours; by the Infra activity on behalf of RFF	SOCT22	EC7	6.8.5
		Amount of the annual AGEFIPH tax	SOCT24	EC1	6.8.5

Relations with the PPE	**I-3°-b)** Relations maintained with persons or organisations interested in the company's activity, notably integration associations, teaching establishments, environmental defence associations, consumer associations and neighbouring residents: -the conditions for dialogue with these persons or organisations; -partnership or sponsorship actions	*Qualitative information*		EC1	6.8.9
Subcontracting & suppliers	**I-3°-c)** Subcontracting and suppliers: -consideration of social and environmental stakes in the purchasing policy. -importance of subcontracting and the consideration, in relations with suppliers and subcontractors, of their social and environmental responsibility	*Qualitative information*			
		Share of freight commercial proceeds originating with railway companies other than Fret SNCF	SOCT14	EC1	6.8.3
		Customer satisfaction score	SOCT16	PR5	6.7.6
		Amount of SNCF purchases allocated to the protected sector in the name and on behalf of RFF (€)	SOCT20	LA13	6.8.5
		Equivalent jobs (French acronym: EE) obtained by the protected sector for the SNCF Infra activities carried out on behalf of RFF	SOCT21	LA13	6.8.5
		Number of contracts with social integration clause over the total of Infra contracts signed for RFF	SOCT23	LA13	6.8.5
Fair practices	**II-3°-d)** Fair practices: -measures taken to prevent corruption; -measures taken in favour of the health and safety of consumers	Number of referrals to the ethics officer	SOC09	HR4 - LA13 - LA14	6.3.10
		Number of accidents involving people on the network: • Number of persons killed (excluding suicides and attempted suicides) • Number of persons seriously injured (excluding suicides and attempted suicides) • Number of suicides	SECU01	PR2	6.7.3
		LC (level crossings) included in the National safety programme that have been eliminated	SECU03	PR2	6.7.3
		Total safety investments (€M)	SECU04	PR2	6.7.3
Other actions undertaken in favour of human rights	**II-3°-e)** Other actions undertaken in favour of human rights	*Qualitative information*		HR3 - HR9 - HR10 - HR11 - SO	4.4 - 4.6 - 4.7 - 4.8 - 6.3 - 6.6
ENVIRONMENTAL INFORMATION					

General policy	**I-2°-a)** General policy with regard to environmental matters: -company organisation in order to deal with environmental questions and, if relevant, assessment or certification initiatives relating to the environment; -employee training and information actions undertaken with regard to environmental protection; -resources devoted to preventing environmental risks and pollution; **II-2°-a)** amount of the provisions and guarantees relating to the environment, provided that this information would not seriously harm the company in the event of ongoing litigation	Number of RFF agents provided with training in environmental subjects Number of hours of environment training provided *(Noise training, Nature protection training, Water act training)*	ENV03	LA10	6.5
		Amount of the overall environmental provisions (€M)	ENV01	EN28 - EN30	6.5.1 - 6.5.7
		Amount of R&D investments devoted to the environment (€K)	ENV15	EN28 - EN30	6.5.6
Pollution and waste management	**I-2°-b)** Pollution and waste management: -measures for preventing, reducing or remedying any discharges into the air, water and soil that would seriously affect the environment; -waste prevention, recycling and disposal measures;	Volume of waste produced - creosote-treated wooden sleepers (tonnes) Volume of waste produced - asbestos removed from the building stock (tonnes)	ENV06	EN22	6.5.4
	-consideration of noise pollution and of any other form of pollution specific to an activity	NBS programme *(cf. I-3°-a) Territorial impact)*		EN29	
Sustainable usage of resources	**I-2°-c)** Sustainable usage of resources: -water consumption and water procurement on the basis of local constraints; -consumption of raw materials and measures taken in order to improve the efficiency of their usage;	*Qualitative information*			
		Electricity consumption specific to the railway network	ENV10	EN3	6.5.4
	-energy consumption, measures taken to improve energy efficiency and the recourse to renewable energies	Share of circulating trains with electric traction, by activity	ENV17	EN3	6.5.4

	II-2°-c) Sustainable usage of resources: -land use	• Surfaces sold during the year (hectares) including surfaces sold during the year in order to create residences (hectares) • Number of dwellings created including number of social housing units created	ENV16b	EN26	6.5.4
		Share of the kilometres of lines closed during the year that have been the subject of protection of the right-of-way	ENV16c	EN26	6.5.4
Climate change	**I-2°-d)** Climate change: -greenhouse gas emissions	GHG emissions specific to the RFF activities (head office and RD)	ENV09a	EN16 - EN18	6.5.5
		GHG emissions from the management of the rail network national (TeqCO$_2$ and keqCO$_2$ furrow-km)	ENV09b	EN16 - EN18	6.5.5
	II-2°-d) Climate change: -adaptation to the consequences of climate change	*Qualitative information*		EC2 - EN16 - EN17 - EN18	6.5.5
Protection of biodiversity	**I-2°-e)** Protection of biodiversity: -measures undertaken to safeguard or develop biodiversity	*Qualitative information*		EN11 to EN15 - EN25	6.5.6
SOCIAL INFORMATION					
Employment	**I-1°-a)** Employment: -total personnel and distribution of the employees by sex, age and geographical zone	Total number of employees (situation on 31 December)	SOC02	LA1	
		Breakdown of the staff by qualification (Executive / ETAM), geography	SOC02	LA1	6.4.3
		Number of employees -25 years and number of employees +50 years	SOC02	LA1	6.4.3
		Share of part-time personnel	SOC15	LA1	
	-new hires and layoffs;	*Qualitative information*			
		Number of resignations	SOC14	LA2	6.4.3
	-wages and their evolution	*Qualitative information*			
		Personnel expenses (€M)	SOC01	4.5 - LA1	6.4.3
Work organisation	**I-1°-b)** Work organisation: -organisation of the working time	*Qualitative information*		LA7	6.4.3
	II-1°-b) absenteeism	Absenteeism rate	SOC06	LA7	6.4.4
Social relations	**I-1°-c)** Social relations: -organisation of the social dialogue, notably information and consultation procedures for the personnel and negotiation with the latter;	Number of Works Council meetings during year (ordinary and extraordinary)	SOC04	LA5	6.4.5
		Number of meetings of the 13 Health, Safety and Working conditions committees during the year (ordinary and extraordinary)	SOC04	LA5	6.4.5
		Number of meetings with the personnel delegates	SOC04	LA5	6.4.5
		Number of meetings with the trade union delegates	SOC04	LA5	6.4.5
	-report on the collective	*Qualitative information*		LA4 -	6.4.5

	agreements			LA5 - LA9	
Health & safety	**I-1°-d)** Health and safety: -occupational health and safety conditions; -report on agreements signed with trade union organisations or personnel representatives with regard to occupational health and safety	*Qualitative information*		LA7	6.4.6
	II-1°-d) workplace accidents, notably their frequency and severity, as well as occupational illnesses	Frequency rate of the workplace and commuting accidents	SOC05	LA7	6.4.6
		Severity rate of the workplace accidents	SOC05	LA7	6.4.6
Training	**I-1°-e)** TRAINING: -policies implemented with regard to training; -total number of training hours	Share of the payroll dedicated to training	SOC03	LA10 - LA11	6.4.7
		Number of training hours provided during the year	SOC16	LA10 - LA11	6.4.7
Equal treatment	**I-1°-f)** Equal treatment: -measures undertaken in favour of equality between women and men; -measures taken in favour of the employment and integration of disabled persons; -policy for combating discrimination	Share of women and men in the total staff (Executives / ETAM)	SOC02	LA13	6.3.7
		Number of workers with disabilities	SOC07	LA13	6.3.7
		Share of salaried personnel with a disability	SOC07	LA13 - HR4	6.3.7
Promotion & respect for the ILO conventions	**II-1°-g)** Promoting and respecting the provisions of the International Labour Organisation fundamental conventions relative to: -freedom of association and the right to collective bargaining; -elimination of discriminations regarding employment and professionals; -elimination of forced or mandatory labour; -effective abolition of child labour	*Qualitative information*		HR 4 - HR5 - HR6 - HR7 - HR8 - LA13	6.3.10

RÉSEAU FERRÉ DE FRANCE

V. Statutory auditors' report

Réseau Ferré de France

Statutory Auditors' report on the financial statements

For the year ended 31 December 2013

PRICEWATERHOUSECOOPERS AUDIT MAZARS

Réseau Ferré de France

Etablissement Public à caractère Industriel et Commercial
(Industrial and commercial public body)
with capital of €9,764,639,250
Registered office: 92, avenue de France – 75013 Paris
Siren no.: B 412 280 737

Statutory Auditors' report on the financial statements

For the year ended 31 December 2013

PRICEWATERHOUSECOOPERS AUDIT MAZARS

Statutory Auditors' report on the financial statements

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Ladies and Gentlemen,

In compliance with the assignment entrusted to us by the French Ministry of the Economy, Industry and Employment, we hereby report to you, for the year ended 31 December 2013, on:

- the audit of the accompanying financial statements of Réseau Ferré de France;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I - Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the public body at 31 December 2013 and of the results of its operations for the year then ended in accordance with French accounting principles.

- Without qualifying our opinion, we draw your attention to the matters set out in the note 7.1.16 "Provisions for contingencies and losses" to the financial statements which presents the uncertainties regarding the measurement of:
    - ongoing litigation regarding the flooding in Arles in December 2003;
    - provisions for decontamination and environmental risks.

II – Justification of our assessments

In accordance with the requirements of article L.823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

- Note 2.1.2 "Property, plant and equipment commissioned" describes the methods used by the public body to carry out impairment tests on Infrastructure CGU assets and, where applicable, to recognise the impairment of these assets.

The value of the Infrastructure CGU assets is based on estimates and assumptions which, by definition, are uncertain and actual results may differ from the estimates, sometimes significantly (see Note 2.1.2), particularly in the context of the planned reform of the French rail system and the time frame for the stabilisation of the consistency of the rail network. Our work consisted in reviewing the data and assumptions used by Réseau Ferré de France in the context referred to above, as well as the criteria for approval and verifying the calculations made by the public body.

- Note 7.1.16 “Provisions for contingencies and losses” presents the nature of the provisions recorded by Réseau Ferré de France. We have assessed the reasonableness of these provisions, which were determined on the basis of currently available information.

- Note 4 “Significant events and transactions” presents the work that has been done by Réseau Ferré de France to overcome the delay in recognising the commissioning of projects that are contracted out. Our work consisted in reviewing the methodology used and the checks carried out by the Establishment, as well as in assessing the accounting treatment adopted.

These assessments were made as part of our audit of the financial statements, taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III – Specific verifications and information

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French law.

With the exception of any possible impact resulting from the matters set out in the first part of this report, we have no matters to report as to the fair presentation and consistency with the financial statements of the information given in the management report and in the documents addressed to the members of the Board of Directors with respect to the financial position and the financial statements.

Courbevoie and Neuilly-sur-Seine, 19 March 2014

The Statutory Auditors

M A Z A R S

BERNARD ESPAÑA

P R I C E W A T E R H O U S E C O O P E R S   A U D I T

JEAN-FRANÇOIS CHÂTEL

Réseau Ferré de France

Statutory Auditors' report on the consolidated financial statements

For the year ended 31 December 2013

PRICEWATERHOUSECOOPERS AUDIT MAZARS

Réseau Ferré de France

Etablissement Public à caractère Industriel et Commercial
(Industrial and commercial public body)
with capital of €9,764,639,250
Registered office: 92, avenue de France – 75013 Paris
Siren no.: B 412 280 737

Statutory Auditors' report on the consolidated financial statements

For the year ended 31 December 2013

PRICEWATERHOUSECOOPERS AUDIT MAZARS

Statutory Auditors' report on the consolidated financial statements

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the consolidated financial statements and includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Ladies and Gentlemen,

In compliance with the assignment entrusted to us by the French Ministry of the Economy, Industry and Employment, we hereby report to you, for the year ended 31 December 2013, on:

- the audit of the accompanying consolidated financial statements of Réseau Ferré de France;
- the justification of our assessments;
- the specific verifications and information required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I - Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the public body at 31 December 2013 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without qualifying our opinion, we draw your attention to the matters set out in the note 4.12.2 "Movements in provisions" to the financial statements which presents the uncertainties regarding the measurement of:

- ongoing litigation regarding the flooding in Arles in December 2003;
- provisions for decontamination and environmental risks.

II – Justification of our assessments

In accordance with the requirements of article L.823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

- Notes 3.11.1 "impairment of infrastructure in operational use (Infrastructure CGU) and 4.3.3 "Recoverable amounts of assets commissioned at the balance sheet date and impairment” describe the methods used by the Group to carry out impairment tests on Infrastructure CGU assets and, where applicable, to recognise the impairment of these assets.

- Note 4.5 “Deferred Taxes” describes the Group’s position regarding the recognition of deferred tax assets in the consolidated financial statement.

These two elements are based on estimates and assumptions which, by definition, are uncertain and actual results may differ from the estimates, sometimes significantly (see Note 2.1.2), particularly in the context of the planned reform of the French rail system and the time frame for the stabilisation of the consistency of the rail network. Our work consisted in reviewing the data and assumptions used by Réseau Ferré de France in the context referred to above, as well as the criteria for approval and verifying the calculations made by the Group.

- Notes 3.19 and 4.12 “Provisions” presents the nature of the provisions recorded by the Group. We have assessed the reasonableness of these provisions, which were determined on the basis of currently available information.

- Note 2.2 “Significant events and transactions” presents the work that has been done by Réseau Ferré de France to overcome the delay in recognising the commissioning of projects that are contracted out. Our work consisted in reviewing the methodology used and the checks carried out by the Establishment, as well as in assessing the accounting treatment adopted.

These assessments were made as part of our audit of the consolidated financial statements, taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III – Specific verifications and information

As required by the law and in accordance with professional standards applicable in France, we have also verified the information presented in the Group's management report.

With the exception of any possible impact of the matters set out in the first part of this report, we have no matters to report as to the fair presentation and its consistency with the consolidated financial statements.

Courbevoie and Neuilly-sur-Seine, 19 March 2014

The Statutory Auditors

M A Z A R S

BERNARD ESPAÑA

P R I C E W A T E R H O U S E C O O P E R S A U D I T

JEAN-FRANÇOIS CHÂTEL