



**SECOND SUPPLEMENT DATED 4 DECEMBER 2018
TO THE EURO MEDIUM TERM NOTE PROGRAMME BASE PROSPECTUS
DATED 11 JUNE 2018**

SNCF Réseau
(formerly Réseau Ferré de France)
(established as an "*établissement public industriel et commercial*"
under the laws of the Republic of France)
Euro 55,000,000,000
Euro Medium Term Note Programme

This second supplement (the **Second Supplement**) is supplemental to, and should be read in conjunction with, the Base Prospectus dated 11 June 2018 (the **Base Prospectus**) as supplemented by the first supplement dated 2 August 2018 (the **First Supplement**) prepared in relation to the €55,000,000,000 Euro Medium Term Note Programme of SNCF Réseau (**SNCF Réseau**) (the **Programme**). The Base Prospectus, as supplemented, constitutes a base prospectus for the purpose of the Directive 2003/71/EC (as amended by Directive 2010/73/EU, the **Prospectus Directive**). The *Autorité des marchés financiers* (the **AMF**) has granted visa n°18-237 on 11 June 2018 to the Base Prospectus and visa n°18-352 on 2 August 2018 to the First Supplement.

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

Terms defined in the Base Prospectus have the same meaning when used in the Second Supplement.

This Second Supplement has been prepared for the purposes of, *inter alia*, (i) including in the Base Prospectus, as supplemented, the Press release dated 26 November 2018 of SNCF Réseau and (ii) modifying consequently some sections of the Base Prospectus, as supplemented.

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

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

In relation to any offer of Notes to the public, and provided that the conditions of article 16 (2) of the Prospectus Directive are fulfilled, investors who have already agreed to purchase or subscribe for Notes to be issued under the Programme before this Second Supplement is published, have the right according to article 16 (2) of the Prospectus Directive, to withdraw their acceptances within a time limit of two (2) working days after the publication of this Second Supplement, i.e. until 6 December 2018.

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SUMMARY OF THE PROGRAMME

Subsection B.13 entitled “Recent Events” of the section entitled “Summary of the Programme” on pages 22 and 23 of the Base Prospectus shall be amended and replaced as follows:

<p>B.13</p>	<p>Recent Events</p>	<p>Following the report on the situation of the French railway system submitted to the Government by Jean-Cyril Spinetta on 15 February 2018, Prime Minister Edouard Philippe presented during a press conference held on 26 February 2018, the main terms of a “new French railway pact”.</p> <p>Since then, the Law n°2018-515 dated 27 June 2018 for the new railway pact has been adopted by the French Parliament and published in the French Official Journal on 28 June 2018 (the 2018 Rail Reform Law).</p> <p>Under the 2018 Rail Reform Law, it is envisaged in particular, as from 1 January 2020, to:</p> <ul style="list-style-type: none"> • reorganise the SNCF group to achieve greater efficiency: this will involve the transformation of the current SNCF group into a State-owned unified group (<i>groupe public unifié</i>) and the change of the legal status of its constituent entities into State wholly-owned limited liability companies. According to the 2018 Rail Reform Law, SNCF Réseau will become a limited liability company (<i>société anonyme</i>), wholly-owned by SNCF, the holding company of the unified group and itself a State wholly-owned limited liability company (<i>société nationale à capitaux publics</i>). The 2018 Rail Reform Law also prohibits the sale or transfer of the shareholdings to be held by the French State in SNCF and the sale or transfer of the shareholdings to be held by SNCF in each of SNCF Réseau and SNCF Mobilités; • transfer, as part of the reorganization of the SNCF group, the entity known as <i>Gares & Connexions</i> to SNCF Réseau; • transform the employment organisation by ceasing the recruitment of staff under the regulated railroad staff (<i>cheminot</i>) status, as from 1 January 2020. Current employees will continue to benefit from their current <i>cheminot</i> status. In parallel with such transformation, negotiations will be held with employees and unions at the level of the railway branch; and • define the modalities for a successful opening up to the competition of the French passenger railway transport activities. <p>The 2018 Rail Reform Law also enables the French government to adopt legislative measures by way of ordinances (<i>ordonnances</i>) in order to implement the new railway pact.</p> <p>In addition the Prime Minister announced during a further press</p>
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		<p>conference held on 25 May 2018 that:</p> <ul style="list-style-type: none"> - the increase in TGV and freight charges would now be limited, in agreement with the ARAFER, to that of inflation; - the renewal of the network would be accelerated by increasing the investment effort as of 2022 by an additional €200 million per year, particularly on signaling; - the SNCF group has committed to reduce, by 2026, 2/3 of its competitiveness gap compared to its competitors; and - the French State would assume a substantial part of the existing debt of SNCF Réseau, i.e. € 35 billion in two phases: €25 billion as of 1 January 2020 and the balance of €10 billion in 2022. <p>On 26 November 2018, each of Agence France Trésor and the Issuer published a press release stating the following :</p> <ul style="list-style-type: none"> - according to the announcements of the French Prime Minister on 25 May 2018 the French railway reform will give rise to a €35 billion debt relief of the Issuer (The French Railway Infrastructure Owner and Manager) by the French State, among which €25 billion in 2020 and €10 billion in 2022, in order to significantly improve the financial structure of SNCF Réseau, alongside the enhancement of the operational performance of SNCF; and - the debt relief will involve arranging matching loans between SNCF Réseau and the Government Debt Fund (Caisse de la Dette Publique – CDP). After that, and following authorisation from the French Parliament in the Budget Act, the government will assume SNCF Réseau's debt to CDP, removing the corresponding amount of debt from SNCF Réseau balance sheet. <p>Agence France Trésor added that <i>“this arrangement will spread the impact of assuming this debt on the government’s borrowing requirement over a long period, while restoring the financial sustainability of SNCF Réseau. It will maintain completely equal treatment for bondholders”</i>.</p>
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Paragraphs “Legal risks” in sub-section D.2 entitled “Key risks specific to the Issuer” of the section entitled “Summary of the Programme” on page 45 of the Base Prospectus shall be deleted and replaced with the following:

D.2	Key risks specific to the Issuer	<ul style="list-style-type: none"> • Legal risks <ul style="list-style-type: none"> ○ Risks in connection with the status of the Issuer: following the adoption of the 2018 Rail Reform Law, the Issuer will be subject as of 1 January 2020 to various reorganisations, including the change of its legal status into a limited liability company (<i>société anonyme</i>). ○ The French Government may influence or take decisions that are important for the Issuer, since it is a State-owned industrial and commercial public entity (EPIC). Following the submission of a report on the situation of the French railway system commissioned by the French Government by Jean-Cyril Spinetta on 15 February 2018, the French Prime Minister, Edouard Philippe, has set out, during a press conference held on 26 February 2018, the main terms of a “new French railway pact”. Since then, the 2018 Rail Reform Law has been published in the French Official Journal on 28 June 2018. The SNCF group will be subject as of 1 January 2020 to various reorganisations, including a change to the legal status of its constituent entities (including the Issuer) and the transfer of the entity known as <i>Gares & Connexions</i> to the Issuer. In addition, the Prime Minister announced during a further press conference held on 25 May 2018 that the French State would assume a substantial part of the existing debt of SNCF Réseau, i.e. € 35 billion in two phases: €25 billion as of 1 January 2020 and the balance of €10 billion in 2022. This debt transfer has been confirmed and the main features of such transfer has been set out in the press releases published by <i>Agence France Trésor</i> and SNCF Réseau on 26 November 2018, nonetheless, details of this debt transfer remain to be fully determined. These reorganisations could have a material effect on its activities and/or its financial situation, including on the rating of the Issuer and the Notes, the extent and shape of which it is not yet possible to fully determine or anticipate. ○ The Issuer operates its activities within the context of a performance contract with the French State. ○ The Issuer’s activities require various administrative authorisations that may be difficult
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		<p>to obtain or whose grant may be subject to conditions that may become significantly more stringent.</p> <ul style="list-style-type: none">○ The fees of SNCF Réseau, payable by passenger services operators are regulated. The level of such fees may have an impact on the Issuer's results.
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RÉSUMÉ EN FRANÇAIS
(FRENCH LANGUAGE SUMMARY OF THE PROGRAMME)

Subsection B.13 entitled “Evénements récents” of the section entitled “Résumé en Français (French Language Summary of the Programme)” on pages 70 and 71 of the Base Prospectus shall be amended and replaced as follows:

B.13	Evénements récents	<p>A la suite du rapport remis au Gouvernement le 15 février 2018 par Jean-Cyril Spinetta sur la situation du système ferroviaire, le Premier ministre Edouard Philippe a exposé, dans le cadre d’une conférence de presse tenue le 26 février 2018, les grandes lignes d’«un nouveau pacte ferroviaire français ».</p> <p>Depuis cette date, la loi n° 2018-515 du 27 juin 2018 pour un nouveau pacte ferroviaire a été adoptée par le Parlement français et publiée au Journal Officiel de la République Française le 28 juin 2018 (la Loi sur la Réforme Ferroviaire 2018).</p> <p>Il est en particulier prévu dans cette Loi sur la Réforme Ferroviaire 2018, à compter du 1^{er} janvier 2020, de :</p> <ul style="list-style-type: none">• réorganiser le groupe SNCF afin de permettre une plus grande efficacité : cela passera notamment par la transformation du groupe SNCF actuel en groupe public unifié ainsi que par une évolution de la forme légale des entités le composant en société nationale à capitaux publics. Conformément à la Loi sur la Réforme Ferroviaire 2018, SNCF Réseau deviendra une société anonyme, détenue par la SNCF, en tant que société mère du groupe public unifié et elle-même société nationale à capitaux publics. La Loi sur la Réforme Ferroviaire 2018 prévoit l’inaccessibilité du capital détenu par l’Etat français dans la SNCF ainsi que du capital détenu par la SNCF dans SCNF Réseau et SNCF Mobilités ;• transférer, dans le cadre de la réorganisation du groupe SNCF, l’entité Gares & Connexions à SNCF Réseau ;• transformer l’organisation salariale en cessant, à partir du 1^{er} janvier 2020, de recruter sous le statut de cheminot. Les employés existant pourront continuer de bénéficier de ce statut. En parallèle de cette transformation, des négociations au niveau de la branche ferroviaire seront entreprises ; et• définir les modalités de la réussite de l’ouverture à la concurrence de l’activité de transport de personne en France. <p>La Loi sur la Réforme Ferroviaire 2018 autorise en outre le Gouvernement Français à prendre par voie d’ordonnances certaines mesures relevant du domaine de la loi afin de procéder à la mise en place de la réforme pour un nouveau pacte ferroviaire.</p> <p>Par ailleurs, le Premier Ministre a annoncé lors d’une seconde conférence de presse tenue le 25 mai 2018 que :</p>
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		<ul style="list-style-type: none"> • la hausse des péages TGV et du fret serait désormais limitée, en accord avec l'ARAFER, à celle de l'inflation ; • le renouvellement du réseau serait accéléré en augmentant l'effort d'investissement, dès 2022, de €200 millions supplémentaires par an, notamment sur la signalisation ; • SNCF s'engageait à réduire, d'ici 2026, 2/3 de son écart de compétitivité par rapport à ses concurrents ; • l'Etat reprendrait une partie substantielle de la dette de SNCF Réseau, soit un montant total de €35 milliards repris en deux phases, €25 milliards au 1^{er} janvier 2020 et les €10 milliards restants en 2022. <p>Le 26 novembre 2018, l'Agence France Trésor et l'Emetteur ont chacun publié un communiqué de presse indiquant :</p> <ul style="list-style-type: none"> - conformément aux annonces du Premier ministre le 25 mai 2018, la réforme ferroviaire en France donnera lieu à une reprise par l'Etat de 35 milliards d'euros de dette de SNCF Réseau, dont 25 milliards d'euros en 2020 et 10 milliards d'euros supplémentaires en 2022, en vue d'assainir substantiellement la structure financière de l'entreprise, conjuguée à l'amélioration des performances opérationnelles de la SNCF ; et - que cette reprise de dette consistera à mettre en place un mécanisme de prêts miroirs identiques entre SNCF Réseau et la Caisse de la Dette Publique (CDP), à la suite de quoi l'Etat, dès que le Parlement en France en aura donné l'autorisation en loi de finances, se substituera à SNCF Réseau comme débiteur de la CDP, allégeant l'entreprise de la dette correspondante. <p>L'Agence France Trésor a ajouté que « <i>la mise en place de ce mécanisme permettra de lisser sur une longue période l'impact de la reprise de dette sur le besoin de financement de l'Etat, tout en restaurant la soutenabilité financière de SNCF Réseau. Elle préservera pleinement l'égalité de traitement des créanciers obligataires de l'entreprise</i> ».</p>
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Paragraphs “Risques juridiques” in sub-section D.2 entitled “Principaux risques propres à l'Emetteur” of the section entitled “Résumé en Français (French Language Summary of the Programme)” on page 91 of the Base Prospectus shall be deleted and replaced with the following:

D.2	Principaux risques propres à l'Emetteur	<ul style="list-style-type: none"> • Risques juridiques <ul style="list-style-type: none"> • Risques liés au statut de l'Emetteur : suite à l'adoption de la Loi sur la Réforme Ferroviaire 2018, l'Emetteur fera l'objet à partir du 1^{er} janvier 2020 d'une réorganisation qui se traduira, entre autres, par un changement de sa forme légale en société anonyme.
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		<ul style="list-style-type: none"> ● L'Emetteur en tant qu'établissement public à caractère industriel et commercial (EPIC) peut voir le Gouvernement français intervenir dans des décisions importantes ou prendre des décisions importantes le concernant. Suite au rapport remis au Gouvernement français le 15 février 2018 par Jean-Cyril Spinetta sur la situation du système ferroviaire, le Premier ministre français, Edouard Philippe, a exposé, dans le cadre d'une conférence de presse le 26 février 2018, les grandes lignes d'« <i>un nouveau pacte ferroviaire français</i> ». Depuis cette date, la Loi sur la Réforme Ferroviaire 2018 a été publiée au Journal Officiel de la République Française le 28 juin 2018. Le groupe SNCF fera l'objet à partir du 1^{er} janvier 2020 d'une réorganisation qui se traduira, entre autres, par un changement de la forme légale de ses entités (y compris SNCF Réseau) et du transfert de l'entité <i>Gares & Connexions</i> à l'Emetteur. Par ailleurs, le Premier Ministre a annoncé lors d'une seconde conférence de presse tenue le 25 mai 2018 que l'Etat reprendrait une partie substantielle de la dette de SNCF Réseau, soit un montant total de €35 milliards repris en deux phases, €25 milliards au 1er janvier 2020 et les €10 milliards restants en 2022. Ce transfert de dette a été confirmé et les principaux aspects de ce transfert ont été décrits dans le communiqué de presse de l'Agence France Trésor et de SNCF Réseau du 26 Novembre 2018, néanmoins, les modalités détaillées de cette reprise de dette restent à déterminer. Cette réorganisation pourrait avoir un impact significatif sur les activités et/ou la situation financière de l'Emetteur, y compris sur la notation de l'Emetteur et des Titres, dont l'étendue et la forme ne peuvent être déterminées ou anticipées pour le moment. ● L'Emetteur conduit ses activités dans le contexte d'un contrat de performance avec l'Etat français. ● Les activités de l'Emetteur requièrent diverses autorisations qui peuvent être difficiles à obtenir ou dont l'obtention peut être soumise à des conditions pouvant devenir significativement plus rigoureuses. ● Les redevances de SNCF Réseau payées par les exploitants du service passagers sont réglementées. Le niveau de ces redevances est susceptible d'avoir un impact sur les résultats de l'Emetteur.
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RISK FACTORS

Sub-paragraphs entitled “The French Government may influence decisions that are important for the Issuer- New French railway pact” in paragraph 1.1 “Legal Risk” of the section entitled “RISK FACTORS” on pages 103 to 105 of the Base Prospectus shall be deleted and replaced by the following:

“The French Government may influence decisions that are important for the Issuer – New French railway pact

Pursuant to Article 1 of Decree n° 97-444 dated 5 May 1997 relating to the missions and status of SNCF Réseau (*relatif aux missions et aux statuts de SNCF Réseau*), the Issuer is under the tutelage of the Minister in charge of the rail transport.

Pursuant to Decree n° 2015-137 dated 10 February 2015 relating to the missions and status of SNCF and the economic and financial inspection mission for transport (*relatif aux missions et aux statuts de la SNCF et à la mission de contrôle économique et financier des transports*), the financial and economic control of the French State over French public entities of the State-owned railway group is exercised by the economic and financial inspection mission for transport under the authority of the Ministers in charge of the Economy and the Budget.

Moreover, as a public services entity, the Issuer is subject to the supervision of the *Cour des Comptes* (French national audit office) a posteriori.

The economic and financial inspection mission for transport is responsible for informing, advising and controlling economic and financial matters related to SNCF, SNCF Réseau and SNCF Mobilités, including entities in which any of SNCF, SNCF Réseau and SNCF Mobilités hold the majority of the share capital. The economic and financial inspection mission can *inter alia* issue a formal advice (*avis*) on any questions and planning decisions having an impact of the financial balance of SNCF, SNCF Réseau and SNCF Mobilités.

Accordingly, given the strategic importance of the railway system and the Issuer’s role and activities relating thereto, the French Government and/or other French state agencies may directly or indirectly, make, or influence, decisions relating to the present or future activities, organisation and/or status of the Issuer.

In particular, following the submission of a report on the situation of the French railway system commissioned by the French Government by Jean-Cyril Spinetta on 15 February 2018, the French Prime Minister, Edouard Philippe, has set out, during a press conference held on 26 February 2018 referred to above, the main terms of a “new French railway pact”.

Since then, the 2018 Rail Reform Law has been adopted by the French Parliament and published in the French Official Journal on 28 June 2018.

Under the 2018 Rail Reform Law, it is envisaged in particular, as from 1 January 2020, to:

- reorganise the SNCF group to achieve greater efficiency: this will involve the transformation of the current SNCF group into a State-owned unified group (*groupe public unifié*) and the change of the legal status of its constituent entities into State wholly-owned limited liability companies. According to the 2018 Rail Reform Law, SNCF Réseau will become a limited liability company (*société anonyme*), wholly-owned by SNCF, the holding company of the unified group and itself a State wholly-owned limited liability company (*société nationale à capitaux publics*). The 2018 Rail Reform Law also prohibits the sale or transfer of the shareholdings to be held by the French State in SNCF and the sale or transfer of the shareholdings to be held by SNCF in each of SNCF Réseau and SNCF Mobilités;
- transfer, as part of the reorganization of the SNCF group, the entity known as *Gares & Connexions* to SNCF Réseau;

- transform the employment organisation by ceasing the recruitment of staff under the regulated railroad staff (*cheminot*) status, as from 1 January 2020. Current employees will continue to benefit from their current *cheminot* status. In parallel with such transformation, negotiations will be held with employees and unions at the level of the railway branch; and
- define the modalities for a successful opening up to the competition of the French passenger railway transport activities.

The 2018 Rail Reform Law also enables the French government to adopt legislative measures by way of ordinances (*ordonnances*) in order to implement the new railway pact.

In addition, the Prime Minister announced during a further press conference held on 25 May 2018 that the French State would assume a substantial part of the existing debt of SNCF Réseau, i.e. €35 billion in two phases: €25 billion as of 1 January 2020 and the balance of €10 billion in 2022. This debt transfer has been confirmed and the main features of such transfer has been set out in the press releases published by *Agence France Trésor* and SNCF Réseau on 26 November 2018, nonetheless, details of this debt transfer and its impact on the rating of the Issuer and the Notes and the value of the Notes remain to be fully determined and assessed.

The Issuer will therefore be subject in the near future to various reorganisations and reorientations resulting from this reorganisation and change to its legal status which could have a material effect on its activities and/or its financial situation, including on the rating of the Issuer and the Notes, the extent and shape of which it is not yet possible to fully determine or anticipate. In particular, the economic situation and financial outlook of the entity known as *Gares & Connexions*, which will be transferred to SNCF Réseau as part of the reorganization of the SNCF group, is subject to various risks and uncertainties that could affect the Issuer's financial situation.”

RECENT DEVELOPMENTS

In the Section “Recent Developments” on page 203 of the Base Prospectus, the following press release is added:

PRESS RELEASE



PARIS, NOVEMBER 26th, 2018

SNCF Réseau Debt Relief Mechanism

According to the announcements of the French Prime Minister on May 25th, 2018, the French railway reform will give rise to a € 35 billion debt relief of SNCF Réseau (The French Railway Infrastructure Owner and Manager) by the French State, among which € 25 billion in 2020 and € 10 billion in 2022, in order to significantly improve the financial structure of the company, alongside the enhancement of the operational performance of SNCF.

In a press release published on November 26th, 2018, the French Ministry of Economy and Finance, via Agence France Trésor (AFT), announced that this debt relief “will involve arranging matching loans between SNCF Réseau and the Government Debt Fund (Caisse de la Dette Publique – CDP). After that, and following authorisation from Parliament in the Budget Act, the government will assume SNCF Réseau's debt to CDP, removing the corresponding amount of debt from SNCF Réseau balance sheet”.

Agence France Trésor adds that “this arrangement will spread the impact of assuming this debt on the government's borrowing requirement over a long period, while restoring the financial sustainability of SNCF Réseau. It will maintain completely equal treatment for bondholders.”

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About SNCF Réseau

Within SNCF Group, one of the world's leading mobility and logistics groups, SNCF Réseau manages, maintains, develops and sells access to the French rail network. It guarantees the safety and performance of more than 30,000 km of track, including 2,600 dedicated to high-speed rail. It guarantees the access to the network and services infrastructures in full transparency and non segregating conditions to its 38 clients: 26 railway corporates use the network and 12 other corporates, called authorized candidates (combined transportation operators, ports, etc.), order furrows they place to railway corporate of their choice. Second French public investor, counting 55,000 employees for € 6.5 billion revenues in 2017.

Details of this debt transfer and its impact on the rating of the Issuer and the Notes and the value of the Notes remain to be fully determined and assessed.

PERSON RESPONSIBLE FOR THE INFORMATION GIVEN IN THE SECOND SUPPLEMENT

Person responsible for this Second Supplement

Alain Quinet

Directeur Général Délégué of SNCF Réseau

Declaration by person responsible for this Second Supplement

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

Paris, 4 December 2018

SNCF Réseau

15-17, rue Jean-Philippe Rameau
93418 La Plaine Saint Denis CEDEX
France

Duly represented by:

Alain Quinet

Directeur Général Délégué of SNCF Réseau



Autorité des marchés financiers

In accordance with Articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and with the General Regulations (*Règlement Général*) of the *Autorité des marchés financiers* (the **AMF**), in particular Articles 212-31 to 212-33, the AMF has granted to this Second Supplement the visa n°18-547 on 4 December 2018. This document together with the Base Prospectus as supplemented by the First Supplement may only be used for the purposes of a financial transaction if completed by Final Terms. It was prepared by the Issuer and its signatories assume responsibility for it. In accordance with Article L.621-8-1-I of the French *Code monétaire et financier*, the visa was granted following an examination by the AMF of “*whether the document is complete and comprehensible, and whether the information it contains is coherent*”. It does not imply an approval by the AMF of the opportunity of the transactions contemplated hereby nor that the AMF has verified the accounting and financial data set out in it. In accordance with Article 212-32 of the AMF's General Regulations, any issuance or admission to trading of notes on the basis of the Base Prospectus as supplemented shall be subject to the publication of Final Terms setting out the terms of the securities being issued.