



FINAL TERMS

Final Terms dated 23 January 2017

SNCF Réseau

Issue of EUR 400,000,000 Inflation Linked Notes due July 2047 (Series 120 Tranche 1) (the Notes)

under the Euro 45,000,000,000 Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the base prospectus dated 31 May 2016 and the supplement to the base prospectus dated 5 August 2016 which together constitute a base prospectus for the purposes of Directive 2003/71/EC as amended by Directive 2010/73/EU (the **Prospectus Directive**) (the **Base Prospectus**). This document constitutes the Final Terms relating to the issue of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of the Final Terms and the Base Prospectus. The Base Prospectus and the Final Terms are available for viewing at the *Autorité des marchés financiers* website (www.amf-france.org) and on the SNCF Réseau website (www.sncf-reseau.fr) and copies may be obtained from the specified office of the Paying Agent during normal business hours.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND THE NOTES ARE BEARER NOTES THAT ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. SUBJECT TO CERTAIN EXCEPTIONS, THE NOTES MAY NOT BE OFFERED OR SOLD OR, DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT (**REGULATIONS**)). THESE FINAL TERMS HAVE BEEN PREPARED BY THE ISSUER FOR USE IN CONNECTION WITH THE OFFER AND SALE OF THE NOTES OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS IN RELIANCE ON REGULATIONS AND FOR THE LISTING OF NOTES ON EURONEXT PARIS. FOR A DESCRIPTION OF THESE AND CERTAIN FURTHER RESTRICTIONS ON OFFERS AND SALES OF THE NOTES AND DISTRIBUTION OF THESE FINAL TERMS, SEE "*SUBSCRIPTION AND SALE*" IN THE CURRENT BASE PROSPECTUS.

1. Issuer: SNCF Réseau
2. (i) Series Number: 120
(ii) Tranche Number: 1
(iii) Date on which the Notes become fungible: Not Applicable
3. Specified Currency or Currencies: Euro (**EUR**)
4. Aggregate Nominal Amount:
 - (i) Series: EUR 400,000,000
 - (ii) Tranche: EUR 400,000,000
5. Issue Price: 100 per cent. of the Aggregate Nominal Amount
6. (i) Specified Denominations: EUR 100,000

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| | (ii) | Calculation Amount: | EUR 100,000 |
| 7. | (i) | Issue Date: | 25 January 2017 |
| | (ii) | Interest Commencement Date: | Issue Date |
| 8. | | Maturity Date: | 25 July 2047 |
| 9. | | Interest Basis: | Inflation Linked Interest
(further particulars specified below) |
| 10. | | Redemption Basis: | Inflation Linked Redemption |
| 11. | | Change of Interest Basis: | Not Applicable |
| 12. | | Put/Call Options: | Not Applicable |
| 13. | (i) | Status of the Notes: | Unsubordinated |
| | (ii) | Date of Board approval for issuance of Notes obtained: | <i>Conseil d'administration</i> held on 20 November 2016 |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

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| 14. | Fixed Rate Note Provisions | Not Applicable |
| 15. | Floating Rate Note Provisions | Not Applicable |
| 16. | Zero Coupon Note Provisions | Not Applicable |
| 17. | Inflation Linked Note Provisions | Applicable |

(A)

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| (i) | Index: | HICP |
| (ii) | Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Calculation Agent): | Not Applicable |
| (iii) | Interest Period(s): | As per Conditions. |

In respect of any Interest Period, the Interest Accrual Period shall mean each successive period beginning on and including each 25 July (the “**Interest Period End Date**”) and ending on but excluding the next succeeding Interest Period End Date during that Interest Period

provided that the first Interest Accrual Period shall commence on and including the Interest Commencement Date and the final Interest Accrual Period shall end on but excluding the Maturity Date. The Business Day Convention set out in (xii) below shall not apply in respect of the Interest Period End Date.

- (iv) Interest Payment Date(s): 25 July in each year commencing on 25 July 2017 up to and including the Maturity Date, subject to adjustment in accordance with the Business Day Convention set out in (xii) below. For the avoidance of doubt, the Business Day Convention will only apply in respect of Interest Payment Dates.
- There will be a short first coupon in respect of the first Interest Period from the Interest Commencement Date to but excluding the first Interest Payment Date equal to EUR 173.56 per Calculation amount.
- (v) Interest Determination Date(s): As specified in Condition 5.3 (iii)(2)
- (vi) Base Reference: HICP Daily Inflation Reference Index applicable on 25 January 2017 (being equal to: 100.72258)
- (vii) Rate of Interest: 0.35 per cent. per annum multiplied by the Inflation Index Ratio
- (viii) Day Count Fraction: Actual/Actual (ICMA)
- (ix) Business Centre(s): TARGET
- (x) Minimum Rate of Interest: Not Applicable
- (xi) Maximum Rate of Interest: Not Applicable
- (xii) Business Day Convention(s): Following
18. Dual Currency Note Provisions Not Applicable
19. Reverse Dual Currency Note Provisions Not Applicable

PROVISIONS RELATING TO REDEMPTION

20. Optional Early Redemption (Issuer Call): Not Applicable

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| 21. | Optional Early Redemption (Investor Put): | Not Applicable |
| 22. | Final Redemption Amount of each Note: | In case of Inflation Linked Notes, to be determined in accordance with Conditions 6.7(a) and (c) |
| 23. | Early Redemption Amount | |
| | (i) Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on Event of Default: | In case of Inflation Linked Notes, to be determined in accordance with Condition 6.13 |
| | (ii) Redemption for taxation reasons permitted on days other than Interest Payment Dates: | No |
| | (iii) Unmatured Coupons to become void upon early redemption (Bearer Notes only): | No |

GENERAL PROVISIONS APPLICABLE TO THE NOTES

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| 24. | (a) Form of Notes: | Bearer Notes |
| | (i) Temporary or Permanent Global Note/Certificate: | Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note |
| | (ii) Applicable TEFRA exemption: | D Rules |
| | (b) New Global Note: | Yes |
| 25. | Relevant Financial Centre(s): | Not Applicable |
| 26. | Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): | Yes |
| 27. | Details relating to Instalment Notes: | Not Applicable |
| 28. | Redenomination, renominalisation and reconventioning provisions: | Not Applicable |
| 29. | Consolidation provisions: | Not Applicable |

LISTING APPLICATION AND ADMISSION TO TRADING

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the Euro 45,000,000,000 Euro Medium Term Note Programme of SNCF Réseau.

SIGNIFICANT CHANGE AND MATERIAL ADVERSE CHANGE STATEMENT

There has been no significant change in the financial or trading position of the Issuer since 30 June 2016 and no material adverse change in the prospects of the Issuer since 31 December 2015.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of SNCF Réseau:

By

Isabelle GANDY Duly authorised

A handwritten signature in black ink, appearing to read 'Isabelle Gandy', is written over a rectangular box. The signature is stylized and cursive.

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Admission to trading: Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on Euronext Paris with effect from 25 January 2017.
- (ii) Estimate of total expenses related to admission to trading: EUR 15,900 (including AMF fees)

2. RATINGS

Ratings: The Programme is rated:

S & P:..... AA

Moody's:..... Aa2

Fitch: AA

Each of S & P, Moody's and Fitch is established in the European Union and registered under Regulation (EC) No. 1060/2009, as amended by Regulation (EU) No. 513/2011.

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for any fees payable to the Dealer, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- (i) Reasons for the offer: See "Use and Proceeds" wording in the Base Prospectus.
- (ii) Estimated net proceeds: EUR 398,800,000
- (iii) Estimated total expenses: EUR 15,900 (including AMF fees)

5. YIELD (*Fixed Rate Notes only*)

Indication of yield: Not Applicable

6. HISTORIC INTEREST RATES (*Floating Rate Notes only*)

Not Applicable

7. PERFORMANCE OF INDEX/FORMULA, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING

Inflation Linked Notes only

(i) Name of underlying index: HICP

(ii) Information about the Index, its volatility and past and future performance can be obtained: *Agence Française du Trésor* Reuters Screen page OATEI01, on the website www.aft.gouv.fr and on Bloomberg page TRESOR

The Issuer does not intend to provide post-issuance information.

8. PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT (*Dual Currency Notes / Reverse Dual Currency Notes only*)

Not Applicable

9. OPERATIONAL INFORMATION

(i) ISIN Code: XS1550950759

(ii) Common Code: 155095075

(iii) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): Not Applicable

(iv) Delivery: Delivery against payment

(v) Names and addresses of additional Paying Agent(s) or Calculation Agent (if any): Barclays Bank PLC, as Calculation Agent
5 The North Colonnade
Canary Wharf
London E14 4BB
United Kingdom

(vi) Intended to be held in a manner which would allow Eurosystem eligibility: Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either

upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

10. DISTRIBUTION

- (i) Method of distribution: Non Syndicated
- (ii) If syndicated:
 - (A) Names of Managers: Not Applicable
 - (B) Stabilisation
Manager(s) (if any): Not Applicable
- (iii) If non-syndicated, name of Dealer: Barclays Bank PLC
- (iv) US Selling Restrictions: Reg. S Compliance Category 2 applies to the Notes
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