BOARD OF DIRECTORS' MEETING OF 22 SEPTEMBER 2015

SNCF MOBILITÉS

(formerly Société Nationale des Chemins de fer Français)

30 June 2015

HALF-YEAR ACTIVITY REPORT

and

CONDENSED HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

MANAGEMENT STATEMENT
FOR THE HALF-YEAR FINANCIAL REPORT

La Plaine Saint-Denis, 22 September 2015,

We attest that, to the best of our knowledge, the half-year consolidated financial statements have been prepared in accordance with the applicable accounting principles and give a true and fair view of the assets and liabilities and the financial position of the Group as of 30 June 2015 and of the results of its operations for the period then ended, and that the accompanying half-year financial report fairly presents the changes in operations, results and financial position of the Group and a description of its main risks and uncertainties.

The Chairman	Executive Vice-President,
Guillaume PEPY	Performance
	Mathias EMMERICH

30 June 2015

HALF-YEAR ACTIVITY REPORT

IFRS in € millions

CONTENTS

SNCF MOBILITÉS GROUP IN 2015

1. MAJOR EVENTS IN THE FIRST HALF OF 2015

1.1. RAIL REFORM

The rail reform law definitively adopted on 22 July 2014 and enacted by the President of the French Republic on 4 August 2014, under number 2014-872, came into force on 1 January 2015. It is based on five objectives:

- Confirmation of a public service that is strengthened and better managed;
- Creation of an integrated public industrial group;
- Introduction of a national agreement to ensure the financial future of the public service;
- Creation of a labour framework for all rail sector players by maintaining the status of railway employees and unifying their group;
- Greater regulatory authority to guarantee the impartiality of network accessibility.

The former organisation of the French rail system and specifically the State-owned industrial and commercial institution (or EPIC) Société Nationale des Chemins de fer Français was profoundly changed as at 1 January 2015, with the creation of a public rail group (PRG) organised according to three economically integrated EPICs:

- The former EPIC Société Nationale des Chemins de fer Français (SNCF), now SNCF Mobilités, continues to carry out all the transport activities of the former SNCF Proximités, SNCF Voyages and SNCF Logistics divisions, and manage stations of the Gares & Connexions division.
- The former Réseau Ferré de France (RFF), now SNCF Réseau, unifies all the infrastructure management functions by combining SNCF Infra and Rail network operation and management formerly part of the SNCF Infra division. It guarantees fair access to the network for all rail companies.
- A "parent" EPIC, created on 1 December 2014 under the reform and called SNCF, is responsible for strategic control and steering, economic coherence, and the public rail group's industrial integration and social unity.

The application decrees, enacted on 10 February 2015, set out the date and effective implementation of the new governance frameworks and the transfer of assets and liabilities between the three EPICs. The date of implementation, 1 July 2015, corresponds to the issue date of the new safety certificates.

Accordingly, SNCF Mobilités Group considers that control of SNCF Infra has been transferred to SNCF Réseau as at this same date. As such, in accordance with IFRS 5 "Non-current assets held for sale and discontinued operations," the profit or loss components of the former SNCF Infra division, which must be transferred under the law of 4 August 2014, were reclassified under "Net profit/(loss) from transferred operations" in the consolidated income statements for the periods ended 30 June 2015 and 30 June 2014. The assets and liabilities of this division that are to be transferred were reclassified under "Assets classified as held for sale" and "Liabilities associated with assets classified as held for sale" in the statement of financial position from 31 December 2014.

In addition, non-current assets and entities will be transferred to the new parent EPIC, i.e. the new SNCF. Non-current assets and the assets of entities to be transferred as identified at the period-end were reclassified under "Assets classified as held for sale" in the statement of financial position as of 31 December 2014. The liabilities of these entities were reclassified under "Liabilities associated with assets classified as held for sale."

Detailed information is presented in Note 13 to the condensed half-year consolidated financial statements.

Lastly, the coming into force of the law was accompanied by an organisational change at SNCF Mobilités, which modified the Group's segment reporting in accordance with IFRS 8 (see Note 4 to the condensed half-year consolidated financial statements).

1.2. ADOPTION OF IFRIC 21 "LEVIES"

SNCF Mobilités Group has retrospectively adopted the new IFRIC 21, as at 1 January 2015, which mainly impacted the income statement and equity. The nature of the changes and their effects are presented in Note 1 to the condensed half-year consolidated financial statements.

1.3. INDICATIONS OF IMPAIRMENT ON THE TGV FRANCE AND EUROPE CGU (EXCLUDING EUROSTAR AND THALYS)

As part of the set-up of the new public rail group (PRG), preparations were undertaken to draft a framework agreement and performance contracts between the French State, the PRG, and the two EPICs, SNCF Mobilités and SNCF Réseau, accompanied by a draft 2025 financial trajectory. For SNCF Mobilités, this financial trajectory arises from a new strategic and financial plan prepared by management (see Note 1.2.3) which comes within a shifting environment due to:

- more intense competition spurred by the ramp-up of intermodal services and
- new growth drivers with the commissioning of four high-speed lines (LGV).

This trajectory falls within a context of risks and uncertainties (see Note 1.2.3.2) and factors in recent events, particularly the step-up in the development of intermodal competition (car sharing, bus, airline, etc.) and the emphasis on a pricing policy geared towards low prices in the first half.

The fragility of the business equilibrium endures due to flat revenue growth (excluding LGV commissioning), higher infrastructure fees unrelated to revenue growth and significant investments with the necessary renewal of a portion of the fleet, despite performance plans for TGV operating costs and capital productivity (pressure on the fleet in terms of the number of trains and unit prices).

As a result of these changes and measurements regarding its strategic and financial plan, Management had identified indications of impairment and conducted impairment tests as at 30 June 2015, which would result in an additional impairment of €2,500 million. Since this trajectory scenario has not been arbitrated by the Supervisory Authorities with respect to its main defining assumptions (particularly infrastructure fees and investments), as indicated in the Government Commissioner's letter dated 18 September 2015, and as the test's sensitivity to these assumptions was significant, no new impairment loss was recognised as at 30 June 2015. A change in the defining assumptions would have an extremely significant impact on the test results. By way of example, i/ a change in the rail index to align with inflation would have a +€900 million impact on the result obtained; ii/ a change in traffic revenue growth excluding new lines of ± 20 bp would have an impact of ±€700 million on the result obtained; and iii/ a change of ± 50 bp in the gross profit rate of the activity would have an impact of ± €250 million on the result obtained.

Following the arbitration with the French State, the recoverable amount of assets could differ quite significantly from the value recorded as at 30 June 2015:

	2015	2014
Sector	Voyages SNCF	Voyages SNCF
CGU	TGV France and Europe (excluding Eurostar and Thalys)	TGV France and Europe (excluding Eurostar and Thalys)
Asset tested	€3,364 million	€3,581 million

1.4. IMPAIRMENT LOSS ON THE GARES & CONNEXIONS CGU

Following the referral procedure of the Syndicat des Transports d'Ile de France (STIF) with respect to a dispute with the Gares & Connexions division of SNCF Mobilités, the French Rail Regulatory Authority (ARAF) handed down its decision on 3 February 2015. The claim relating to the allocation of the cash flow from operations generated by the Ile-de-France stations was dismissed. Among the other components of the decision, the following three impacted the condensed half-year consolidated financial statements:

- The ARAF's order that SNCF Mobilités limit the capital investment rate to a range of 5.5% to 6.9% before tax, compared to the 9.2% currently applied, with respect to regulated services (passenger information facilities for example).
- The request to classify the underground stations of Paris Austerlitz, Paris Gare du Nord and Paris Gare de Lyon as Category B stations (regional stations) as of the 2015 service schedule. This classification determines fee levels.
- The set-up of a new fee modulation system by no later than the 2017 service schedule, to better reflect the use of services by each carrier.

A few days later, ARAF also issued a negative opinion on the 2016 Document de Référence des Gares (DRG), which set the rates for all of France. The Authority requested that the same range of 5.5% to 6.9% before tax be applied as of 2016.

SNCF Mobilités appealed the decision on the STIF dispute before the Paris Court of Appeal and the DRG opinion was referred to the Conseil d'Etat.

In addition to representing indications of impairment pursuant to IAS 36 "Impairment of Assets," these decisions will require Gares & Connexions to adapt its business model and prepare a new financial trajectory.

Impairment tests were carried out based on the reviewed strategic plan prepared by management (see Note 1.2.3). The result was the recognition of an impairment loss of €450 million for the property, plant and equipment and intangible assets of this cash-generating unit, the Gares & Connexions trajectory being unaffected by the arbitration with the French State mentioned in Note 2 for the TGV France and Europe CGU (excluding Eurostar and Thalys). Detailed information is presented in Note 6 to the condensed half-year consolidated financial statements.

1.5. CREATION OF THE THI FACTORY RAIL COMPANY (THALYS)

On 1 April 2015, the rail company THI Factory was created to carry passengers under the Thalys brand. Incorporated under Belgian law, the company is 60% owned by SNCF Mobilités and 40% by SNCB, the two entities having concluded a shareholders' agreement under which SNCF Mobilités is granted exclusive control pursuant to IFRS 10 "Consolidated Financial Statements." The transaction and its impacts are described in Note 3 to the condensed half-year consolidated financial statements.

1.6. ACQUISITION OF CONTROL OF EUROSTAR INTERNATIONAL LIMITED (EIL)

The sale of the British partner's stake in EIL to the CDPQ/Hermès consortium resulted in the signing of a new shareholders' agreement on 28 May 2015. Under this agreement, SNCF Mobilités is granted exclusive control of EIL as defined by IFRS 10 "Consolidated Financial Statements." The transaction and its impacts are described in Note 3 to the condensed half-year consolidated financial statements.

2. KEY FIGURES

In € millions	First half 2015	First half 2014 (1) (2)
Revenue	14,260	13,509
Gross profit	1,121	869
Current operating profit	404	107
Operating profit (loss) after share of net profit of companies consolidated under the equity method	629	369
Finance costs	-125	-191
Net profit (loss) for the period attributable to owners of the parent	318	102
Cash flow from operations	755	643
Net investments	977	1,097
Current operating profit after share of net profit of companies consolidated under the equity method	314	122
ROCE (3)	4.9%	2.9%
Employees	248,937	244,065

(1) The 2014 income statement was restated for the reclassification of the SNCF Infra division's net profit under the heading "Net profit/(loss) from transferred operations" pursuant to IFRS 5 (see Notes 2 and 13 to the condensed half-year consolidated financial statements).

(2) Comparative figures were restated following the adoption of IFRIC 21 "Levies" (see Note 1 to the condensed half-year consolidated financial statements).

(3) ROCE or return on capital employed = the ratio between current operating profit after share of net profit of companies consolidated under the equity method and average capital employed.
The capital used in this calculation is the algebraic sum of equity (including non-controlling interests - minority interests) and net indebtedness. They are adjusted for asset impairment. The average with the prior year's capital employed gives the average capital employed. The ROCE presented here was calculated on a 12-month rolling basis.

In € millions	30/06/2015	31/12/2014
Net debt	7,653	7,405
Net debt of continuing operations adjusted for the net debt of SNCF Infra	7,555	7,125

3. SUBSEQUENT EVENTS

Other than the transfers carried out on 1 July 2015 pursuant to the rail system reform law and its application decrees, the resolution of the arbitration procedure with RTE in September 2015, and the decision handed down by the Paris Industrial Tribunal in connection with a litigation involving employees of Moroccan nationality or origin (see, respectively, Notes 2 and 15 to the condensed half-year consolidated financial statements), the main subsequent events are as follows.

3.1. INTERCITÉS CGU

The roadmap presented by the government on 7 July 2015 regarding a new future for the Trains d'Equilibre du Territoire (TET), stipulates that a new agreement between the French State and SNCF Mobilités will be completed in the coming months for the 2016-2020 period. The consultation process underway will continue to develop the TET offering.

The initial discussions between SNCF Mobilités and the French State reveal that this new agreement will break-even over its duration. Accordingly, as the new agreement is not potentially loss-making, SNCF Mobilités considers that it is not in a situation where it might have to record a provision for loss on completion or identify an indication of impairment for the Intercités CGU assets.

3.2. ACQUISITION OF OHL (OZBURN-HESSEY LOGISTICS) BY GEODIS

In August 2015, SNCF Logistics concluded an agreement via its wholly-owned subsidiary Geodis to acquire the American supply chain management solutions operator OHL (Ozburn-Hessey Logistics). Founded in 1951, OHL employs more than 8,000 transport and logistics professionals and operates more than 120 distribution centres in North America with more than 3.4 million square metres of flexible storage space. It provides integrated global supply chain management services including transportation, warehousing, customs brokerage, freight forwarding (i.e. commissioning for transport organisation), and import and export consulting. With revenue of €1.2 billion, OHL is the ideal match for Geodis in terms of its geographical location and customer portfolio. The closing of this US dollar deal, which was subject to a hedging transaction, will be effective after completion of the usual regulatory approvals.

3.3. HEDGING OF SWISS FRANC BORROWING REPAYMENTS

At the end of August and in early September 2015, SNCF Mobilités conducted financial transactions in order to hedge against the foreign exchange risk on Swiss franc borrowing repayments expected in October and November 2015 in the amount of CHF 68 million.

GROUP RESULTS AND FINANCIAL POSITION

1. GENERAL OBSERVATIONS ON GROUP RESULTS

In € millions	First half 2015	First half 2014 (1) (2)	2015 vs. 2014 Change	
Revenue	**14,260**	**13,509**	**751**	**5.6%**
Infrastructure fees	-1,981	-1,854	-127	6.8%
Purchases and external charges	-5,204	-5,129	-75	1.5%
Taxes and duties other than income tax	-723	-723	1	-0.1%
Employee benefits expense	-5,455	-5,148	-307	6.0%
Other income and charges	223	215	8	3.9%
Gross profit	**1,121**	**869**	**251**	**28.9%**
Depreciation and amortisation	-706	-712	6	-0.8%
Net movement in provisions	10	-51	40	-79.4%
Current operating profit	**404**	**107**	**297**	**277.5%**
Total net proceeds from asset disposals	109	109	0	-0.2%
Fair value remeasurement of the previously held interest	680	-	680	n/a
Impairment losses	-474	137	-611	-444.7%
Operating profit/(loss)	**719**	**354**	**365**	**103.3%**
Share of net profit of companies consolidated under the equity method	-90	15	-105	-694.6%
Operating profit/(loss) after share of net profit of companies consolidated under the equity method	**629**	**369**	**260**	**70.6%**
Finance costs of employee benefits	13	-45	58	-129.2%
Net borrowing and other costs	-138	-146	8	-5.5%
Finance costs	**-125**	**-191**	**66**	**-34.5%**
Net profit/(loss) before tax	**504**	**178**	**326**	**183.2%**
Income tax expense	-174	-58	-116	200.0%
Net profit/(loss) from ordinary activities	**330**	**120**	**210**	**175.2%**
Net profit/(loss) from transferred operations	6	-9	15	-167.1%
Net profit/(loss) for the period	**336**	**111**	**225**	**203.4%**
Net profit/(loss) for the period attributable to owners of the parent	**318**	**102**	**217**	**212.4%**
Net profit/(loss) for the period attributable to non-controlling interests (minority interests)	18	9	9	99.5%

Gross profit / revenue	*7.9%*	*6.4%*
Current operating profit / revenue	*2.8%*	*0.8%*
ROCE (3)	*4.9%*	*2.9%*

(1) Adjusted for the reclassification of the profit or loss of the SNCF Infra division to a single line item pursuant to IFRS 5 (see Notes 2 and 13 to the condensed half-year consolidated financial statements). The standard wording for this line item "Net profit/(loss) from discontinued operations" has been modified since it only includes the net profit of operations transferred as part of the rail reform.

(2) Comparative figures were restated following the adoption of IFRIC 21 "Levies" (see Note 1 to the condensed half-year consolidated financial statements).

(3) See definition of ROCE in key figures.

1.1. Comparability of financial statements

The comparability of 2015 results with those of 2014 was impacted by the following changes:

In € millions		Impact on revenue
Voyages SNCF	**Changes in 2014 Group structure** (1)	
	Sale of Avanti	-5
	Changes in 2015 Group structure	
	Creation of Thalys International	49
	Acquisition of control of Eurostar International Limited	110
	Acquisition of control of Eurostar International Limited – indirect impact	-5
	Exchange rate fluctuations	4
Gares & Connexions	**Changes in 2015 Group structure**	
	Acquisition of control of Eurostar International Limited – indirect impact	-1
Keolis	**Changes in 2014 Group structure** (1)	
	Acquisition of Picavet	2
	Acquisition of STACA	7
	Acquisition of Nettbus Danemark	23
	Changes in 2015 Group structure	
	Acquisition of Striebig	12
	Acquisition of Voyages Doppagne	2
	Acquisition of ATE group	21
	Acquisition of Schloemer Verkehrsbetrieb GmbH	2
	Exchange rate fluctuations	49
SNCF Logistics	**Changes in 2014 Group structure** (1)	
	Sale of Ciblex	-77
	Sale of the Italian parcel delivery entity	-48
	Changes in 2015 Group structure	
	Acquisition of control of Akidis	1
	Exchange rate fluctuations	112
Corporate	**Changes in 2015 Group structure**	
	Acquisition of control of Eurostar International Limited – indirect impact	-5
Total impact of changes in Group structure and exchange rate fluctuations		**252**

(1) Transactions carried out in 2014 having an impact on 2014/2015 revenue trends.

1.2. 2015 first-half results

Pursuant to IFRS 5, the profit or loss components of the SNCF Infra division have been reclassified under a single heading of the income statement, "Net profit/(loss) from transferred operations" (see Notes 2 and 13 to the condensed half-year consolidated financial statements).

1.2.1 Revenue

Consolidated revenue of the SNCF Mobilités Group amounted to €14,260 million for the period ended 30 June 2015, for an increase of €751 million (+5.6%) compared to 2014, attributable to:

- a Group structure impact of +€88 million (*see 1.1*),
- a foreign exchange impact of +€165 million (*see 1.1*),
- an organic increase of +€499 million (+3.7%) for the Group; the changes for the segments were as follows:

SNCF Transilien, Régions and Intercités	+€153 million,	+4.0%
Voyages SNCF	+€107 million,	+3.9%
Gares & Connexions	+€11 million,	+8.3%
Keolis	+€251 million,	+11.8%
SNCF Logistics	+€17 million,	+0.4%

1.2.2 Gross profit

Standing at €1,121 million in 2015, gross profit improved by €251 million, or 28.9%, while gross profit over revenue increased from 6.4% to 7.9% between 2014 and 2015.

Lost gross profit attributable to the June 2014 strike is estimated at €172 million.

In € millions	First half 2015	First half 2014	2015 vs 2014 change		2015 vs. 2014 change *at constant Group structure and exchange rates*	
Revenue	14,260	13,509	751	5.6%	499	3.7%
Employee benefits expense	-5,455	-5,148	-307	6.0%	-226	4.4%
Purchases and external charges (excluding infrastructure fees, traction energy and fuel prices) and other income and expenses	-4,453	-4,361	-93	2.1%	-36	0.8%
Infrastructure fees	-1,981	-1,854	-127	6.8%	-72	3.9%
Traction energy and fuel prices	-527	-553	26	-4.7%	37	-6.7%
Taxes and duties other than income tax	-723	-723	1	-0.1%	2	-0.3%
Gross profit	1,121	869	251	28.9%	203	23.4%
Gross profit/revenue	*7.9%*	*6.4%*				

NB: Gross profit analyses are on a constant Group structure and exchange rate basis.

Employee benefits expense increased by €226 million, or +4.4%, primarily due to the substantial growth of the Keolis activity, and an accompanying increase in its employee benefits expense for €164 million.

The €72 million increase in **infrastructure fees** (+3.9%) is attributable for €37 million to a negative price impact on the SNCF Réseau infrastructure fees paid by EPIC SNCF Mobilités.

Traction energy and fuel purchases decreased by €37 million (-6.7%), due to lower fuel prices, and mostly involved Keolis and the SNCF Logistics subsidiaries.

1.2.3 Current operating profit

Current operating profit stood at €404 million, up by €297 million compared to 2014.

The revenue to current operating profit conversion rate thus rose from 0.8% in 2014 to 2.8% in 2015.

Added to the €251 million improvement in gross profit is the favourable trend in net movements in provisions: charge of €10 million for the period ended 30 June 2015, compared to a charge of €51 million for the corresponding period in 2014.

1.2.4 Operating profit

Operating profit rose by €365 million, amounting to €719 million.

Impairment losses in 2015 (-€474 million) concern the Gares & Connexions cash-generating unit for -€450 million (see Note 1.4 of Major events in the first half of 2015). The 2014 accounts had been particularly impacted by the reversal of an impairment loss for rail freight production resources.

The heading **fair value remeasurement of the previously held interest** consists entirely of the acquisition of control of Eurostar International Limited (see Note 3 to the condensed half-year consolidated financial statements).

Net proceeds from asset disposals in 2015 comprise a gain of €50 million for the resolution of the arbitration procedure involving the sale of high-voltage lines to RTE (see Note 15 to the condensed half-year consolidated financial statements). The balance of this item essentially comprises property sales.

1.2.5 Share of net profit of companies consolidated under the equity method

This item (-€90 million) comprises for -€91 million the share of the net loss of Eurostar International Limited (EIL) for the first five months of the year. This amount was impacted by EIL's redemption of the preference share held by the British shareholder HM Treasury prior to the acquisition of control by SNCF Mobilités.

1.2.6 Finance costs

Finance costs improved by €66 million, due for €42 million to a higher discount rate applied to long-term employee benefits (2.05% for the period ended 30 June 2015 vs 1.35% for the period ended 31 December 2014).

1.2.7 Income tax expense

The 2015 income tax expense primarily comprises the tax on rail company profits (TREF) for -€102 million.

1.2.8 Net profit/(loss) from transferred operations

This item comprises the net profit components of the SNCF Infra division which will be transferred as at 1 July 2015 pursuant to the rail reform law of 4 August 2014 (see Note 13 to the condensed half-year consolidated financial statements).

1.2.9 Net profit for the period attributable to owners of the parent

As a result of all these changes, the net profit attributable to owners of the parent was €318 million, compared to €102 million in 2014, after recognition of a net profit attributable to non-controlling interests (minority interests) of €18 million.

The €217 increase includes €52 million for non-recurring items mainly comprising impairment losses and the acquisition of control of Eurostar International Limited.

Recurring net profit rose by €195 million, amounting to +€131 million at the end of June 2015.

ROCE (calculated on current operating profit after share of net profit of companies consolidated under the equity method) increased from 2.9% to 4.9%.

2. ACTIVITY AND RESULTS BY SEGMENT

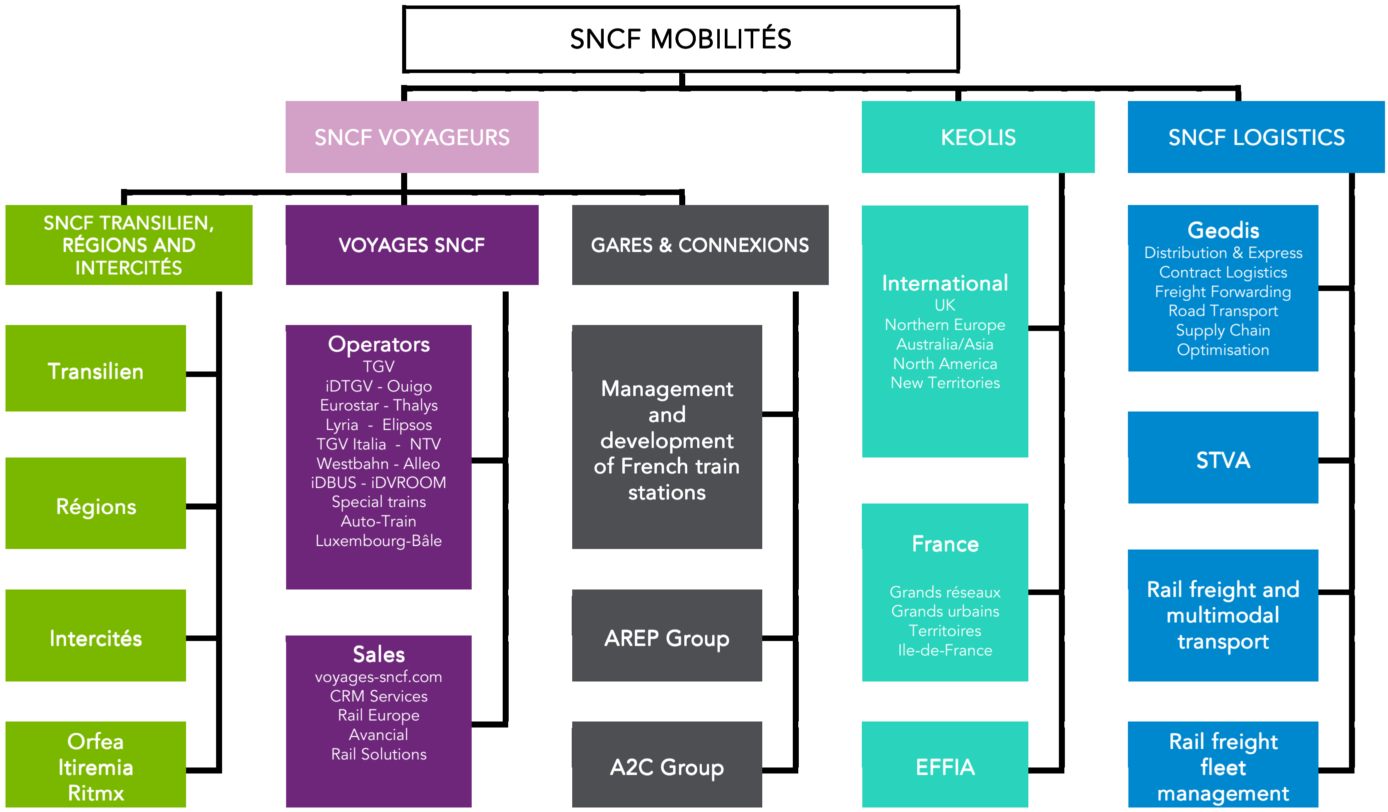
The rail reform law was accompanied by a reorganisation of the SNCF Mobilités group's activity according to three business lines: SNCF Voyageurs, Keolis and SNCF Logistics.

Within these business lines, the SNCF Mobilités group's activity is broken down into five segments, backed by support functions: SNCF Transilien, Régions and Intercités, Voyages SNCF, Gares & Connexions, Keolis and SNCF Logistics.

SNCF Infra is wholly concerned by the operational transfers stipulated in the rail reform law (see Notes 2 and 13 to the condensed half-year consolidated financial statements). As they satisfy the definition of a "discontinued operation" under IFRS 5, the related financial data was reclassified under the following headings:

- "Net profit/ (loss) from transferred operations" in the 2014 and 2015 income statements.
- "Assets classified as held for sale" and "Liabilities associated with assets classified as held for sale" in the statements of financial position as at 31 December 2014 and 30 June 2015.

Further information on the SNCF Infra division is provided in Note 2.6.



Only the main subsidiaries are presented in this organisational chart and those that follow.

Contributions to revenue, gross profit, current operating profit, current operating profit after share of net profit of companies consolidated under the equity method and net investments of the Group's components break down as follows (the financial data per segment shown in the table below and the tables on the following pages are presented as a Group contribution):

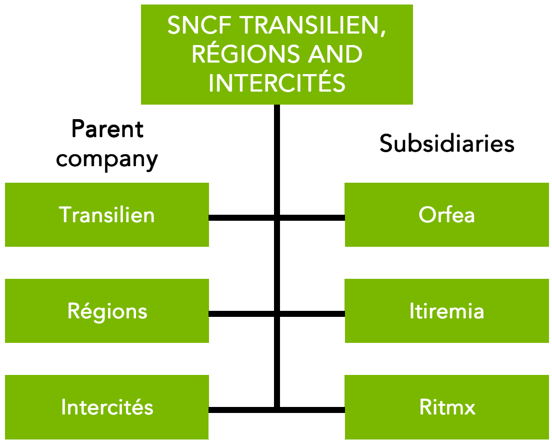
In € millions	SNCF Transilien, Régions and Intercités	Voyages SNCF	Gares & Connexions	Keolis	SNCF Logistics	Corporate	SNCF Infra (1)	SNCF Mobilités
Revenue	4,002	3,109	148	2,490	4,389	121	2,786	14,260
Gross profit	270	265	103	125	246	112	63	1,121
Current operating profit	213	76	33	11	92	-22	4	404
Current operating profit after share of net profit of companies consolidated under the equity method	213	-25	32	20	93	-20	5	314
Net investments	-164	-224	-113	-120	-145	-145	-65	-977

(1) The data for the SNCF Infra division does not contribute to the profit or loss of SNCF Mobilités (see Notes 2 and 13 to the condensed half-year consolidated financial statements).

Unless stated otherwise, the analyses of results per division are not restated for Group structure and foreign exchange impacts.

SNCF Mobilités management monitors the external revenue generated by each segment (group contribution) and not the total revenue recorded at segment level. The revenue presented in the analyses by division is therefore external revenue.
However, the gross profit / revenue indicator presented by segment is calculated based on the total revenue of each segment, as the revenue contribution does not provide relevant information.

2.1. SNCF TRANSILIEN, RÉGIONS AND INTERCITÉS



SNCF Transilien, Régions and Intercités offer local transport services, medium distance links (Intercités), rail transport regulated services (TER, Transilien), and services covering passenger transport (Itiremia, Ritmx) and housing for group employees (Orfea).

In € millions	First half 2015	First half 2014 (1)	Change
Revenue	4,002	3,848	154
Gross profit	270	193	77
Gross profit / revenue at SNCF Transilien, Régions and Intercités level	*6.2%*	*4.6%*	
Current operating profit	213	74	139
Current operating profit after share of net profit of companies consolidated under the equity method	213	74	139
Net investments	-164	-305	141

(1) Comparative figures were restated following the adoption of IFRIC 21 "Levies" (see Note 1 to the condensed half-year consolidated financial statements).

Highlights

Transilien

- In February, the French State and the Ile-de-France region signed the Contrat de Plan État-Région (CPER State-Region Contractual Plan) for the 2015-2020 period. Under the plan, nearly 75% of the budgeted investments (i.e. €5.3 billion) will be allocated to mobility projects. It will finance numerous projects assumed by SNCF Transilien, including Eole (westward extension of the RER E line), the Tangentielle Nord, and the modernisation plan for the RER C and D lines.
- With the arrival in April of the SNCF Réseau regulators, the command centre at the RER B line's Denfert-Rochereau station is now fully operational. Created at the end of 2013 for greater efficiency, the centre assembles on one site the SNCF and RATP teams responsible for line operations and performance and passenger information management.

Régions

- In terms of contracts, the first half of 2015 was marked by the signing of a new agreement with the Nord-Pas-de-Calais region for the 2015-2024 period.

Intercités

- In March, the Board of Directors of SNCF Mobilités validated the amendment to the TET (Trains d'Équilibre du Territoire) agreement, extending it for one year.

- The Avenir des Trains d'Équilibre du Territoire commission, presided by Philippe Duron, submitted its report on 26 May. On 7 July, the French State presented a "roadmap" specifying the government's commitments in terms of the TET future plan. There may be changes in the offering on implementation of the 2016 annual service plan.

2015 first-half results

- **Revenue**

Revenue rose by €154 million (+4.0%) compared to 2014. Restated for the impacts of the June 2014 strike, growth stood at +€41 million (+1.0%), of which +€25 million (+1.9%) for the Transilien activity and +€24 million for the Régions activity (+1.2%); Intercités activity declined by €9 million (-1.8%).

- **Gross profit**

Gross profit for SNCF Transilien, Régions and Intercités rose by €77 million (+39.6%) between 2014 and 2015. Excluding the impact of the June 2014 strike, gross profit declined by €32 million; Transilien expenses were affected by a higher work volume and by the result of the Vitry-sur-Seine traffic control centre fire, which necessitated replacement buses and additional information access for customers.

- **Current operating profit**

Current operating profit improved by €139 million in relation to the net movement in provisions which represented a net reversal of €48 million compared to a net charge of €14 million in 2014. The 2015 net reversal essentially comprises debt impairment and provisions for litigation settled during the first half.

- **Net investments**

Investments decreased significantly (+€141 million) due to the increase in grants received for rolling stock renewal contracts for Transilien (Francilien) and Intercités (Régiolis).

2015 second-half outlook

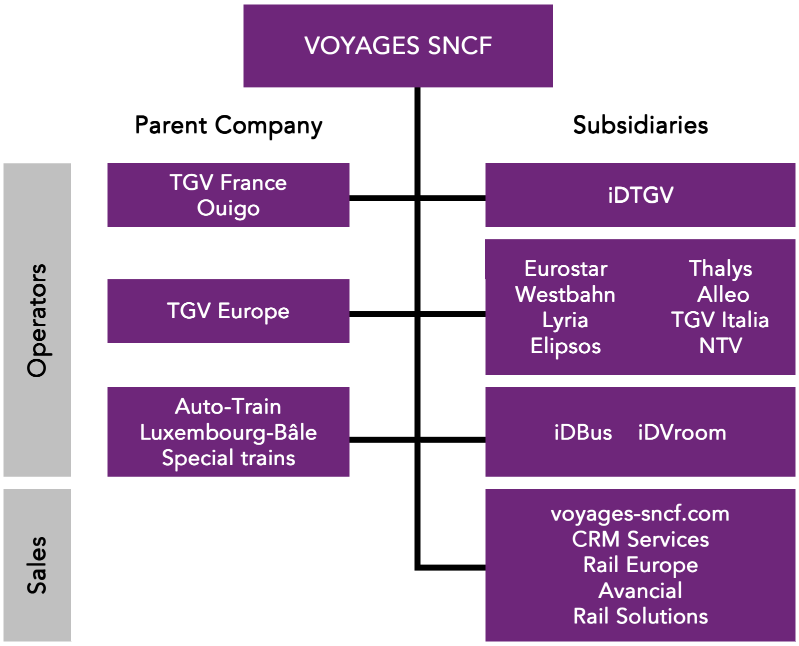
Transilien

- The second half of 2015 will be highlighted by the signing of the next operating agreement between Transilien and STIF for the 2016-2019 period.
- December will see the opening of the new Parisian station Rosa Parks, slated to become one of the major RER E line stations.

Intercités

- In keeping with the strategy initiated in the first half, Intercités will intensify its commercial policy of winning back customers in the second half.
- The second half will also be devoted to discussions with the French State with a view to the signing of a new long-term agreement for the 2016-2020 period.

2.2. VOYAGES SNCF



Voyages SNCF offers its customers:

– door-to-door carrier services in France and Europe through its TGV, iDTGV, OUIGO, Eurostar, Thalys, and Lyria, iDBus (which became OUIBUS), and iDVroom activities;
– travel-related products: train and airline tickets, car rental and hotel accommodation in particular.

In € millions	First half 2015	First half 2014 (1)	Change
Revenue	3,109	2,849	260
Gross profit	265	167	98
Gross profit / revenue at Voyages SNCF level	*7.8%*	*5.2%*	
Current operating profit	76	4	72
Current operating profit after share of net profit of companies consolidated under the equity method	-25	7	-32
Net investments	-224	-244	20

(1) Comparative figures were restated following the adoption of IFRIC 21 "Levies" (see Note 1 to the condensed half-year consolidated financial statements).

Highlights

- The transformation of Thalys into a rail company took effect on 1 April. The rail company THI Factory, held by SNCB (40%) and SNCF (60%), now includes all the management and production resources of the Thalys activity, enabling it to operate independently in Belgium and France (see Note 1.5 of Major events in the first half of 2015).
- On 13 May, the European Commission approved the plan granting Voyages SNCF exclusive control of Eurostar, subject to conditions. On 4 March 2015, the UK government announced that it had concluded an agreement to sell its stake in Eurostar to a private consortium (see Note 1.6 of Major events in the first half of 2015).
- Renfe and SNCF renewed their high-speed cooperation by signing a new commercial agreement for the 2014-2018 period. In 2015, 1 million international travellers should journey between France and Spain.
- During the first half, Voyages SNCF developed its international transport offering by proposing a new service to Marseille from London with Eurostar and a new iDBus link between Lyon and London.

2015 first-half results

- **Revenue**

Voyages SNCF revenue rose by €260 million (+9.1%). This change is mainly explained by:

- a positive Group structure impact of €149 detailed in Note 1.1,
- a favourable foreign exchange impact of €4 million.

On a constant Group structure and exchange rate basis, Voyages SNCF revenue rose by +€107 million (+3.9%). This growth is essentially due to the billing of new services for SNCF Réseau (inspection trains) and Eurostar and SNCB (rolling stock maintenance) and the increase in traffic income; restated for the impact of the June 2014 strike, the latter are stable.

- **Gross profit**

Gross profit rose by €98 million and €67 million on a constant Group structure and exchange rate basis. This item had declined significantly in the first half of 2014 because of the June 2014 strike.

- **Current operating profit**

Current operating profit of Voyages SNCF grew by €72 million (€54 million on a constant Group structure and exchange rate basis), standing at €76 million, the change essentially corresponding to that in gross profit.

- **Current operating profit after share of net profit of companies consolidated under the equity method**

The share of net profit of Eurostar stood at -€91 million in 2015, compared to +€8 million in 2014. It was impacted by Eurostar's redemption of the preference share held by the British shareholder HM Treasury prior to the acquisition of control by SNCF Mobilités.

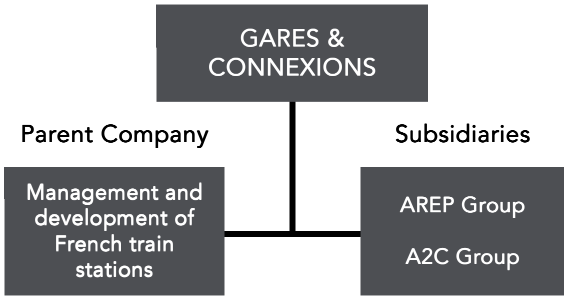
- **Net investments**

The 2015 investments of Voyages SNCF did not change significantly in relation to 2014.

2015 second-half outlook

- In early September, SNCF Mobilités presented its new long-distance mobility offering. This simpler, more comprehensive and more accessible offering combines all the mobility solutions proposed by the Company: the high-quality "TGV" service, "Intercités/TER" for regional transport and finally the #OUI range (OUIGO and OUIBUS, formerly iDBus).
- Voyages SNCF will prepare the commissioning of new high-speed lines: the East-Europe high-speed line (second phase) in 2016, and the South Europe-Atlantic and Brittany-Loire high-speed lines together with the Nîmes-Montpellier bypass in 2017.

2.3. GARES & CONNEXIONS



The purpose of Gares & Connexions is to introduce innovative services into stations, while inventing new areas of mobility for towns and cities. The main subsidiaries are the AREP group (architecture and urban planning) and the A2C group (commercial enhancement of stations).

In € millions	First half 2015	First half 2014 (1)	Change
Revenue	148	137	11
Gross profit	103	107	-4
Gross profit / revenue at Gares & Connexions level	*17.8%*	*18.9%*	
Current operating profit	33	35	-2
Current operating profit after share of net profit of companies consolidated under the equity method	32	35	-3
Net investments	-113	-98	-15

(1) Comparative figures were restated following the adoption of IFRIC 21 "Levies" (see Note 1 to the condensed half-year consolidated financial statements).

Highlights

- The first half of 2015 was marked by the inauguration of the Lille-Europe cross-channel terminal and the conclusion of the first phase of the Clermont-Ferrand station multimodal exchange hub. In addition, business centres offering fully equipped offices as well as conference rooms were opened in the Bordeaux-Saint-Jean and Nancy stations.
- Gares & Connexions announced the creation of an AREP Morocco entity in Casablanca that will oversee the construction of a TGV maintenance workshop in Tangiers and planning studies for the Bouregreg district, south of Rabat.
- It has also begun to examine possible changes to its business model. An impairment loss of €450 million was recognised on the property, plant and equipment and intangible assets of this cash-generating unit, following impairment tests based on the new financial trajectory (see Note 1.4 of Major events in the first half of 2015).

2015 first-half results

- **Revenue**

Gares & Connexions revenue rose by €11 million (+7.7%). The increase is due to the higher volume of engineering and studies services, particularly for the Bordeaux station, and the AREP subsidiary's international activity growth.

- **Gross profit**

Gross profit declined by €4 million between 2014 and 2015. This was essentially due to the regulated activity.

- **Current operating profit**

Current operating profit decreased by €2 million, in line with the gross profit trend.

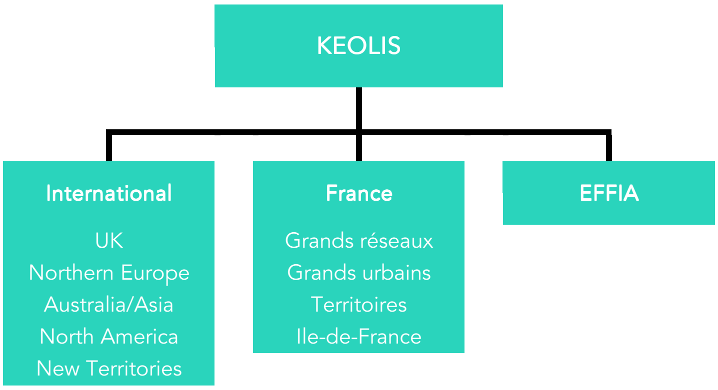
- **Net investments**

The higher Gares & Connexions investment volume (+€15 million) is related to the modernisation and renovation programme for stations in Île-de-France (accessibility master plan) and the regions (multimodal exchange hubs).

2015 second-half outlook

- Pursuant to the Macron law, Gares & Connexions will look at the possibility of night and Sunday openings for retailers in 12 stations, as selected by the government based on three criteria (more than 20,000 daily travellers, 30% tourists, and minimum of ten boutiques).
- Gares & Connexions will continue its Wi-Fi roll-out in stations, for a target of 128 stations by the end of the year.

2.4. KEOLIS



Keolis is a public passenger transport operator in fifteen countries worldwide. Its expertise covers all modes of transportation (train, bus, car, metro, tramway, ferry, bicycle), and the management of interconnection points (stations, airports) and parking.

In € millions	First half 2015	First half 2014 (1)	Change
Revenue	2,490	2,120	370
Gross profit	125	122	2
Gross profit / revenue at Keolis level	*4.9%*	*5.7%*	
Current operating profit	11	22	-10
Current operating profit after share of net profit of companies consolidated under the equity method	20	30	-10
Net investments	-120	-97	-23

(1) Comparative figures were restated following the adoption of IFRIC 21 "Levies" (see Note 1 to the condensed half-year consolidated financial statements).

Highlights

- The ACTivate consortium that includes Keolis Downer is included in two groupings that have been preselected in connection with the Capital Metro call for tenders in Canberra, Australia. The results will be announced at the end of 2015 and construction of the federal capital's first tramway network should begin in early 2016.
- Keolis has strengthened its international positioning with the awarding of contracts in Sweden (Dalarna region / bus), Denmark (Aarhus / future tramway), the Netherlands (ZwenZwoka / rail) and Germany (Teutoburger Wald Network / rail).
- Keolis has pursued its acquisitions in Belgium and in the Australian bus market (ATE group).
- Strategic partnerships have been signed in the Middle East (Emirates Transport and Nesma) and China (Hubei province).

2015 first-half results

- **Revenue**

Revenue rose by €370 million (+17.5%) compared to 2014. This change is mainly explained by:

– a positive Group structure impact of €70 detailed in Note 1.1,
– a favourable foreign exchange impact of €49 million.

On a constant Group structure and exchange rate basis, Keolis revenue rose by +€251 million (+11.8%), driven by international activity (+€225 million, or +30%) mainly in Australia, the UK (London) and the US (Boston).

- **Gross profit**

Keolis gross profit increased by €2 million (+1.7%) between 2014 and 2015.

- **Current operating profit**

Keolis current operating profit declined by €10 million, primarily due to the change in depreciation and amortisation charges.

- **Current operating profit after share of net profit of companies consolidated under the equity method**

The change in this item is in line with that of current operating profit.

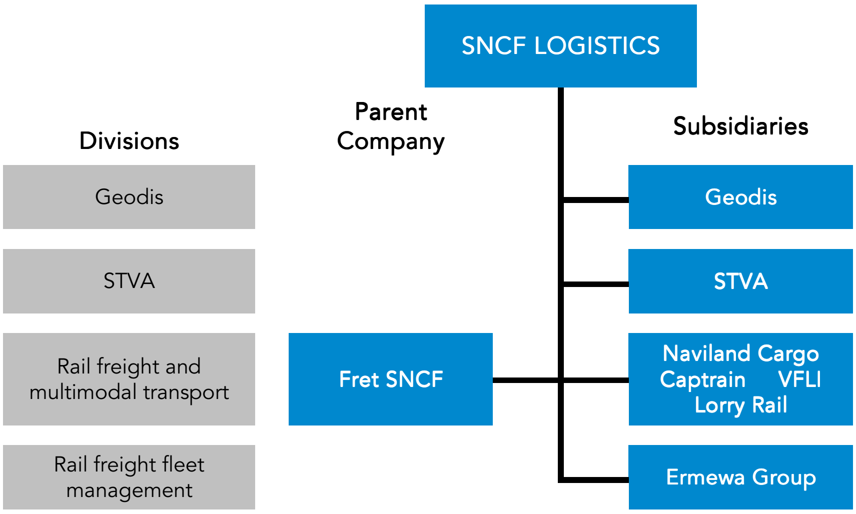
- **Net investments**

Keolis investments rose by €23 million, primarily in the city and intercity segments, and the EFFIA subsidiaries.

2015 second-half outlook

- The second half of 2015 will be marked by key calls for tender in the United Kingdom (London Overground and TransPennine Express).

2.5. SNCF LOGISTICS



SNCF Logistics covers a full range of transport and freight logistics businesses.

In € millions	First half 2015	First half 2014 (1)	Change
Revenue	4,389	4,385	4
Gross profit	246	179	67
Gross profit / revenue at SNCF Logistics level	*5.4%*	*4.0%*	
Current operating profit	92	0	92
Current operating profit after share of net profit of companies consolidated under the equity method	93	1	92
Net investments	-145	-107	-37

(1) Comparative figures were restated following the adoption of IFRIC 21 "Levies" (see Note 1 to the condensed half-year consolidated financial statements).

Highlights

- Geodis garnered numerous commercial successes during the first half:
  - Procter & Gamble has awarded its downstream traffic flows in France to Geodis for a period of three years. The transport group will set up a multimodal solution (rail, road and multimodal - Fercam) to directly route delivery from the Amiens plant to southeast and southwest France.
  - Bombardier, the rail transport industry global leader, has chosen Geodis to manage logistics and delivery of 75 six-car trains to the province of Queensland in Australia.
  - Geodis will manage the entire global supply chain of Toshiba Global Commerce Solutions for a period of 5 years.
- The Rail Freight and Multimodal Transport division was recently awarded a three-year contract with the Axereal group for the transport of grain (260,000 tonnes annually) to a malting plant in Antwerp (Belgium).

2015 first-half results

- **Revenue**

Revenue rose by €4 million (+0.1%) compared to 2014. It was impacted by:

– a Group structure impact of -€125 million detailed in Note 1.1,

– a foreign exchange impact of +€112 million.

On a constant Group structure and exchange rate basis, revenue rose by 0.4% (+€17 million). The growth involves the Freight Forwarding and Distribution & Express businesses of Geodis and the Rail Freight and Multimodal Transport and Rail Freight Fleet Management divisions.

- **Gross profit**

Gross profit rose by +€67 million. Taking into account Group structure and foreign exchange impacts and the June 2014 strike, the item rose by €43 million, of which €13 million for the Geodis division and €38 million for the Rail Freight and Multimodal Transport division. With a €28 million increase in its gross profit, Fret SNCF is pursuing its recovery plan.

- **Current operating profit**

Current operating profit rose by €92 million; added to the growth in gross profit are:

– the €15 million decrease in depreciation and amortisation charges primarily due to the impairment losses recognised at the end of 2014 for the Fret SNCF and STVA assets;
– the net movement in provisions (net charge of €10 million compared to a net charge of €20 million in 2014).

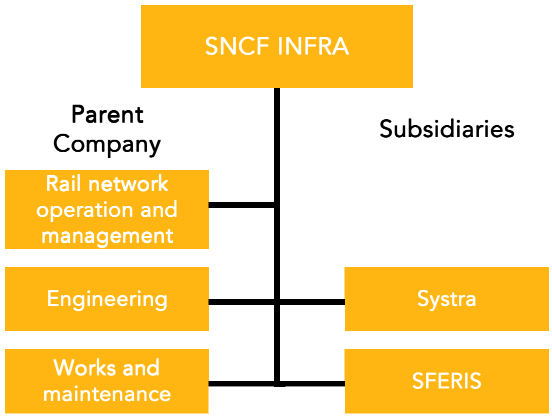
- **Net investments**

SNCF Logistics investments rose €37 million, the increase being mainly driven by the Rail Freight Fleet Management division.

2015 second-half outlook

- Geodis gross profit will rise due to continuing productivity efforts and the Freight Forwarding contribution.
- Revenue from Fret SNCF traffic should increase for the first time since 2007. The steady improvement in results should continue thanks to the adjustment to resources and the productivity gains obtained through the ongoing implementation of the "Industrial efficiency and development" programme.
- In August 2015, Geodis entered into an agreement to acquire the American supply chain management solutions operator OHL (see Note 3.2 Subsequent Events).

2.6. SNCF INFRA



SNCF Infra includes:

– delegated infrastructure management activities on behalf of SNCF Réseau (traffic management and network maintenance);
– rail infrastructure engineering (Systra).

SNCF Infra was classified as a transferred operation following the enactment of law 2014-872 of 4 August 2014.

The table below presents SNCF Infra's contribution to SNCF Mobilités indicators prior to its reclassification under "Net profit/ (loss) from transferred operations" in the income statement, pursuant to the adoption of IFRS 5. Consequently, these figures do not contribute to the Group indicators for the first half of 2015.

In € millions	First half 2015	First half 2014 (1)	Change
Revenue	2,786	2,593	193
Gross profit	63	53	10
Gross profit / revenue at SNCF Infra level	*2.1%*	*1.9%*	
Current operating profit	4	-2	6
Current operating profit after share of net profit of companies consolidated under the equity method	5	-2	7
Net investments	-65	-61	-4

(1) Comparative figures were restated following the adoption of IFRIC 21 "Levies" (see Note 1 to the condensed half-year consolidated financial statements).

Highlights

- In the first half of 2015, SNCF Infra pursued its significant network upgrade both in Ile-de-France (RER A, RER C, where €1 billion will be budgeted between 2015 and 2020) and in the regions (Belfort – Besançon corridor, Genève – Annemasse line, work at the Rennes station prior to the commissioning of the new Brittany-Loire high-speed line).
- As part of the Vigirail plan, SNCF Infra has set up an experimental junction renovation programme at Paris-Est, based on the routing of pre-fabricated junctions to the placement area and on-site assembly using a Kirow rail crane. This new approach, widely used in several European countries, has several advantages in terms of work safety, productivity and reduced duration.

2015 first-half results

- **Revenue**

In 2015, SNCF Infra revenue rose by €193 million (+7.5%), standing at €2,786 million.
This growth was mainly driven by SNCF Réseau infrastructure work (+€149 million).

- **Gross profit**

SNCF Infra gross profit rose slightly in relation to 2014 (+€10 million).

- **Current operating profit**

The change in current operating profit was primarily attributable to the increase in gross profit.

- **Net investments**

The investment level in 2015 was close to that of 2014 and mainly consisted in the upgrading of production facilities.

3. NET INVESTMENTS AND NET DEBT

3.1. NET INVESTMENTS

In € millions	First half 2015	First half 2014	Change	
Net investments	-977	-1,097	121	-11%
Disposals	111	239	-128	-54%
Investments, net of disposals	**-866**	**-859**	**-8**	**+1%**

Net investments, down €121 million compared to 2014, stood at €977 million as at 30 June 2015. The change is mainly attributable to the increase in grants received for rolling stock renewal contracts for Transilien (Francilien) and Intercités (Régiolis).

Net disposals decreased by €128 million compared to 2014; disposals for the period mainly involved real estate assets.

3.2. GROUP NET DEBT

In € millions	30/06/2015	31/12/2014	Change
Non-current debt	13,984	13,799	185
Non-current receivables	-4,387	-4,389	2
Net non-current debt used to calculate net debt	**9,597**	**9,410**	**187**
Current debt	4,003	4,972	-969
Current receivables	-5,947	-6,977	1,030
Net current debt used to calculate net debt	**-1,945**	**-2,005**	**61**
Net debt	**7,653**	**7,405**	**247**
Gearing (Net debt / Equity)	*1.1*	*1.1*	
Net debt of continuing operations adjusted for the net debt of SNCF Infra	**7,555**	**7,125**	**430**

Net debt amounted to €7.7 billion as at 30 June 2015, for a gearing (Net debt / Equity) of 1.1 (1.1 as at 31 December 2014). Net debt as a percentage of gross profit, calculated on a 12-month rolling basis, stood at 3.1 as at 31 December 2014, compared to 2.9 as at 30 June 2015.

Net debt was impacted by the following movements in the first half of 2015:

Opening net debt	7,405
Cash from operations	-755
Net investments	977
Disposals	-111
Dividends received from companies consolidated under the equity method	-35
Net external growth	415
Change in operating WCR	-241
Changes in fair value, amortised cost, translation difference	-93
Change in tax WCR	115
Other	-24
Closing net debt	7,653

3.3. FINANCING SOURCES AND DEBT MANAGEMENT

Non-current debt increased by €0.2 billion, while current debt decreased by €1.0 billion.

These changes were essentially due to:

- the decrease in cash liabilities for -€0.8 billion;
- bond issue repayments for -€0.3 billion;
- the acquisition of control of Eurostar International Limited for +€0.3 billion.

Current receivables decreased by €1.0 billion in relation to the decline in the cash position.

The SNCF Mobilités parent company is responsible for managing most of the Group's net debt, carrying 89% of the Group's external debt at the period-end.

The long-term debt of SNCF Mobilités is rated as follows by the main rating agencies:

	Long-term rating	Outlook	Report date
Standard & Poor's	AA-	Negative	14-Oct.-14
Moody's	Aa2	Negative	19-May-15
Fitch Ratings	AA	Stable	31-Jul.-15

3.4. GROUP EXPOSURE TO MARKET RISKS

The management of market risks is governed by a general framework, approved by the SNCF Mobilités Board of Directors, setting out the management principles for parent company risks that may be hedged by financial instruments.

This general framework defines the principles governing the selection of financial products, counterparties and underlyings for derivative products.

More specifically, the general framework defines risk limits for the management of euro and foreign currency cash balances and long-term net indebtedness.

In addition, it details the delegation and decision-making system and the reporting and control system and its frequency (daily, twice monthly, monthly and annually).

The breakdown of the strategy implemented is described in the annual consolidated financial statements.

4. CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND RATIOS

In € millions	30/06/2015	31/12/2014 (1)
Goodwill	2,232	1,385
Intangible assets	1,132	1,086
Property, plant and equipment	14,928	14,317
Non-current financial assets	5,873	5,822
Investments in companies consolidated under the equity method	454	956
Deferred tax assets	1,400	1,172
Non-current assets	**26,019**	**24,737**
Operating assets	7,433	6,354
Current financial assets	1,452	1,611
Cash and cash equivalents	4,538	5,408
Current assets	**13,423**	**13,374**
Assets classified as held for sale	3,278	4,086
TOTAL ASSETS	**42,720**	**42,197**
Share capital	4,971	4,971
Consolidated reserves	1,446	1,303
Net profit/(loss) for the period	318	604
Equity attributable to owners of the parent	**6,735**	**6,878**
Non-controlling interests (minority interests)	142	106
Total equity	**6,877**	**6984**
Non-current employee benefits	1,444	1,456
Non-current provisions	1,012	1,037
Non-current financial liabilities	15,259	13,813
Deferred tax liabilities	495	486
Non-current liabilities	**18,211**	**16,793**
Current employee benefits	227	218
Current provisions	233	265
Operating payables	10,666	9,871
Operating liabilities	**11,126**	**10,354**
Current financial liabilities	4,003	4,972
Current liabilities	**15,129**	**15,326**
Liabilities associated with assets classified as held for sale	2,504	3,094
TOTAL EQUITY AND LIABILITIES	**42,720**	**42,197**
Gearing (Net debt / Equity)	*1.1*	*1.1*
Net debt/ Gross profit	*2.9*	*3.1*

(1) Comparative figures were restated following the adoption of IFRIC 21 “Levies” (see Note 1 to the condensed half-year consolidated financial statements).

Following the rail reform law and in accordance with IFRS 5 "Non-current assets held for sale and discontinued operations," the Group reclassified the following items under "Assets classified as held for sale" and "Liabilities associated with assets classified as held for sale" in the statement of financial position as at 31 December 2014 and 30 June 2015:

- assets and liabilities of SNCF Infra to be transferred to SNCF Réseau;
- assets and liabilities of entities identified at the period-end as to be transferred to the new SNCF;
- non-current assets identified at the period-end as to be transferred to the new SNCF.

Detailed information on these reclassifications is presented in Note 13 to the condensed half-year consolidated financial statements.

The Group's statement of financial position recorded the following changes in the first half of 2015:

- an increase in goodwill for €847 million due primarily to the acquisition of control of Eurostar International Limited (€674 million), the creation of the Thalys rail company (€93 million), and the acquisition of the ATE group (€75 million);
- a sharp €46 million increase in net intangible assets primarily due to:
    - acquisitions, net of disposals for +€75 million;
    - amortisation and impairment, net of reversals for -€122 million;
    - the acquisition of control of Eurostar International Limited for +€129 million.
    - the increase in the amount of intangible assets to be transferred to the new SNCF for -€49 million.
- a sharp €611 million increase in net property, plant and equipment primarily due to:
    - acquisitions, net of disposals for +€895 million;
    - depreciation and impairment net of reversals for -€1,407 million;
    - the acquisition of control of Eurostar International Limited for +€924 million;
    - SNCB's contribution of 7 trains to the new Thalys rail company for +€104 million.
- a decrease of €503 million for investments in companies consolidated under the equity method, of which €483 million relating to the acquisition of control of Eurostar International Limited;
- a €280 million decline in the working capital requirement;
- a decline in equity attributable to owners of the parent, which mainly includes the dividend paid to the French State as shareholder (-€63 million), the change in fair value of cash flow hedges (+€104 million), the actuarial gains and losses on employee defined-benefit plans (+€148 million), the change in translation differences (+€16 million), the impacts of Thalys and Eurostar group structure operations (-€686 million), and the net profit of the period (+€318 million);
- the decrease in provisions for €57 million, of which €22 million for contract losses and €19 million for environmental risks;
- the increase in financial liabilities net of financial assets for €1,456 million, explained by the €247 million increase in Group debt (see analysis in Note 3.2) and the recognition of liabilities on the pledge to buyout the Thalys and Eurostar minority interests for a total of €1,263 million.

5. FINANCIAL RELATIONS WITH THE FRENCH STATE, SNCF RÉSEAU AND LOCAL AUTHORITIES

SNCF Mobilités receives:

- public service orders (as is the case with any public service agent or supplier to the French State and local authorities) in a monopoly legislative and regulatory framework,
- operating and investment grants primarily received for the activities of SNCF Transilien, Régions and Intercités.

5.1. PUBLIC SERVICE ORDERS

The table below shows the Group revenue generated with SNCF Réseau, the Régions, STIF and the French State:

The revenue generated with SNCF Réseau is almost solely driven by SNCF Infra, which is scheduled to be transferred under the rail reform law. Accordingly, this revenue has been reclassified under the heading "Net profit/ (loss) from transferred operations" in the income statement.

In € millions	First half 2015	First half 2014	Change
Compensation of Infrastructure Manager by SNCF Réseau	1,637	1,651	-14
including traffic and circulation management	*459*	*439*	*19*
including network and asset management	*1,178*	*1,211*	*-33*
Work for SNCF Réseau	1,124	936	188
Total SNCF Réseau	**2,761**	**2,586**	**174**
Compensation for regional rates	268	268	0
Services for the Organising Authorities	2,124	2,039	85
Total Régions and STIF	**2,392**	**2,307**	**85**
Socially-motivated prices	10	13	-3
Defence	72	77	-5
Trains d'Equilibre du Territoire (TET)	169	158	11
Total French State	**252**	**248**	**3**
TOTAL	**5,404**	**5,141**	**263**

The change in revenue generated with SNCF Réseau mainly stems from an increase in investments performed on behalf of the network owner.

The services for the Organising Authorities and STIF increased by €85 million compared to 2014 following the renegotiation of certain agreements and the offering's development.

5.2. GRANTS AND PUBLIC CONTRIBUTIONS OBTAINED FROM THE FRENCH STATE AND GOVERNMENT AUTHORITIES

Public contributions granted to the Group by the French State and government authorities are presented in the following table:

In € millions	First half 2015	First half 2014	Change
Operating grants	19	14	5
Proceeds on concession financial assets	480	349	131
Investment grants relating to intangible assets and PP&E	134	50	83
Total	**633**	**414**	**219**

Payments received for concession financial assets and investment grants received

SNCF Mobilités receives investment grants in the form of third-party financing, mainly from local authorities, for rolling stock in particular.
In accordance with IFRIC 12, grants received as part of a concession are presented in the statement of financial position as a deduction from the intangible assets or financial assets, according to the applicable model, following the analysis of each concession agreement. In the case of concession financial assets, the grants received are considered as a means of reimbursing such assets.
In the other cases, investment grants received are deducted from intangible assets and property, plant and equipment in the balance sheet. In the income statement, they are recorded in operating profit or loss (as a deduction from depreciation and amortisation) according to the estimated economic life of the corresponding assets.

6. EMPLOYEE MATTERS

6.1. AVERAGE WORKFORCE

	30/06/2015	30/06/2014	Change		Change on a constant Group structure basis and excluding internal transfers	
SNCF Transilien, Régions and Intercités	**44,527**	30,549	+45.8%	13,978	-2.1%	-638
Voyages SNCF	**23,992**	23,858	+0.6%	133	-2.5%	-593
Gares & Connexions	**3,471**	3,377	+2.8%	94	+2.1%	70
Keolis	**56,229**	49,573	+13.4%	6,656	+9.4%	4,661
SNCF Logistics	**41,983**	44,319	-5.3%	-2,335	-3.1%	-1,377
Including the Geodis division	***29,248***	*30,729*	*-4.8%*	*-1,481*	*-1.6%*	*-494*
Corporate	**25,961**	40,541	-36.0%	-14,581	-1.7%	-706
SNCF Infra	**52,774**	51,848	+1.8%	926	+1.8%	926
TOTAL	**248,937**	244,065	+2.0%	4,872	+1.0%	2,343

(1) Main impacts of change in Group structure:

- Voyages SNCF: acquisition of control of Eurostar International Limited (+1,362), creation of Thalys International (+202);
- Keolis: acquisition of the ATE group (+1,620), Picavet/STACA (+161) and Nettbus Danemark (+134);
- SNCF Logistics: sale of Ciblex and the Italian parcel delivery entity (-987);
- Internal transfers concern a decentralisation of production resources (rolling stock maintenance, train driving and maintenance) towards the passenger activities of EPIC Mobilités.

The main changes on a constant Group structure basis and excluding internal transfers are as follows:

- The increase in employees at Keolis is primarily due to intercity (+1,811) and international (+2,448, specifically in the US, UK and India) growth.
- The reduction in the SNCF Logistics workforce was attributable to the decline in activity observed for certain business lines of this segment.

The increase in the workforce of subsidiaries in recent years mainly reflects the changes in Group structure:

	First half 2015	*2014*	*2013*	*2012*	*2011*	*2010*
Parent company (1)	152,166	154,192	155,371	156,110	156,047	157,894
Subsidiaries	96,771	89,873	89,200	87,844	89,043	83,084
TOTAL	248,937	244,065	244,570	243,954	245,090	240,978

(1) Including seconded employees

6.2. MAIN AGREEMENTS SIGNED IN THE FIRST HALF OF 2015

On 30 June 2015, a collective profit-sharing agreement was signed by EPIC Mobilités with representative trade union organisations.

7. CHALLENGES AND OUTLOOK

The second half of 2015 was marked by limited growth in France, which is why the Group is looking to develop internationally:

- GDP increase in France limited to +1.3% over the year (BIPE forecasts);
- Significant intermodal (air, car-pooling and bus) competition for the Passenger segment, particularly considering low oil prices and the opening of the long-distance bus market expected at the start of the second half of 2015;
- Major financial constraints weighing on the Organising Authorities;
- Persistent impact of rail network operation work with slowdowns in speed and loss of customers.

The SNCF Mobilités Group has nevertheless set **ambitious objectives, with revenue growth exceeding +3%** on a constant Group structure and exchange rate basis, driven by international activity with a fast-growing Mass Transit and logistics demand.

Keolis has based its financial trajectory primarily on international growth, while confirming its leadership in France. The successful launch of the Dockland Light Rail (London) should create new opportunities for this division.

In a transport and logistics market that is seeking global offerings and solutions, the Logistics division should bolster its position in key markets in the United States and Germany.

Finally, the Passenger segment is developing shared mobility and the future of the train by satisfying the new expectations of its customers with tailored travel, a simplified customer itinerary and improved interaction between offerings. The new SNCF long-distance range involving the TGV, OUIGO, OUIBUS and Intercités 100% Eco brand names will be rolled out in the second half of 2015.

The **portion of international revenue should grow to 30%.**

The equity investment policy will remain steady and continue exceed €2 billion annually, thereby confirming our debt stabilisation target and securing future performances.

Major challenges to be met by the end of 2015:

- **Continuation of the work carried out with a view to the preparation of the SNCF Mobilités performance contract with the French State** and the public rail group's strategic framework agreement stipulated by the Law of 4 August 2014.
- **Ongoing adaptation of the TGV business model** to a new and increasingly competitive environment (fall in oil prices and opening of long-distance bus market).
- The second half of 2015 will be marked by the **signature of the next operating agreement binding Transilien with STIF** (SNCF Mobilités' most significant contract in terms of business volume) for the 2016-2019 period.
- Solid support for the international development of Keolis and strengthening of Geodis' position as global leader in supply chain management, with the expected consolidation of OHL at the year-end.
- The second half-year will also be dedicated to **discussions with the French State for the renewal of the TET agreement**, which expires on 31 December 2015.
- Finally, **the stations' business model must be reviewed** in order to establish the expected level of profitability, in line with the investment policy conducted after the recent decisions of the ARAFER (formerly ARAF) that we are challenging before the appeal court. Pursuant to the Macron law, **Gares & Connexions will look at the possibility of night and Sunday openings for retailers in 12 stations, as selected** by the government.

CORPORATE GOVERNANCE

1. BOARD OF DIRECTORS

The Board of Directors of the industrial and commercial public enterprise "SNCF Mobilités" comprises eighteen members:

- Seven representatives of the French State appointed by decree, based on the report of the Transport Minister:
  - two at the recommendation of the Transport Minister;
  - one at the recommendation of the Minister for Economy and Finance;
  - one at the recommendation of the Budget Minister;
  - one at the recommendation of the Minister for Planning and Regional Development;
  - one at the recommendation of the Minister for Industry;
  - the Chairman of the Board appointed from among the Directors and at their recommendation by a Council of Ministers' decree.
- Five members chosen for their expertise and appointed by decree:
  - a representative of passengers; ·
  - a representative of shippers;
  - two local councillors chosen for their knowledge of regional, department and local rail related matters;
  - an individual chosen for his personal expertise in the transport sector.
- Six members, including a management representative, elected by employees of the Company and its subsidiaries having a minimum workforce of 200 members.

A Council of State (Conseil d'État) decree lays down the parent company by-laws and sets the procedures for the appointment and election of Board members.

Board members are appointed for a five-year term of office. A director may not exercise more than two consecutive terms of office. Directors receive no compensation for their activities.

The Government Commissioner or, in his absence, the Assistant Government Commissioner, has an advisory seat on the Board and all committees and commissions created.

The head of the Transport Economic and Finance Control Office or his representative has an advisory seat on the Board and all committees and commissions.

The Board Secretary and the Secretary of the Joint Labour-Management Committee also have a seat on the Board. The Board of Directors holds at least six meetings annually.

The Board of Directors has six committees:

Strategic Committee, responsible for reviewing the annual and long-term strategic and financial directions of the parent company and the Group, as well as Group structure operations*;*

Audit and Risk Committee, responsible for reviewing the annual and half-year financial statements, risk mapping and the annual internal audit work programme*;*

Contracting Committee, consulted on projects involving government or private contracts, acquisitions, disposals, building exchanges, based on predetermined thresholds set by the Board*;*

Passengers Committee, responsible for monitoring rail transport agreements between local authorities, public institutions and SNCF Mobilités, and more generally overall passenger problems;

Transport and Logistics Committee, responsible for reviewing the activity and strategies of the SNCF Logistics division.

Economic and Social Cohesion Committee, responsible for informing the Board of the social and human challenges of the company's main transformation projects and, more generally, its strategy.

2. MANAGEMENT TEAM

The Chairman appoints the members of the Executive Committee and defines their tasks. Within their areas of expertise, Executive Committee members are delegated powers by the Chairman enabling them to act and decide in his name. The Executive Committee has nineteen members (including the Chairman).

30 JUNE 2015

SNCF MOBILITES CONDENSED HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

(formerly Société Nationale des Chemins de fer Français)

IFRS – in € millions

2, place aux Etoiles – CS 70001 – 93633 La Plaine ST Denis Cedex

CONTENTS

CONSOLIDATED INCOME STATEMENT

in € millions	Notes	30/06/2015	30/06/2014 (*) (**)
Revenue	4	14,260	13,509
Purchases and external charges	5	-7,185	-6,983
Employee benefits expense		-5,455	-5,148
Taxes and duties other than income tax		-723	-723
Other operating income and expenses		223	215
Gross profit		**1,121**	**869**
Depreciation and amortisation		-706	-712
Net movement in provisions		-10	-51
Current operating profit		**404**	**107**
Net proceeds from asset disposals	7	109	109
Fair value remeasurement of the previously held interest	3	680	0
Impairment losses	6	-474	137
Operating profit/(loss)		**719**	**354**
Share of net profit of companies consolidated under the equity method		-90	15
Operating profit/(loss) after net profit of companies consolidated under the equity method		**629**	**369**
Net borrowing and other costs	8	-138	-146
Finance costs of employee benefits		13	-45
Finance costs		**-125**	**-191**
Net profit/(loss) before tax from ordinary activities		**504**	**178**
Income tax expense	9	-174	-58
Net profit/(loss) from ordinary activities		**330**	**120**
Net profit/(loss) from transferred operations (**)	13	6	-9
Net profit/(loss) for the period		**336**	**111**
Net profit/(loss) for the period attributable to owners of the parent		**318**	**102**
Net profit for the period attributable to non-controlling interests (minority interests)		18	9

(*) Comparative figures were adjusted following the adoption of IFRIC 21 "Levies" (see Note 1.3).

(**) Comparative figures adjusted for the reclassification of SNCF Infra's results to a single line item in accordance with IFRS 5 (see Notes 2 and 13). The standard wording for this line item "Net profit/(loss) from discontinued operations" has been modified since it only includes the net profit of operations transferred as part of the rail reform.

The change in investments in companies consolidated under the equity method was attributable to the acquisition of control of Eurostar (see Note 3).

The parent company's capital comprises contributions from the French State and not shares. Furthermore, the Group does not fall within the scope of IAS 33 "Earnings per share." For these two reasons, no earnings per share was calculated or presented in the Group condensed half-year consolidated financial statements.

The notes presented on pages 46 to 80 are an integral part of these condensed half-year consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in € millions	30/06/2015	30/06/2014 (*)
Net profit/(loss) for the period	336	111
Other comprehensive income:		
Change in foreign currency translation	23	8
Tax on change in foreign currency translation	-2	0
	21	*9*
Change in value of available-for-sale assets	-13	4
Tax on change in value of available-for-sale assets	0	-2
	-12	*3*
Change in fair value of cash flow hedges	115	-99
Tax on change in fair value of cash flow hedges	-5	2
	110	*-97*
Share of recyclable other comprehensive income of companies consolidated under the equity method	91	16
Total recyclable other comprehensive income	211	-69
Actuarial gains and losses arising from employee defined benefit plans	147	-35
Tax on actuarial gains and losses arising from defined benefit plans	0	0
	147	*-35*
Share of non-recyclable other comprehensive income of companies consolidated under the equity method	3	1
Total non-recyclable other comprehensive income	150	-34
Total comprehensive income	696	8
Total comprehensive income attributable to owners of the parent	664	-3
Total comprehensive income attributable to non-controlling interests (minority interests)	32	11

(*) Comparative figures were restated following the adoption of IFRIC 21 "Levies" (see Note 1.3).

The notes presented on pages 46 to 80 are an integral part of these condensed half-year consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CONSOLIDATED ASSETS

in € millions	Notes	30/06/2015	31/12/2014 (*)
Goodwill	3	2,232	1,385
Intangible assets		1,132	1,086
Property, plant and equipment	10	14,928	14,317
Non-current financial assets	12	5,873	5,822
Investments in companies consolidated under the equity method		454	956
Deferred tax assets		1,400	1,172
Non-current assets		**26,019**	**24,737**
Inventories and work-in-progress		697	665
Operating receivables		6,736	5,690
Operating assets		**7,433**	**6,354**
Current financial assets	12	1,452	1,611
Cash and cash equivalents		4,538	5,408
Current assets		**13,423**	**13,374**
Assets classified as held for sale	13	3,278	4,086
Total assets		**42,720**	**42,197**

(*) Comparative figures were restated following the adoption of IFRIC 21 "Levies" (see Note 1.3).

The notes presented on pages 46 to 80 are an integral part of these condensed half-year consolidated financial statements.

CONSOLIDATED EQUITY AND LIABILITIES

in € millions	Notes	30/06/2015	31/12/2014 (*)
Share capital		4,971	4,971
Consolidated reserves		1,446	1,303
Net profit/(loss) for the period attributable to owners of the parent		318	604
Equity attributable to owners of the parent		**6,735**	**6,878**
Non-controlling interests (minority interests)		142	106
Total equity		**6,877**	**6,984**
Non-current employee benefits		1,444	1,456
Non-current provisions	11	1,012	1,037
Non-current financial liabilities	12	15,259	13,813
Deferred tax liabilities		495	486
Non-current liabilities		**18,211**	**16,793**
Current employee benefits		227	218
Current provisions		233	265
Operating payables		10,666	9,871
Operating liabilities		**11,126**	**10,354**
Current financial liabilities	12	4,003	4,972
Current liabilities		**15,129**	**15,326**
Liabilities associated with assets classified as held for sale	13	2,504	3,094
Total equity and liabilities		**42,720**	**42,197**

(*) Comparative figures were adjusted following the adoption of IFRIC 21 “Levies” (see Note 1.3).

The notes presented on pages 46 to 80 are an integral part of these condensed half-year consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in € millions	Capital	Non-recyclable reserves	Group translation reserves	Cash flow hedges	Available-for-sale assets	Reserves, net of tax, of transferred activities (*)	Retained earnings	Equity attributable to owners of the parent	Non-controlling interests (minority interests)	Total equity
Equity published as at 31/12/2013	**4,971**	**-237**	**-20**	**-54**	**3**	**581**	**1,426**	**6,670**	**99**	**6,769**
Opening adjustment	-	-	-	-13	-	-	13	-	-	-
Impact of changes in accounting method (*)	-	-	-	-	-	8	118	126	1	127
Equity restated as at 01/01/2014 (*)	**4,971**	**-237**	**-20**	**-67**	**3**	**589**	**1,557**	**6,796**	**100**	**6,896**
Net profit for the period (*)	-	-	-	-	-	-9	111	102	9	111
Other comprehensive income	-	-35	7	-95	3	0	16	-105	2	-103
Total comprehensive income	**-**	**-35**	**7**	**-95**	**3**	**-9**	**127**	**-3**	**11**	**8**
Dividends paid	-	-	-	-	-	-3	-172	-175	-	-175
Dividends of subsidiaries	-	-	-	-	-	-	-	-	-7	-7
Capital transactions	-	-	-	-	-	-	0	0	1	1
Changes of ownership in subsidiaries without loss of control	-	-1	1	0	-	0	3	3	-4	-1
Other changes (*)	-	-1	-	-1	0	-23	26	1	0	1
Equity restated as at 30/06/2014 (*)	**4,971**	**-274**	**-12**	**-163**	**6**	**554**	**1,542**	**6,623**	**101**	**6,724**
Equity published as at 31/12/2014 (*)	**4,971**	**-450**	**4**	**-276**	**24**	**69**	**2,411**	**6,753**	**105**	**6,857**
Impact of changes in accounting method (*)	-	-	-	-	-	13	113	125	1	127
Equity restated as at 01/01/2015	**4,971**	**-450**	**4**	**-276**	**24**	**82**	**2,524**	**6,878**	**106**	**6,984**
Net loss for the period	-	-	-	-	-	1	317	319	17	336
Other comprehensive income	-	148	16	104	-12	1	90	346	14	360
Total comprehensive income	**-**	**148**	**16**	**104**	**-12**	**3**	**407**	**665**	**32**	**696**
Dividends paid	-	-	-	0	-	-66	3	-63	-	-63
Dividends of subsidiaries	-	-	-	0	-	-	0	-	-8	-8
Capital transactions	-	-	-	-	-	-	0	0	32	32
Group structure operations	-	-4	0	0	-	-	-689	-692	-24	-717
Other changes (**)	-	0	0	0	0	-14	-38	-53	5	-48
Equity published as at 30/06/2015	**4,971**	**-306**	**20**	**-172**	**11**	**-5**	**2,207**	**6,735**	**142**	**6,877**

(*) Comparative figures restated for the reclassification of the profit or loss of the SNCF Infra division to a single line item pursuant to IFRS 5 (see Notes 2 and 13) and following the adoption of IFRIC 21 "Levies" (see Note 1.3). The line item "Impact of changes in accounting method" is only affected by the adoption of IFRIC 21. Net profit for the period ended 30 June 2014 was restated for IFRIC 21.

(**) Impacts of an adjustment to the calculation of employee benefits.

A dividend for 2013 was approved and paid to the State in May 2014 for €175 million. A dividend for 2014 was approved as at 30 June 2015 and paid to the State in July 2015 for €63 million.

The notes presented on pages 46 to 80 are an integral part of these condensed half-year consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

in € millions	Notes	30/06/2015	30/06/2014(*)
Net profit/(loss) for the period attributable to owners of the parent		319	102
Net profit for the period attributable to non-controlling interests (minority interests)		17	9
Net profit/(loss) for the period		**336**	**111**
Eliminations:			
share of profit of associates	IS	90	-15
deferred tax expense (income)	IS	-17	-14
depreciation, amortisation and provisions		1,149	668
revaluation gains/losses (fair value)		-3	11
net proceeds from disposals and gains and losses on dilution	IS	-799	-118
Other non-cash income and expenses		0	0
Cash from operations after net borrowing costs and taxes		**755**	**643**
Eliminations:			
current income tax expense (income)		189	72
net borrowing costs		145	145
dividend income		-5	-5
Cash from operations before net borrowing costs and taxes		**1,085**	**854**
Impact of change in working capital requirement		241	-118
Taxes paid (collected)		-304	86
Dividends received		39	23
Net cash from operating activities		**1,061**	**845**
Acquisitions of subsidiaries net of cash acquired		-66	-14
Disposals of subsidiaries net of cash transferred		0	0
Purchases of intangible assets and property, plant and equipment	10	-1,136	-1,084
Disposals of intangible assets and property, plant and equipment		111	239
New concession financial assets		-440	-410
Proceeds on concession financial assets		480	349
Purchases of financial assets		-4	-8
Disposals of financial assets		0	0
Changes in loans and receivables		11	36
Change in cash assets		155	-306
Investment grants received		134	50
Net cash used in investing activities		**-755**	**-1,147**
Cash from equity transactions	Chges in eq.	32	2
Issue of debt instruments		145	404
Repayments of net borrowings for the SNCF Réseau and Public Debt Fund receivables(1)		-347	-744
Net borrowing costs paid		-248	-241
Dividends paid to Group shareholders	Chges in eq.	0	-175
Dividends paid to minority interests	Chges in eq.	-7	-7
Increase/(decrease) in cash borrowings		-860	616
Change in derivative instruments		0	0
Net cash used in financing activities		**-1,286**	**-145**
Effects of exchange rate changes		2	5
Impact of changes in accounting policies		0	0
Impact of changes in fair value		1	0
Increase (decrease) in cash and cash equivalents		**-978**	**-442**
Opening cash and cash equivalents		5,161	4,744
Closing cash and cash equivalents		4,183	4,302

(*) Comparative figures were restated following the adoption of IFRIC 21 "Levies" (see Note 1.3).

(1) Of which cash inflows of €0 million for the SNCF Réseau receivable (€0 million for the half-year ended 30 June 2014) and €92.3 million for the Public Debt Fund receivable (€0 million for the half-year ended 30 June 2014).

The notes presented on pages 46 to 80 are an integral part of these condensed half-year consolidated financial statements.

NOTES TO THE CONDENSED HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

The notes presented on pages 46 to 80 are an integral part of these condensed half-year consolidated financial statements.

All amounts are in millions of euros (€ millions), unless stated otherwise.

1. ACCOUNTING STANDARDS BASE

Pursuant to Article L2141-10 of the French Transport Code of 28 October 2010 (which supersedes Article 25 of the French Orientation Law on Domestic Transport (LOTI) of 30 December 1982), Société Nationale des Chemins de fer Français (SNCF), a state-owned industrial and commercial institution, "is subject to the financial management and accounting rules applicable to industrial and commercial companies". SNCF keeps its accounting books and records in accordance with prevailing legislation and regulations in France. As at 1 January 2015, the date on which the French rail reform law came into effect (see Note 2), the company adopted the name SNCF Mobilités.

The condensed consolidated financial statements for the half-year ended 30 June 2015 were approved by the Board of Directors on 22 September 2015.

The terms "SNCF Mobilités Group", "Group" and "SNCF Mobilités" designate the parent company EPIC Société Nationale des Chemins de fer Français and its consolidated subsidiaries. The State-owned institution (EPIC) SNCF Mobilités, "EPIC", "EPIC Mobilités", "Mobilités" and "EPIC SNCF Mobilités" refer solely to the parent company.

1.1. ACCOUNTING RULES AND METHODS

The accounting policies used for the preparation of the SNCF Mobilités Group condensed consolidated financial statements for the half-year ended 30 June 2015 are those adopted for the year ended 31 December 2014 and adapted to new standards and interpretations approved by the European Commission and applicable to financial periods beginning on or after 1 January 2015.

The consolidated financial statements for the year ended 31 December 2014 were prepared in accordance with the IFRS (International Financial Reporting Standards), as adopted in the European Union.

The condensed consolidated financial statements for the half-year ended 30 June 2015 were prepared in accordance with IAS 34, "Interim Financial Reporting". Therefore, they do not include all the information and notes required by IFRS for the preparation of the annual consolidated financial statements but only the material events for the period and should be read in conjunction with the 2014 consolidated financial statements.

As the Group has elected not to round off figures, there may be minimal differences between sums and totals in certain tables.

1.1.1. Presentation of standards and interpretations applied in the preparation of the condensed consolidated financial statements for the half-year ended 30 June 2015

The basis of preparation for the condensed consolidated financial statements for the half-year ended 30 June 2015 detailed in the following notes is the result of:

- standards and interpretations of mandatory application for financial periods commencing on or before 1 January 2015;
- elected accounting options and positions and exemptions applied in the preparation of the consolidated financial statements for the half-year ended 30 June 2015 in addition to those already detailed in the 2014 consolidated financial statements. The options and exemptions are described in Note 1.1.2 and the valuation methods specific to interim reporting periods in Note 1.2.

1.1.1.1. Standards and interpretations published by the IASB whose application is mandatory for financial periods commencing on or after 1 January 2015

The amendments to standards and interpretations and new published standards applicable as at 1 January 2015 which, in particular, have an impact on the Group condensed half-year consolidated financial statements are limited to IFRIC 21, "Levies" published by the IASB on 20 May 2013 and adopted by the European Commission on 14 June 2014, i.e. whose application is mandatory as at 1 January 2015 for SNCF Mobilités. This interpretation, applied retrospectively, covers the recognition of levies not falling under IAS 12 "Income taxes." Its purpose is to clarify the obligating event that justifies the recognition of a liability to pay a levy. It does not cover the question of the liability offset. The changes introduced by the interpretation are based on the following principles:

- If the obligation for a company to pay a levy exists as at 1 January Y, no accrued expense can be recognised at the reporting period-end Y-1, even though the assessment of this levy is based on operating results generated in Y-1. The going concern principle does not prevail. Henceforth, the liability shall be recognised for the year Y, as from 1 January Y, but not on a straight-line basis.
- The liability is recognised progressively if the obligating event occurs over a period of time.
- If an obligation to pay a levy is triggered when a minimum threshold is reached, the corresponding liability shall be recognised as from when that minimum activity threshold is reached. The liability cannot be recognised prior to this date even if there is reasonable assurance that the activity threshold will be reached; the liability may be recorded progressively after this date for the fraction of subsequent activity that exceeds the threshold.
- The same recognition principles shall be adopted in both the annual and interim financial statements (half-year closing for the SNCF Mobilités Group).

The impacts are presented in Note 1.3.

1.1.1.2. Standards and interpretations not adopted in advance for the preparation of the condensed consolidated financial statements for the half-year ended 30 June 2015.

The Group has generally not opted for the early application of the standards and interpretations applicable to financial periods subsequent to 31 December 2015, regardless of whether they were adopted by the European Commission. In particular, the Group did not adopt the following standards and interpretations for its condensed consolidated financial statements for the half-year ended 30 June 2015:

- IFRS 15 "Revenue from Contracts with Customers" published by the IASB on 28 May 2014 but not yet adopted by the European Commission. This new standard proposes a single revenue recognition model applicable to all types of customer contracts, regardless of the entity's business segment. This single model, which follows five key steps, is based on the transfer of control which may be continuous or at a given time. The notion of the transfer of risks and rewards is no longer predominant. The entity shall recognise revenue in respect of a performance obligation when the goods or services promised to the customer are transferred to it for the consideration to which the entity expects to be entitled in exchange for those goods or services. The IASB confirmed that the effective date for IFRS 15, initially set for fiscal periods beginning on or after 1 January 2017, would be deferred to financial periods beginning on or after 1 January 2018 (early adoption is possible). IFRS 15 has yet to be adopted by the European Commission. The impacts are currently being analysed.
- IFRS 9 "Financial instruments" published in July 2014 by the IASB, the final purpose of which is to replace the current IAS 39 on financial instruments. The three topics covered are the classification and measurement of financial instruments, a methodology for the impairment of financial assets and hedge accounting. IFRS 9 is applicable to financial periods beginning on or after 1 January 2018, subject to its adoption by the European Commission. The impacts are currently being analysed.

1.1.2. Description of the accounting options adopted

The accounting options adopted are described in Note 1.1.2 to the 2014 consolidated financial statements. They apply in exactly the same manner to the condensed consolidated financial statements for the half-year ended 30 June 2015, with the exception of the tax on rail company profits (TREF) which is subject to valuation methods specific to interim reporting periods for income taxes as described in Note 1.2.

1.2. VALUATION METHODS SPECIFIC TO INTERIM REPORTING PERIODS

1.2.1. Employee benefits

The net provision relating to employee benefits is updated based on the most recent valuations available on the closing date of the previous period. With EPIC Mobilités being the main group contributor and taking into account the transfers to SNCF Réseau and EPIC SNCF as at 1 July, the actuarial assumptions relating to its obligations were reviewed in full. Following this review, EPIC Mobilités' obligations were reduced by €119 million over the period, primarily due to the increase in the discount rate from 1.35% as at 31 December 2014 to 2.05% as at 30 June 2015. The actuarial gain of €199 million arising from this change in rate was allocated as follows: financial income of €49 million was recognised under "Finance costs of employee benefits" with regard to long-term benefits and a positive impact of €149 million was recorded in non-recyclable reserves under equity with regard to post-employment benefits.

1.2.2. Income tax expense

Income tax expense for the half-year is calculated by applying to the pre-tax profit or loss of consolidated companies the best known estimate for the effective tax rate of the period for each entity of the tax group.

1.2.3. Impairment losses

1.2.3.1.General principles

The Group performs impairment tests in interim reporting periods only if indications of loss or reversal are identified during the period.

1.2.3.2.Contextual factors

As part of the set-up of the new public rail group (PRG), preparations were undertaken to draft a framework agreement and performance contracts between the French State, the PRG, and the Mobilités and Réseau EPICs (see Note 2). These contracts were accompanied by a 2025 financial trajectory in accordance with the law of 4 August 2014. It is within this perspective that a strategic plan was prepared. The plan's financial trajectory, underlying the implementation of impairment tests for certain assets, was determined for the various businesses of SNCF Mobilités within a context of:

- a difficult economic environment;
- rapidly expanding and intensified intermodal competition;
- ensuing price pressure;
- changing business models not yet properly defined due to the ongoing discussions with various stakeholders;
- growth and investment projects that may hinder profitability.

SNCF Mobilités management therefore reviewed several defining economic and financial assumptions for the preparation of its financial trajectory and its impairment tests, in a situation where it is difficult to assess the impacts of these new challenges.

The assumptions may not be realised and some are contingent to the arbitration with the French State. Hence, the resulting asset value estimates as at 30 June 2015 may in due course vary quite significantly.

1.2.3.3. Indications identified during the period

Indications of impairment were identified for the TGV France and Europe (excluding Eurostar and Thalys) and Gares & Connexions CGUs. Their impacts and treatment in the condensed half-year consolidated financial statements are mentioned in Notes 2.3, 2.4, 6 and 9.

1.3. MODIFICATIONS TO THE FINANCIAL PERIOD AND COMPARATIVE FINANCIAL PERIODS

The reconciliations between restated comparative figures and published figures for the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position and consolidated cash flow statement are presented in Note 1.3.3 below.

In addition to the reclassification of the profit or loss components of the SNCF Infra division to Net profit/(loss) from transferred operations, the changes to the comparative figures concern the adoption of IFRIC 21 "Levies" (see Note 1.1.1.1) as at 1 January 2015 and an adjustment to the amount of employee benefits.

1.3.1. Adoption of IFRIC 21 "Levies"

The Group has adopted IFRIC 21 retrospectively from 1 January 2014 in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors." The main impacts on the condensed half-year consolidated financial statements are listed below:

- Certain levies, which until now have been recorded on a straight-line basis over the year Y (year of the obligating event triggering the levy), shall now be recognised in their full amount as at 1 January of year Y. This change mainly concerns the tax on network companies (IFER), property taxes and the annual tax on Ile-de-France offices. Due to the first-time adoption of the standard and the absence of gradual recognition, the expense restated as at 30 June 2014 doubled compared to that recognised in the condensed half-year consolidated financial statements published in 2014. However, the adoption of IFRIC 21 had no impact on the consolidated financial statements for the year ended 31 December 2014.
- Certain levies, which until now have been recognised on a straight-line basis over the year Y-1 (reference year for the tax base calculation), shall be fully recognised as at 1 January of year Y, the year in which the obligating event occurs. This change mainly concerns the corporate social solidarity contribution (C3S) and the regional solidarity tax (CST). For these Y-1 taxes, the impact on equity as at 31 December 2014 totalled €128 million, of which:
  - €1 million for net profit attributable to owners of the parent: this impact corresponds to the difference between the published expense in 2014 and the published expense in 2013 which, due to the adoption of IFRIC 21, was recognised in the 2014 restated financial statements;
  - €127 million for consolidated reserves: this impact corresponds to the published expense in 2013, cancelled through reserves so as to be recognised in the 2014 restated net profit.

In the 2014 restated half-year financial statements, restated net profit decreased by €122 million compared to the published amount. The main impacts are described below:

- The absence of gradual recognition for taxes, which were recognised on a straight-line basis prior to the coming into effect of IFRIC 21, increased the published tax expense by €227 million.
- Published revenue was restated for the amount of taxes reinvoiced on an actual basis to certain customers and increased by €88 million.
- The adoption of IFRIC 21 directly resulted in a decrease in profit from ordinary activities before tax that is used to calculate the corporate income tax expense. Following the application of the effective tax rate published as at 30 June 2014, the published tax expense decreased by €25 million.

On the date of the change in method, i.e. 1 January 2015, consolidated equity remained unchanged compared to the published amount as at 31 December 2014, the 2014 published expense having been cancelled so as to be recognised as at 1 January 2015 in the 2015 net profit.

Since the amount of taxes was relatively stable period-on-period, as at 30 June 2015, the adoption of IFRIC 21 reduced net profit by €123 million. All things being equal, if IFRIC 21 had not been adopted, consolidated equity as at 30 June 2015 would have been €4 million lower.

1.3.2. Adjustment to the calculation of employee benefit obligations

The Group adjusted the calculation of certain employee benefit obligations. The €53 million impact mainly related to long-term employee benefits. Considering that the costs of a retrospective adjustment exceed the expected benefits and due to the lack of materiality for the 2014 published consolidated equity and earnings, the correction was recognised prospectively during the period. The impact was calculated as at 1 January 2015 and recorded in equity through an increase in liabilities under employee benefits.

1.3.3 Reconciliation between published figures and restated comparative figures

1.3.3.1 Consolidated income statement and comprehensive statement of income

The adoption of IFRIC 21 had no impact on other comprehensive income.

In € millions	30/06/2014 published accounts	IFRS 5 Impact	IFRIC 21 Impact	30/06/2014 restated accounts
Revenue	16,014	-2,593	88	13,509
Purchases and external charges	-7,854	871	0	-6,983
Employee benefits expense	-6,780	1,632	0	-5,148
Taxes and duties other than income tax	-569	73	-227	-723
Other operating income and expenses	259	-44	0	215
Gross profit	**1,069**	**-60**	**-140**	**869**
Depreciation and amortisation	-764	52	0	-712
Net movement in provisions	-54	3	0	-51
Current operating profit	**252**	**-5**	**-140**	**107**
Total net proceeds from asset disposals	110	-1	0	109
Fair value remeasurement of the previously held interest	0	0	0	0
Impairment losses	138	0	0	137
Operating profit	**500**	**-6**	**-140**	**354**
Share of net profit of companies consolidated under the equity method	17	0	-2	15
Operating profit after share of net profit of companies consolidated under the equity method	**517**	**-6**	**-142**	**369**
Net borrowing and other costs	-153	7	0	-146
Finance costs of employee benefits	-46	2	0	-45
Finance costs	**-199**	**9**	**0**	**-191**
Net profit before tax from ordinary activities	**317**	**2**	**-142**	**178**
Income tax expense	-84	0	25	-58
Net profit from ordinary activities	**234**	**3**	**-116**	**120**
Net profit/(loss) from transferred operations	0	-3	-7	-9
Net profit for the period	**234**	**0**	**-123**	**111**
Net profit for the period attributable to owners of the parent	**224**	**0**	**-123**	**102**
Net profit for the period attributable to non-controlling interests (minority interests)	9	0	-1	9

1.3.3.2 Statement of financial position as at 1 January 2014

The adoption of IFRIC 21 only had an impact on liabilities in the statement of financial position.

In € millions	31/12/2013 published accounts	IFRIC 21 Impact	31/12/2013 restated accounts
Share capital	4,971	0	4,971
Consolidated reserves	1,879	126	2,005
Net loss for the period attributable to owners of the parent	-180	0	-180
Equity attributable to owners of the parent	6,670	126	6,796
Non-controlling interests (minority interests)	99	1	100
Total equity	6,769	127	6,896
Non-current employee benefits	2,044	0	2,044
Non-current provisions	874	0	874
Non-current financial liabilities	14,235	0	14,235
Deferred tax liabilities	238	0	238
Non-current liabilities	17,390	0	17,390
Current employee benefits	180	0	180
Current provisions	264	0	264
Operating payables	11,613	-119	11,494
Operating liabilities	**12,057**	**-119**	**11,938**
Current financial liabilities	3,603	0	3,603
Current liabilities	15,660	-119	15,541
Liabilities associated with assets classified as held for sale	4	-9	-5
Total equity and liabilities	39,823	0	39,823

1.3.3.3 Statement of financial position as at 31 December 2014

The adoption of IFRIC 21 only had an impact on liabilities in the statement of financial position.

In € millions	31/12/2014 published accounts	IFRIC 21 Impact	31/12/2014 restated accounts
Share capital	4,971	0	4,971
Consolidated reserves	1,177	126	1,303
Net profit for the period attributable to owners of the parent	605	-1	604
Equity attributable to owners of the parent	6,753	125	6,878
Non-controlling interests (minority interests)	105	1	106
Total equity	6,857	127	6,984
Non-current employee benefits	1,456	0	1,456
Non-current provisions	1,037	0	1,037
Non-current financial liabilities	13,813	0	13,813
Deferred tax liabilities	486	0	486
Non-current liabilities	16,793	0	16,793
Current employee benefits	218	0	218
Current provisions	265	0	265
Operating payables	9,989	-118	9,871
Operating liabilities	**10,472**	**-118**	**10,354**
Current financial liabilities	4,972	0	4,972
Current liabilities	15,444	-118	15,326
Liabilities associated with assets classified as held for sale	3,103	-9	3,094
Total equity and liabilities	42,197	0	42,197

1.3.3.4 Consolidated cash flow statement

The adoption of IFRIC 21 had impacts on a few line items under "Cash flows from operating activities" in the consolidated cash flow statement, but not on cash and cash equivalents.

In € millions	30/06/2014 published accounts	IFRIC 21 Impact	30/06/2014 restated accounts
Net profit for the period	234	-123	111
Eliminations:			
share of profit of associates	-17	2	-15
deferred tax expense (income)	-14	0	-14
depreciation, amortisation and provisions	668	0	668
revaluation gains/losses (fair value)	11	0	11
net proceeds from disposals and gains and losses on dilution	-118	0	-118
Other non-cash income and expenses	0	0	0
Cash from operations after net borrowing costs and taxes	764	-121	643
Eliminations:			
current income tax expense (income)	97	-25	72
net borrowing costs	145	0	145
dividend income	-5	0	-5
Cash from operations before net borrowing costs and taxes	1,001	-146	854
Impact of change in working capital requirement	-265	146	-118
Taxes paid	86	0	86
Dividends received	23	0	23
Net cash from operating activities	845	0	845

2. MAJOR EVENTS IN THE FIRST HALF OF 2015

2.1 RAIL REFORM

The rail reform law definitively adopted on 22 July 2014 and enacted by the President of the French Republic on 4 August 2014, under number 2014-872, came into force on 1 January 2015. It is based on five objectives:

- Confirmation of a public service that is strengthened and better managed;
- Creation of an integrated public industrial group;
- Introduction of a national agreement to ensure the financial future of the public service;
- Creation of a labour framework for all rail sector players by maintaining the status of railway employees and unifying their group;
- Greater regulatory authority to guarantee the impartiality of network accessibility.

The former organisation of the French rail system and specifically the State-owned industrial and commercial institution (or EPIC) Société Nationale des Chemins de fer Français was profoundly changed as at 1 January 2015, with the creation of a public rail group (PRG) organised according to three economically integrated EPICs:

- The former EPIC Société Nationale des Chemins de fer Français (SNCF), now SNCF Mobilités, continues to carry out all the transport activities of the former SNCF Proximités, SNCF Voyages and SNCF Logistics divisions, and manage stations of the Gares & Connexions division.
- The former Réseau Ferré de France (RFF), now SNCF Réseau, unifies all the infrastructure management functions by combining SNCF Infra and Rail network operation and management formerly part of the SNCF Infra division. It guarantees fair access to the network for all rail companies.
- A "parent" EPIC, created on 1 December 2014 under the reform and called SNCF, is responsible for strategic control and steering, economic coherence, and the public rail group's industrial integration and social unity.

The application decrees, enacted on 10 February 2015, set out the date and effective implementation of the new governance frameworks and the transfer of assets and liabilities between the three EPICs. The date of implementation, 1 July 2015, corresponds to the issue date of the new safety certificates.

Accordingly, SNCF Mobilités Group considers that control of SNCF Infra has been transferred to SNCF Réseau as at this same date. As such, in accordance with IFRS 5 "Non-current assets held for sale and discontinued operations," the profit or loss components of the former SNCF Infra division, which must be transferred under the law of 4 August 2014, were reclassified under "Net profit/(loss) from transferred operations" in the consolidated income statements for the periods ended 30 June 2015 and 30 June 2014. The assets and liabilities of this division that are to be transferred were reclassified under "Assets classified as held for sale" and "Liabilities associated with assets classified as held for sale" in the statement of financial position from 31 December 2014.

In addition, non-current assets and entities will be transferred to the new parent EPIC, i.e. the new SNCF. Non-current assets and the assets of entities to be transferred as identified at the period-end were reclassified under "Assets classified as held for sale" in the statement of financial position as at 31 December 2014. The liabilities of these entities were reclassified under "Liabilities associated with assets classified as held for sale."

Detailed information is presented in Note 13 to the condensed half-year consolidated financial statements.

Lastly, the coming into force of the law was accompanied by an organisational change at SNCF Mobilités, which modified the Group's segment reporting in accordance with IFRS 8 (see Note 4 to the condensed half-year consolidated financial statements).

2.2. ADOPTION OF IFRIC 21 "LEVIES"

SNCF Mobilités Group has retrospectively adopted the new IFRIC 21, as at 1 January 2015, which mainly impacted the income statement and equity. The nature of the changes and their effects are presented in Note 1 to the condensed half-year consolidated financial statements.

2.3. INDICATIONS OF IMPAIRMENT ON THE TGV FRANCE AND EUROPE (EXCLUDING EUROSTAR AND THALYS) CGU

As part of the set-up of the new public rail group (PRG), preparations were undertaken to draft a framework agreement and performance contracts between the French State, the PRG, and the two EPICs, SNCF Mobilités and SNCF Réseau, accompanied by a draft 2025 financial trajectory. For SNCF Mobilités, this financial trajectory arises from a new strategic and financial plan prepared by management (see Note 1.2.3), which comes within a shifting environment due to:

- more intense competition spurred by the ramp-up of intermodal services and
- new growth drivers with the commissioning of four high-speed lines (LGV).

This trajectory falls with a context of risks and uncertainties (see Note 1.2.3.2) and factors in recent events, particularly the step-up in the development of intermodal competition (car sharing, bus, airline, etc.) and the emphasis on a pricing policy geared towards low prices in the first half.

The fragility of the business equilibrium endures due to flat revenue growth (excluding LGV commissioning), higher infrastructure fees unrelated to revenue growth and significant investments with the necessary renewal of a portion of the fleet, despite performance plans for TGV operating costs and capital productivity (pressure on the fleet in terms of the number of trains and unit prices).

As a result of these changes and measurements regarding its strategic and financial plan, Management had identified indications of impairment and conducted impairment tests as at 30 June 2015, which would result in an additional impairment of €2,500 million. Since this trajectory scenario has not been arbitrated by the Supervisory Authorities with respect to its main defining assumptions (particularly infrastructure fees and investments), as indicated in the Government Commissioner's letter dated 18 September 2015, and as the test's sensitivity to these assumptions was significant, no new impairment loss was recognised as at 30 June 2015. A change in the defining assumptions would have an extremely significant impact on the test results. By way of example, i/ a change in the rail index to align with inflation would have a +€900 million impact on the result obtained; ii/ a change in traffic revenue growth excluding new lines of ± 20 bp would have an impact of ±€700 million on the result obtained; and iii/ a change of ± 50 bp in the gross profit rate of the activity would have an impact of ± €250 million on the result obtained.

Following the arbitration with the French State, the recoverable amount of assets could differ quite significantly from the value recorded as at 30 June 2015:

	2015	2014
Sector	Voyages SNCF	Voyages SNCF
CGU	TGV France and Europe (excluding Eurostar and Thalys)	TGV France and Europe (excluding Eurostar and Thalys)
Asset tested	€3,364 million	€3,581 million

2.4. IMPAIRMENT LOSS ON THE GARES & CONNEXIONS CGU

Following the referral procedure of the Syndicat des Transports d'Ile de France (STIF) with respect to a dispute with the Gares & Connexions division of SNCF Mobilités, the French Rail Regulatory Authority (ARAF) handed down its decision on 3 February 2015. The claim relating to the allocation of the cash flow from operations generated by the Ile-de-France stations was dismissed. Among the other components of the decision, the following three impacted the condensed half-year consolidated financial statements:

- The ARAF's order that SNCF Mobilités limit the capital investment rate to a range of 5.5% to 6.9% before tax, compared to the 9.2% currently applied, with respect to regulated services (passenger information facilities for example).
- The request to classify the underground stations of Paris Austerlitz, Paris Gare du Nord and Paris Gare de Lyon as Category B stations (regional stations) as of the 2015 service schedule. This classification determines fee levels.
- The set-up of a new fee modulation system by no later than the 2017 service schedule, to better reflect the use of services by each carrier.

A few days later, ARAF also issued a negative opinion on the 2016 Document de Référence des Gares (DRG), which set the rates for all of France. The Authority requested that the same range of 5.5% to 6.9% before tax be applied as of 2016.

SNCF Mobilités appealed the decision on the STIF dispute before the Paris Court of Appeal and the DRG opinion was referred to the Conseil d'Etat.

In addition to representing indications of impairment pursuant to IAS 36 "Impairment of Assets," these decisions will require Gares & Connexions to adapt its business model and prepare a new financial trajectory.

Impairment tests were carried out based on the reviewed strategic plan prepared by management (see Note 1.2.3). The result was the recognition of an impairment loss of €450 million for the property, plant and equipment and intangible assets of this cash-generating unit, the Gares & Connexions trajectory being unaffected by the arbitration with the French State mentioned in Note 2 for the TGV France and Europe CGU (excluding Eurostar and Thalys). Detailed information is presented in Note 6 to the condensed half-year consolidated financial statements.

2.5. CREATION OF THE THI FACTORY RAIL COMPANY (THALYS)

On 1 April 2015, the rail company THI Factory was created to carry passengers under the Thalys brand. Incorporated under Belgian law, the company is 60% owned by SNCF Mobilités and 40% by SNCB, the two entities having concluded a shareholders' agreement under which SNCF Mobilités is granted exclusive control pursuant to IFRS 10 "Consolidated Financial Statements." The transaction and its impacts are described in Note 3 to the condensed half-year consolidated financial statements.

2.6. ACQUISITION OF CONTROL OF EUROSTAR INTERNATIONAL LIMITED (EIL)

The sale of the British partner's stake in EIL to the CDPQ/Hermès consortium resulted in the signing of a new shareholders' agreement on 28 May 2015. Under this agreement, SNCF Mobilités is granted exclusive control of EIL as defined by IFRS 10 "Consolidated Financial Statements." The transaction and its impacts are described in Note 3 to the condensed half-year consolidated financial statements.

3. GROUP STRUCTURE OPERATIONS

For business combinations, the Group opted for the partial goodwill method, i.e. it only recognised the portion of goodwill attributable to owners of the parent in the balance sheet, without taking into account the portion of goodwill attributable to non-controlling interests.

3.1. CREATION OF THE THI FACTORY RAIL COMPANY (THALYS)

THI Factory, a company incorporated under Belgian law, emerged from the plans by SNCF Mobilités and SNCB to create an independent entity, run by a single management team, to operate high-speed passenger rail transport services under the Thalys brand. The company became operational on 1 April 2015 once each party had contributed, either in kind or in cash, the necessary assets for the business in consideration for a stake in the company's share capital. Following these contributions, THI Factory was 60% owned by SNCF Mobilités and 40% owned by SNCB.

After taking into account the rights of SNCF Mobilités and the governance methods, THI Factory was fully consolidated as from 1 April 2015.

The assets contributed by the shareholders were accompanied by operating agreements (maintenance, allocation of personnel, etc.) that allow THI Factory to operate the Thalys routes independently. Furthermore, tickets issued prior to 1 April 2015 and not used on this date as well as the benefits allocated by the shareholders under loyalty programmes were transferred to the new rail company.

The fair values of the assets and liabilities acquired from the Belgian partner as at 1 April 2015 are as follows:

	Provisional fair value recognised on the acquisition date
Property, plant and equipment	104
Non-current assets	*104*
Operating receivables	11
Cash and cash equivalents	0
Current assets	*11*
Total assets	115
Operating payables	11
Current liabilities	*11*
Total liabilities	11
Net assets at 100%	**104**
60% share of fair value of net assets acquired	**62**
Goodwill	93
Cost of the business combination	**155**

Property, plant and equipment correspond to trains finance-leased by THI Factory from SNCB. Operating payables correspond to the deferred income transferred by SNCB (tickets issued but not used and the loyalty programme) that will be included in net profit once the transport services are rendered.

The cost of the business combination comprises the share of the fair value of the assets and liabilities of the Thalys business (40%) transferred to the partner by SNCF Mobilités.

Consideration transferred	155
Of which paid in cash	-33
Net cash acquired	0
Net cash flow	**-32**

The assets and liabilities contributed by SNCF Mobilités continue to be recognised at their historical value in the consolidated financial statements. The allocation to SNCB of a 40% share in the assets and liabilities transferred by SNCF Mobilités generated a positive impact of €67 million on Group equity. This impact corresponds to 40% of the difference between the historical value of these assets and liabilities and their fair value, net of cash transferred.

The goodwill arising from the business combination includes the cost and revenue synergies expected from the creation of an independent entity.

SNCB has a put option on its investment in THI Factory, irrevocably granted by SNCF Mobilités Group and exercisable under certain conditions. This purchase commitment given was recognised in non-current financial liabilities based on the best estimate of the price payable should the put option be exercised, through a deduction from the total carrying amount of the non-controlling interests (minority interests) and, for the amount exceeding this value, equity attributable to owners of the parent. This commitment had a negative impact of €128 million on equity attributable to owners of the parent at the acquisition date.

The acquisition costs arising from the business combination totalled €7 million and were recognised under purchases and external charges in the income statement for immaterial amounts in 2015 and €3 million in 2014.

Since 1 April 2015, THI Factory has respectively contributed €123 million and €7 million to revenue and net profit attributable to owners of the parent.

The recognition of the business combination remains provisional. The allocation period for the acquisition cost runs until 1 April 2016.

3.2. ACQUISITION OF CONTROL OF EUROSTAR

"Eurostar International Limited" (EIL), a company incorporated under UK law, emerged in 2010 from the plans by SNCF Mobilités, LCR and SNCB to create an independent entity, run by a single management team, to operate cross-Channel high-speed passenger rail transport services.

On 28 May 2015, following the sale by the UK government of its stake in EIL to the CDPQ/Hermès consortium, a new shareholders' agreement came into force between the partners, SNCF Mobilités and SNCB which remained shareholders of EIL with interests of 55% and 5%, respectively.

This agreement introduced new governance rules and increased the rights attributable to SNCF Mobilités, resulting in the full consolidation of EIL on the agreement's effective date. EIL was equity-accounted until such date in the amount of €481 million.

	Provisional fair value recognised on the acquisition date
Intangible assets	129
Property, plant and equipment	924
Non-current financial assets	0
Deferred tax assets	194
Non-current assets	*1,247*
Inventories and work-in-progress	11
Operating receivables	266
Cash and cash equivalents	83
Current assets	*360*
Total assets	1,607
Non-current employee benefits	69
Non-current financial liabilities	322
Deferred tax liabilities	15
Non-current liabilities	*405*
Current employee benefits	9
Operating payables	310
Current financial liabilities	9
Current liabilities	*327*
Total liabilities	732
Net assets at 100%	**875**
55% share of fair value of net assets acquired	**481**
Goodwill	674
Cost of the business combination	**1,155**

The cost of the business combination comprises the fair value of the previously held share for €1,118 million, plus the transferred consideration for €37 million. This consideration corresponds to the valuation of the put options granted to minority shareholders.

The goodwill arising from the business combination includes the cost and revenue synergies expected to arise from the creation of a new partnership.

Fair value of the previously held share	1,118
Consideration transferred	37
Net cash acquired with the subsidiaries	83
Net cash flow	83

The acquisition of control involved the fair value remeasurement of the investment previously held in EIL, and the release to profit or loss of recyclable and translation reserves. These items had a net impact of €680 million on the line item "Fair value measurement of the previously held investment."

The CDPQ/Hermès consortium and SNCB hold put options on their investments in EIL, irrevocably granted by SNCF Mobilités Group and exercisable under certain conditions. These purchase commitments given were recognised in non-current financial liabilities based on the best estimate of the price payable should the put option be exercised, through a deduction from the total carrying amount of the non-controlling interests (minority interests) and, for the amount exceeding this value, equity attributable to owners of the parent. This commitment had a negative impact of €607 million on equity attributable to owners of the parent at the acquisition date.

The costs arising from the transaction amounted to €3 million for SNCF Mobilités and were recognised under purchases and external charges in the income statement.

Since 31 May 2015, EIL has respectively contributed €110 million and €7 million to revenue and net profit attributable to owners of the parent.

The recognition of the transaction remains provisional. The allocation period for the acquisition cost runs until 28 May 2016.

Finally, the acquisition of control of Eurostar impacted Group off-balance sheet commitments (see Note 14).

4. SEGMENT REPORTING

The rail reform (see Note 2) led to a reorganisation of the SNCF Mobilités Group's activity around three business lines: SNCF Voyageurs, Keolis and SNCF Logistics.

Within these business lines, five operating segments are now regularly examined by SNCF Mobilités management in order to assess their performance and allocate resources, with SNCF Voyageurs being subject to a breakdown in internal reporting. These segments, which target different customers and sell separate products and services, are as follows:

- SNCF Voyageurs, comprising:
    - SNCF Transilien, Régions and Intercités: local transport activities of the Group encompassing medium-distance links (Trains d'Équilibre du Territoire (balancing of regional train service – Intercités)), rail transport regulated services (TER, Transilien, etc.) and additional services relating to passenger transport (Itiremia, Ritmx).
    - Voyages SNCF: door-to-door passenger transport services in France and Europe (TGV, Eurostar, Thalys, Lyria, IDBus (which became OUIBUS), IDVroom, etc.) and distribution of travel-related products.
    - Gares & Connexions: dedicated to the development and operation of all stations and the non-discriminatory welcome of all operators.
- Keolis in charge of mass transit in fifteen countries worldwide. Its expertise covers all modes of transportation (train, bus, car, metro, tramway, ferries, bicycles), and the management of interconnection points (stations, airports) and parking.
- SNCF Logistics covering a full range of transport and freight logistics businesses. These activities are differentiated between the logistics activity of Geodis, STVA freight forwarding, rail freight fleet management and freight rail transport.

These segments rely on common support functions (Corporate), which combine the holding company activities of SNCF Participations, the service provider activities of SNCF Mobilités Group (traction, real estate functions and other transversal services) and certain operating subsidiaries.

The main balance sheet and income statement indicators monitored by management for each segment are as follows:

- External revenue, after elimination of all transactions with the Group's other segments.
- Gross profit.
- Net investments comprising cash flows relating to concession financial assets and acquisitions of intangible assets and property, plant and equipment (less investment grants), plus new finance-leased assets.
- The net debt/gross profit ratio, corresponding to the net indebtedness (see definition of the aggregate in Note 12) attributable to each segment, divided by its gross profit. This ratio is calculated and monitored by management, excluding Fret SNCF for SNCF Logistics.

As a result, the presentation of segment reporting was reviewed in accordance with IFRS 8 "Operating segments", and comparative financial data was restated accordingly.

The accounting methods adopted for the preparation of financial data for each segment are those used for the preparation of the consolidated financial statements. The internal revenue presented below is made up of transactions between segments, eliminated in an "Inter-segment" column for purposes of reconciliation with the Group consolidated financial statements.

SNCF Infra, in charge of delegated infrastructure management activities for SNCF Réseau and engineering and fully impacted by the law of 4 August 2014 on rail reform, will exit SNCF Mobilités Group in the second half of 2015 (see Note 2), and no longer contribute to the consolidated income statement and balance sheet. As this division meets the definition of a "discontinued operation" in accordance with the terms adopted by IFRS 5, its corresponding financial data, as detailed in Note 13, was reclassified to the following line items:

- "Net profit/(loss) from transferred operations" in the income statements for the half-years ended 30 June 2015 and 2014.
- "Assets classified as held for sale" and "Liabilities associated with assets classified as held for sale" in the statement of financial position as at 30 June 2015 (and 31 December 2014).

Revenue generated by SNCF Infra with the Group's other segments amounted to €151 million in the first half of 2015 (€141 million in the first half of 2014).

Segment reporting is as follows:

30/06/2015

In € millions	SNCF Transilien, Régions and Intercités	Voyages SNCF	Gares & Connexions	Keolis	SNCF Logistics	Corporate	Inter-segment	TOTAL
External revenue	4,002	3,109	148	2,490	4,389	121		14,260
Internal revenue	335	308	433	42	120	1,606	-2,844	
Revenue	**4,337**	**3,417**	**580**	**2,532**	**4,510**	**1,727**	**-2,844**	**14,260**
Gross profit	**270**	**265**	**103**	**125**	**246**	**112**		**1,121**
Net investments (2)	**-164**	**-224**	**-113**	**-120**	**-145**	**-145**		**-977**
Net debt/Gross profit (1)	**0.3**	**1.9**	**2.0**	**3.0**	**3.0**	**-2.7**		**2.9**

(1) Ratio calculated over 12 sliding months and excluding Fret SNCF for SNCF Logistics

(2) Including the net investments of SNCF Infra (€65 million in the first half of 2015)

30/06/2014

In € millions	SNCF Transilien, Régions and Intercités	Voyages SNCF	Gares & Connexions	Keolis	SNCF Logistics	Corporate	Inter-segment	TOTAL
External revenue	3,848	2,849	137	2,120	4,385	169		13,509
Internal revenue	312	332	430	44	115	1,546	-2,779	
Revenue	**4,160**	**3,181**	**567**	**2,164**	**4,501**	**1,715**	**-2,779**	**13,509**
Gross profit	**193**	**167**	**107**	**122**	**179**	**101**		**869**
Net investments (2)	**-305**	**-244**	**-98**	**-97**	**-107**	**-185**		**-1,097**
Net debt/Gross profit (1)	0.1	2.9	2.0	2.5	3.6	-4.5		2.9

(1) Ratio calculated over 12 sliding months and excluding Fret SNCF for SNCF Logistics

(2) Including the net investments of SNCF Infra (€65 million in the first half of 2014)

Revenue generated by SNCF Voyageurs, after elimination of transactions internal to this business, totalled €7,499 million for the half-year ended 30 June 2015 (€7,006 million for the half-year ended 30 June 2014), of which €7,259 million in external revenue (€6,834 million for the half-year ended 30 June 2014).

The Keolis Group has financing agreements under which certain financial ratios must be satisfied. These agreements had no material impact on the Group's liquidity risk as described in Note 25 to the annual consolidated financial statements. The financial ratios are determined according to the terms and conditions entered into between Keolis and its financial backers based on aggregates and standards that are different from the segment indicators published by the SNCF Mobilités Group.

5. PURCHASES AND EXTERNAL CHARGES

Purchases, sub-contracting and other external charges break down as follows:

In € millions	30/06/2015	30/06/2014	Change
Sub-contracting	-2,655	-2,609	-46
Infrastructure fees (1)	-1,981	-1,854	-127
Other purchases and external charges	-2,549	-2,520	-29
Purchases and external charges	-7,185	-6,983	-202

(1) Infrastructure fees invoiced mainly by SNCF Réseau and Eurotunnel

6. IMPAIRMENT LOSSES

The impacts on the income statement that mainly concern the Gares & Connexions CGU are as follows.

In € millions	30/06/2015	30/06/2014	Change
Intangible assets and property, plant and equipment	-474	142	-616
Goodwill	0	-3	3
Provision for liabilities and charges	0	-1	1
Impairment losses	-474	137	-611

The decisions and opinions issued by ARAF in the first half of 2015 (see Note 2), challenging the return on capital invested by Gares & Connexions that was used in the calculation of regulated service fees, had an impact on the CGU's gross profit and represent an indication of impairment.

Gares & Connexions has therefore begun to examine possible changes to its business and pricing model, based on open discussions with the various stakeholders (partners, organising authorities, supervisory authorities, regulation authorities, etc.). The discussions will continue in forthcoming months, with a view to submitting this new model to ARAF for validation.

In this context, Gares & Connexions drafted a strategic plan for the period 2016-2025 incorporating its target vision of the new pricing model. At this stage, the outcome of the current negotiations regarding this model and the resulting final economic terms and conditions remain uncertain.

An impairment test was also carried out on the Gares & Connexions CGU, which accounts for most of the Gares & Connexions segment (see Note 4). An impairment loss of €450 million was recorded as at 30 June 2015 under "Impairment losses" within operating profit in the consolidated income statement. In the aforementioned uncertain context, the financial trajectory assumption used to perform the impairment test may be affected, particularly in terms of revenue and operating profitability as well as the resulting level of investment. The outcome of the proceedings currently before the Appeal Court and the Conseil d'Etat may also have a future positive impact on the recoverable amount of the assets.

The assumptions submitted for arbitration to the French State, which are defining for the TGV France and Europe CGU (excluding Eurostar and Thalys), are inconsequential for the Gares & Connexions strategic and financial plan and therefore the impairment test for this CGU.

The net value of the assets tested and the main assumptions used to determine the recoverable amount were as follows:

	2015
Segment	Gares & Connexions
CGU	Gares & Connexions
Asset tested	€1,643 million
Base used for the recoverable amount	Value in use
Source used	5-year plan and projection to infinity of a normative year
Discount rate (minimum – maximum)	4.9% - 5.3%
Long-term growth rate	1.80%

The key assumptions used to carry out the tests mainly concerned:

- The gross profit rate reflecting, among others, the return on capital employed (ROCE).
- The level of future investments.

This resulted in a predominant terminal value, which was calculated by extrapolating the gross profit rate and investment amount for 2019. The depreciation adopted for the normative year reflects the depreciation curve trend for the period 2019-2025.

The sensitivity tests carried out on:

- investments revealed that a €20 million increase or decrease in the amount forecast in a normative year would have an impact of ± €500 million on the recoverable amount.
- the activity's gross profit rate revealed that a 50 bp increase or decrease in this rate for a normative year would have an impact of ± €100 million on the recoverable amount.
- the discount rate revealed that a 50 bp increase or decrease in this rate would have an impact of around ± €200 million on the recoverable amount.
- the growth rate for a normative year revealed that a 20 bp increase or decrease in this rate over the entire period would have an impact of ± €75 million on the recoverable amount.

In the absence of goodwill and intangible assets with indefinite useful lives, the impairment loss mainly concerns property, plant and equipment and can therefore be reversed.

7. PROCEEDS FROM ASSET DISPOSALS

Asset disposals had the following impacts on profit or loss:

In € millions	30/06/2015	30/06/2014	Change
Disposal of intangible assets	0	0	0
Disposal of property, plant and equipment	101	106	-4
Disposal of financial assets	8	3	4
Total net proceeds from asset disposals	**109**	**109**	**0**

As at 30 June 2015, net proceeds from asset disposals remained unchanged period-on-period at €109 million.

Net proceeds from the disposal of property, plant and equipment primarily concerned the sales of various complexes and properties by EPIC SNCF Mobilités for €30 million, and by ICF-NOVEDIS for €19 million. In addition, a positive impact of €50 million was recognised with regard to the resolution of arbitration proceedings for the sale of high-voltage lines with RTE (see Note 15).

As at 30 June 2014, net proceeds from the disposal of property, plant and equipment essentially concerned the sale of various complexes and properties by EPIC SNCF Mobilités for €69 million, and by ICF-Novedis for €31 million.

8. NET BORROWING COSTS

Net borrowing costs break down as follows:

In € millions	30/06/2015	30/06/2014	Change
Net changes in fair value and hedges	4	-11	16
Net interest expense	-142	-138	-4
Other interest expense and income	0	4	-4
Net borrowing and other costs	**-138**	**-146**	**8**

In € millions	30/06/2015	30/06/2014	Change
Interest expense	-492	-254	-238
Interest income	354	108	246
Net borrowing and other costs	**-138**	**-146**	**8**

Net changes in fair value and hedges records gains and losses on financial instruments at fair value through profit or loss, the ineffective portion of hedges, and the change in fair value of borrowings using the fair value option.

9. INCOME TAX EXPENSE

The increase in the current tax expense was mainly due to the change in tax consolidation scope arising from the rail reform (see Note 2). As from 1 January 2015, a new tax group within the meaning of Article 223 A bis of the French General Tax Code was set up. EPIC SNCF Mobilités, the parent of the SNCF tax group until 31 December 2014, its consolidated subsidiaries and EPIC SNCF Réseau joined this new group, whose parent is EPIC SNCF as from 1 January 2015. Hence, subsidiary tax losses can no longer be offset against subsidiary tax profits within the SNCF Mobilités Group.

The strategic plan prepared by management and the assumptions adopted would give rise to a deferred tax asset impairment of €242 million as at 30 June 2015. However, no impairment was recognised, as the defining assumptions underlying the plan for the TGV France and Europe CGU (excluding Eurostar and Thalys) were not arbitrated, as mentioned in the Government Commissioner's letter dated 18 September 2015.

In € millions	30/06/2015	30/06/2014	Change
Current tax (expense)/income	-188	-72	-117
Deferred tax (expense)/income	14	14	1
TOTAL	-174	-58	-116

10. PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment during the first half of 2015 break down as follows:

In € millions	01/01/2015	Acquisitions / Charges	Disposals / Reversals	Changes in Group structure	Other changes	30/06/2015
Gross carrying amount						
Land	2,131	2	-9	5	81	2,209
Buildings	9,065	3	-84	31	-68	8,947
Industrial and technical plant	2,373	10	-55	1	-39	2,290
Transportation equipment	31,176	577	-240	1,084	-34	32,563
Rail equipment	*29,805*	*523*	*-176*	*991*	*-38*	*31,105*
Road equipment	*1,369*	*54*	*-62*	*93*	*4*	*1,458*
Maritime equipment	*2*	*0*	*-2*	*0*	*0*	*0*
Other property, plant and equipment	1,312	23	-39	14	-98	1,213
Property, plant and equipment in progress	768	336	-1	-2	-223	878
Total gross carrying amount	**46,825**	**950**	**-428**	**1,134**	**-381**	**48,100**
Depreciation/impairment						
Land	-308	-22	2	0	3	-326
Buildings	-5,062	-189	67	-1	204	-4,981
Industrial and technical plant	-1,282	-103	53	0	119	-1,213
Transportation equipment	-20,492	-559	233	-32	63	-20,787
Rail equipment	*-19,598*	*-503*	*187*	*0*	*62*	*-19,853*
Road equipment	*-894*	*-56*	*47*	*-32*	*1*	*-934*
Maritime equipment	*0*	*0*	*0*	*0*	*0*	*0*
Other property, plant and equipment	-903	-395	34	-9	82	-1,191
Property, plant and equipment in progress	-7	-106	1	5	1	-106
Total depreciation/impairment	**-28,053**	**-1,374**	**389**	**-38**	**472**	**-28,604**
Total net carrying amount	**18,772**	**-424**	**-38**	**1,096**	**91**	**19,496**
Investment grants	4,454	299	-187	0	2	4,568
Total net carrying amount net of grants	**14,317**	**-723**	**149**	**1,096**	**89**	**14,928**

Capital expenditure flows break down as follows:

In € millions	30/06/2015	30/06/2014
Intangible assets	-78	-65
Property, plant and equipment	-950	-939
Total acquisitions	**-1,029**	**-1,004**
incl. finance-leased assets	*-15*	*-3*
Acquisitions excluding finance leasing	**-1,014**	**-1,001**
Capital expenditure flows	-122	-83
Intangible assets and PP&E capital expenditure flows	**-1,136**	**-1,084**

Capital expenditure for the first half of 2015 primarily comprised:

- acquisitions and upgrades to stations and buildings totalling €279 million (including the creation of the Tangentielle Légère Nord (TLN) line, track renewals, implementation of the TGV master development plan (development of garage and maintenance capacities), creation or adaptation of maintenance workshops for Régiolis trains, upgrade to the Versailles station, upgrades to the multimodal exchange hubs of Grenoble and Rennes and replacement of track-to-train radio communication systems with GSMR technology)
- acquisition and renovation of rail and road equipment totalling €577 million (of which acquisition of TGV Duplex and Euroduplex trains, wagons, transcontainers, rail freight locomotives and containers, renovation of TGVs, electrical railcars and passenger trains).

Asset-financing grants received totalled €299 million, including €231 million for rail equipment and €68 million for fixed installations.

The impairment losses recognised during the period (see Note 6) are included in the "Acquisitions/Charges" column.

The impacts in the "Changes in Group structure" column were mainly attributable to the acquisitions of control of Eurostar and Thalys (see Note 3).

11. PROVISIONS

Movements in provisions for liabilities and charges break down as follows:

In € millions	01/01/2015	Charges	Reversals (used)	Reversals (not used)	Other changes	30/06/2015	of which current	of which non-current
Tax, employee and customs risks	88	50	-1	-1	-13	123	13	110
Environmental risks	613	8	-12	-16	0	594	34	560
Litigation and contractual disputes	340	25	-40	-56	10	278	72	206
Restructuring costs	36	5	-13	-4	3	28	26	1
Other	225	33	-23	-11	-2	223	88	135
Total provisions	**1,302**	**120**	**-88**	**-88**	**-2**	**1,245**	**233**	**1,012**

Charges and reversals are presented before the impact of the reclassification of the SNCF Infra division pursuant to IFRS 5 in connection with the rail reform (see Notes 2 and 13). They include charges of €19 million and reversals of €12 million, of which €2 million were used, relating to this division. The impacts of the period-end reclassification of the division's remaining provisions to "Liabilities associated with assets classified as held for sale" are presented in the "Other changes" column (see Note 13). They represent a €21 million decrease in provisions.

The impact of the passage of time (reverse discounting) gave rise to a €6 million increase in provisions in 2015, including €5 million recognised through financial profit from continuing operations.

In 2015, the change in the discount rate gave rise to a €19 million increase in provisions recognised through "Net movement in provisions" under current operating profit. It mainly involved provisions for asbestos-related costs.

11.1. PROVISIONS FOR TAX, EMPLOYEE-RELATED AND CUSTOMS RISKS

The changes recognised in regard to provisions for tax, employee-related and customs risks stem in part from the decision handed down by the Paris Industrial Tribunal in connection with a litigation opposing SNCF Mobilités and employees of Moroccan nationality or origin (see Note 15).

11.2. PROVISIONS FOR ENVIRONMENTAL RISKS

As at 30 June 2015, the environmental risks covered by provisions mainly involved:

- site decontamination: €71 million (€73 million in 2014), of which €25 million (€27 million in 2014) regarding the SNCF Infra division was reclassified to "Liabilities associated with assets classified as held for sale" (see Note 2),
- asbestos-related costs: €549 million (€567 million in 2014).

The changes were immaterial during the period.

11.3. PROVISIONS FOR LITIGATION AND CONTRACTUAL DISPUTES

Unused reversals were mainly due to the elimination of risks relating to current disputes or valuation adjustments. In particular, an unused reversal of €25 million was recorded for a litigation settled on 3 April 2015 (see Note 15).

Charges included an amount of €10 million for continuing operations with respect to onerous contracts.

11.4. RESTRUCTURING COSTS

Reversals relating to restructuring costs were due to the implementation over the period of plans announced and provided for in previous periods.

12. NET INDEBTEDNESS

This section describes categories and classes of financial assets and liabilities as well as the methods used for their fair value measurement and the calculation of net indebtedness (excluding pension assets which are covered in IAS 19 "Employee Benefits"). To calculate net indebtedness, the Group includes transactions which, in substance, only involve exchanges of cash flow: issue or receipt of cash in consideration for a cash reimbursement or expected cash reimbursement. Non-controlling interest purchase commitments are therefore excluded from the net indebtedness calculation as they do not involve an exchange of cash flow. These are considered equity transactions. Keeping in line with the exclusion of equity from net indebtedness, the financial liabilities arising from these transactions are also excluded. Non-consolidated investments, classified as available-for-sale assets, are also excluded from the calculation. In the following tables, the items excluded from the net indebtedness calculation do not appear in the "Net indebtedness" column or in the "Group net indebtedness" sub-total.

Financial assets or liabilities maturing in less than 12 months at the balance sheet date are recorded in current financial assets or current financial liabilities.

The fair value of asset or liability derivative instruments is classified as current or non-current based on the final maturity of the derivative.

The loans, borrowings and fair value of derivative instrument line items include accrued interest.

The debt portion issued by the Group to finance the business of the SNCF Infra division was allocated on a management basis in connection with the allocation of Group resources to its various activities. The allocation is similar to the raising of internal loans. The reclassification of the assets and liabilities of the SNCF Infra division to dedicated line items pursuant to IFRS 5, and for which the net indebtedness amounted to €98 million as at 30 June 2015 (€280 million as at 31 December 2014), did not therefore have any impact on period-end Group net indebtedness. This amount reflects the Group's net indebtedness vis-a-vis external third parties. Once the rail reform has come into effect and the control of SNCF Infra transferred to SNCF Réseau, the Group's net internal loans to the division will be reimbursed in cash by the acquirer immediately and/or following the conclusion of an external financing agreement. The transfer will therefore increase SNCF Mobilités Group's cash flow and/or "Other loans and receivables" within non-current financial assets. In any case, the transfer will reduce the SNCF Mobilités Group net indebtedness by the same amount as the SNCF Infra division's debt with the Group on the transfer date. In anticipation of these transfers as at 1 July 2015, the Group's considers that, as from 31 December 2014, it is more appropriate to disclose information on net indebtedness of continuing operations adjusted for the net indebtedness of the SNCF Infra division which amounted to €7,555 million as at 30 June 2015 (€7,125 million as at 31 December 2014).

Changes in fair value of derivatives mainly stem from foreign exchange and interest rate market fluctuations.

30/06/2015					Financial instruments				TOTAL
Balance sheet heading and instrument category *In € millions*	**Note**	**Non-Current**	**Current**	**Net indebtedness**	At fair value through equity	Loans, receivables, debt at amortised cost	At fair value through profit or loss	Qualified for hedging	Category balance sheet net carrying amount
SNCF Réseau receivable		681	624	1,306		1,306			1,306
Public Debt Fund receivable		1,520	73	1,593		1,593			1,593
Cash collateral assets			583	583		583			583
Other loans and receivables		523	54	577		577			577
Concession financial assets		1,217	43			1,259			1,259
Sub-total loans and receivables		**3,941**	**1,377**	**4,058**	**0**	**5,317**	**0**	**0**	**5,317**
Pension assets		9							
Available-for-sale assets		260	0		260				260
Assets at fair value through profit or loss		0	0	0			0		0
Positive fair value of hedging derivatives		782	27	809				809	809
Positive fair value of trading derivatives		882	48	930			930		930
Cash and cash equivalents			4,538	4,538			4,538		4,538
Total current and non-current financial assets		**5,873**	**5,990**	**10,335**	**260**	**5,317**	**5,468**	**809**	**11,854**
Bonds		10,254	1,199	11,453		11,037	416		11,453
Bank borrowings		1,515	618	2,133		2,133			2,133
Finance-lease borrowings		998	111	1,108		1,108			1,108
Sub-total borrowings		**12,767**	**1,928**	**14,694**	**0**	**14,278**	**416**	**0**	**14,694**
of which:									
- measured at amortised cost		*11,622*	*1,690*	*13,313*		*13,313*			*13,313*
- recognised using fair value hedge accounting		*957*	*8*	*966*		*966*			*966*
- designated at fair value		*187*	*229*	*416*			*416*		*416*
Negative fair value of hedging derivatives		560	34	593				593	593
Negative fair value of trading derivatives		655	66	721			721		721
Loans and borrowings		**13,982**	**2,027**	**16,008**	**0**	**14,278**	**1,137**	**593**	**16,008**
Cash borrowings and overdrafts		3	1,976	1,979		1,979			1,979
Amounts payable on non-controlling interest purchase commitments	3	1,275	0		1,275				**1,275**
Total current and non-current liabilities		**15,259**	**4,003**	**17,987**	**1,275**	**16,257**	**1,137**	**593**	**19,262**
Group net indebtedness		**9,597**	**-1,945**	**7,653**	**0**	**12,199**	**-4,331**	**-216**	**7,653**

31/12/2014

Balance sheet heading and instrument category *In € millions*	**Non-Current**	**Current**	**Net indebtedness**	Financial instruments				TOTAL
				At fair value through equity	Loans, receivables, debt at amortised cost	Assets at fair value through profit or loss	Qualified for hedging	Category balance sheet net carrying amount
SNCF Réseau receivable	823	406	1,229		1,229			1,229
Public Debt Fund receivable	1,525	153	1,678		1,678			1,678
Cash collateral assets		738	738		738			738
Other loans and receivables	516	54	570		570			570
Concession financial assets	1,156	43			1,199			1,199
Sub-total loans and receivables	**4,020**	**1,394**	**4,215**		**5,414**			**5,414**
Pension assets	9							0
Available-for-sale assets	268	0		268				268
Assets at fair value through profit or loss	0	0	0			0		0
Positive fair value of hedging derivatives	501	58	560				560	560
Positive fair value of trading derivatives	1,024	159	1,183			1,183		1,183
Cash and cash equivalents		5,408	5,408			5,408		5,408
Total current and non-current financial assets	**5,822**	**7,020**	**11,366**	**268**	**5,414**	**6,591**	**560**	**12,832**
Bonds	10,007	1,521	11,528		11,126	402		11,528
Bank borrowings	1,452	364	1,816		1,816			1,816
Finance lease obligations	1,004	149	1,153		1,153			1,153
Sub-total borrowings	**12,463**	**2,034**	**14,497**	**0**	**14,095**	**402**	**0**	**14,497**
of which:								
- measured at amortised cost	*11,235*	*1,657*	*12,892*		*12,892*			*12,892*
- recognised using fair value hedge accounting	*1,040*	*163*	*1,202*		*1,202*			*1,202*
- designated at fair value	*187*	*214*	*402*			*402*		*402*
Negative fair value of hedging derivatives	534	45	579				579	*579*
Negative fair value of trading derivatives	800	141	941			941		*941*
Loans and borrowings	**13,797**	**2,220**	**16,017**	**0**	**14,094**	**1,343**	**579**	**16,016**
Cash borrowings and overdrafts	3	2,752	2,754		2,754			2,754
Amounts payable on non-controlling interest purchase commitments	14	0		14				14
Total current and non-current liabilities	**13,813**	**4,972**	**18,771**	**14**	**16,848**	**1,343**	**579**	**18,784**
Group net indebtedness	**9,410**	**-2,005**	**7,405**	**0**	**12,633**	**-5,249**	**20**	**7,404**

13. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

In € millions	30/06/2015	31/12/2014
Assets classified as held for sale	3,278	4,086
Liabilities associated with assets classified as held for sale	2,504	3,094
Net impact on the balance sheet	775	992

13.1. SNCF INFRA DIVISION

Following the enactment of the Law 2014-872 on 4 August 2014, the SNCF Infra division, which is to be transferred in connection with the rail reform (see Note 2), was treated as a "discontinued operation", in accordance with the terms defined by IFRS 5. By convention, the first-half results of the Infrastructure division still within SNCF Mobilités as at 30 June 2015 are to be retroceded to SNCF Réseau. After taking into account the impact of this retrocession and the adoption of IFRIC 21 as at 30 June 2014, the division's results were as follows:

In € millions	30/06/2015	30/06/2014
Revenue	2,786	2,593
Purchases and external charges	-966	-871
Employee benefits expense	-1,720	-1,632
Taxes and duties other than income tax	-81	-80
Other operating income and expenses	45	44
Depreciation and amortisation	-54	-52
Net movement in provisions	-5	-3
Total net proceeds from asset disposals	1	1
Impairment losses	0	0
Operating profit	**4**	**0**
Share of net profit of companies consolidated under the equity method	0	0
Operating profit after share of net profit of companies consolidated under the equity method	**4**	**0**
Finance costs	**-2**	**-9**
Profit/(loss) from transferred operations before tax (1)	**3**	**-9**
Income tax expense	-1	0
Net profit/(loss) from transferred operations (1)	**2**	**-9**
Net profit/(loss) for the period	**2**	**-9**

(1) The standard wording for this line item, "Net profit/(loss) from discontinued operations", has been modified since it only includes the net profit of operations transferred in connection with the rail reform.

Following the issue of a tax ruling, the deferred tax liability of €3 million recognised in the second half of 2014 at Corporate level was cancelled, as the reversal of the difference underlying this deferred tax was deferred by said ruling. This cancellation gave rise to a gain of the same amount in "Net profit/(loss) from transferred operations."

No material amounts were presented for this division in other comprehensive income.

The division's main asset and liability categories classified as held for sale as at 30 June 2015 were as follows:

In € millions	30/06/2015	31/12/2014
Intangible assets and property, plant and equipment	785	780
Investments in companies consolidated under the equity method	113	113
Deferred tax assets	69	109
Inventories and work-in-progress	491	437
Operating receivables	1,229	2,074
Financial assets	0	0
Cash and cash equivalents	0	0
Assets classified as held for sale	**2,687**	**3,514**

In € millions	30/06/2015	31/12/2014
Employee benefits	848	873
Provisions	120	114
Financial liabilities	0	0
Operating payables	1,479	2,028
Liabilities associated with assets classified as held for sale	**2,448**	**3,016**

The net cash flows of the transferred activity over the period were as follows:

In € millions	30/06/2015	30/06/2014
Net cash from operating activities	300	165
Net cash used in investing activities	-51	-66
Net cash from/used in financing activities	-229	24
Net increase in cash and cash equivalents	**19**	**124**

Even if, as disclosed in Note 12, the SNCF Infra division's cash, representing its net indebtedness, is strictly within the Group, its transactions with external third parties generate cash flows that are outside the Group.

13.2. OTHER GROUPS OF ASSETS CLASSIFIED AS HELD FOR SALE

The application decrees of the Law of 4 August 2014, enacted on 10 February 2015, provide for the transfer to the new SNCF (parent EPIC) of other asset and liability groups within Corporate. As these assets and liabilities do not meet the definition of a "discontinued operation" within the meaning of IFRS 5, they were classified as held for sale in the statement of financial position only. The main asset and liability categories as at 30 June 2015 were as follows:

In € millions	30/06/2015	31/12/2014
Intangible assets and property, plant and equipment	1	2
Investments in companies consolidated under the equity method	0	0
Deferred tax assets	0	0
Inventories and work-in-progress	10	0
Operating receivables	48	46
Financial assets	3	2
Cash and cash equivalents	2	0
Assets classified as held for sale	**64**	**51**

In € millions	30/06/2015	31/12/2014
Employee benefits	0	0
Provisions	1	1
Financial liabilities	4	3
Operating payables	50	68
Liabilities associated with assets classified as held for sale	**55**	**72**

13.3. OTHER NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

Finally, the application decrees provide for the transfer to the new SNCF and SNCF Réseau of separate non-current assets, i.e. property, plant and equipment for €420 million (€461 million as at 31 December 2014) and intangible assets for €107 million (€58 million as at 31 December 2014).

14. OFF-BALANCE SHEET COMMITMENTS

The main changes in commitments given over the half-year were as follows:

- Commitments for the purchase of assets other than rail equipment declined by €170 million, of which €111 million regarding station project development.
- Purchase commitments with rail equipment suppliers increased by €107 million. The rise in these commitments was attributable for €672 million to the acquisition of control of Eurostar and involved the ongoing acquisition of new trains. Conversely, EPIC Mobilités' purchase commitments decreased by €551 million, primarily due to the investments during the period (€290 million for new Regio2N and Regiolis trains for regional passenger transport and €223 million for TGV Euroduplex and TGV2N2 trains).
- The acquisition of control of Eurostar also led to a €200 million increase in collateral with regard to guarantees given to banks for the ongoing purchase of trains and a €96 million increase in commitments given for property operating leases.
- The switch from equity accounting to full consolidation of Eurostar reduced the commitment given on securities by €635 million. The put option granted by the Group to non-controlling interests (minority interests) in the entity is now recognised in non-current financial liabilities in accordance with IAS 32 "Financial Instruments: Presentation" (see Note 3) and is no longer an off-balance sheet commitment.
- Firm commodity purchase commitments decreased by €95 million, of which €37 million for electricity consumption in the first half of 2015 and €20 million for a medium-term electricity hedging agreement expiring at the end of 2016 that has not been renewed to date.
- In addition, off-balance sheet commitments given of €74 million and €1,748 million as at 30 June 2015 are to be transferred as at 1 July 2015 to SNCF Réseau and the new SNCF, respectively, in connection with the transfers provided for by the rail reform law and its application decrees (see Note 2).

The main changes in commitments received over the half-year were as follows:

- Unused confirmed credit lines declined by €200 million. This decrease was attributable to the expiry of four credit lines for EPIC Mobilités (€450 million), offset by the new commitments arising from the acquisition of control of Eurostar for €162 million and the rise in the undrawn line of the Keolis syndicated credit facility for €86 million.
- Investment financing commitments receivable for Régions regarding the use of rail equipment decreased by €224 million. The decrease was primarily due to the collection of funds by the Organising Authorities in line with the realisation of agreed-upon investments.
- Financial guarantees received from third parties decreased by €132 million and comprised bank guarantees received from rail equipment suppliers. The decrease was in correlation with the investments carried out during the period.
- Property operating leases decreased by €103 million mainly due to the decline in the reference index used to calculate lease payments and the aging of lease offerings at stations.
- Furthermore, off-balance sheet commitments received of €41 million and €91 million as at 30 June 2015 are to be transferred as at 1 July 2015 to SNCF Réseau and the new SNCF, respectively, in connection with the transfers provided for by the rail reform law and its application decrees (see Note 2).

15. LITIGATION

The Group is involved in a number of legal proceedings and disputes in the course of its operating activities, which are unresolved at the period-end. Provisions are recorded to cover the charges associated with these disputes when they are considered probable and can be quantified or estimated with reasonable accuracy.

15.1. RESOLVED LITIGATION

15.1.1. Resolution of a claim for compensation filed against SNCF

A litigation involving an opposing claim for compensation filed against SNCF (which became SNCF Mobilités on 1 January 2015) ended on 3 April 2015. The purpose of the litigation was to order SNCF to pay damages for the allegedly unauthorised termination of several caretaking contracts in July 2009. The decision to terminate the contracts on grounds of fraud was made by SNCF following repeated infringements by the contractor with regard to subcontracting and failure to comply with a notice to perform. The presiding judge at the Paris Trade Court welcomed the conclusions filed by the SNCF for the purposes of striking out the proceedings and dismissed the case filed by the plaintiff due to lack of evidence. The unused provision set aside for this file amounting to €25 million was reversed under "Net movement in provisions" in the consolidated income statement.

15.1.2. Sale of high-voltage lines to RTE

The sale of high-voltage lines to RTE led to the recognition of an asset disposal gain of €80 million in 2010. The remaining disposal price has since depended on the resolution of arbitration proceedings between the two parties, which were settled on 10 September 2015. As a result, an additional disposal gain of €50 million was recorded in Net proceeds from asset disposals by SNCF Mobilités for the half-year ended 30 June 2015.

15.2. ONGOING LITIGATION

15.2.1. Investigation of the Competition Authority regarding Fret SNCF

An investigation was conducted by the Competition Authority regarding Fret SNCF. An initial notice was received on 28 July 2011 with a certain number of grievances that were all dismissed in Fret SNCF's response, mainly on the grounds that there was no breach of competition rules. In March 2012, the reporting judges transmitted a final report to the Competition Authority upholding the initial grievances. On 28 May 2012, SNCF, which became SNCF Mobilités on 1 January 2015 (see Note 2), legally challenged the unfounded nature of the grievances and the lack of breach of competition rules. The hearing before the Competition Authority took place on 7 September 2012 and the decision was rendered on 18 December 2012. Eight grievances out of the initial thirteen were dismissed, as the Authority considered that the stipulated practices were not substantiated. For four of the five grievances upheld, the SNCF was ordered to pay a fine of €61 million for having conducted several practices that hindered or delayed the entry of new operators into the rail freight transport market. This fine was expensed in 2012 under "Purchases and external charges" within gross profit. As for the last grievance, the Authority issued a judicial order regarding SNCF Fret's pricing policy and imposed that certain measures, particularly of an accounting and commercial nature, be implemented and in effect at the end of a three-year period in order to render such policy more objective.

In January 2013, the Group filed an appeal with the Competition Authority regarding all the notified grievances. The fine was paid in May 2013. A hearing before the Paris Appeal Court took place on 22 May 2014, during which the President set 30 October 2014 as the date for deliberation of the judgement. The Paris Appeal Court rendered its decision on 6 November 2014, judging that the grievance concerning predatory pricing was unsubstantiated and the order to pay was no longer justified. It also reduced the financial penalty that SNCF was ordered to pay to €48 million. SNCF obtained a reimbursement in the amount of €13 million.

ECR and the Competition Authority appealed on 4 and 9 December 2014, respectively. Their further pleadings were transmitted in early April 2015, while SNCF Mobilités' observations in reply were communicated on 2 June 2015. Additional observations should be filed in September on behalf of SNCF Mobilités.

15.2.2. Investigation of the Competition Authority regarding parcel delivery

The Competition Authority is currently investigating various parcel delivery players with regard to an alleged illicit agreement on prices for the period 2005/2010. A notice of grievances was officially received in early July 2014 and challenged by Geodis and SNCF. The Competition Authority issued a report on this challenge on 22 April 2015, according to which the latter largely dismissed the arguments presented by the various stakeholders. Geodis put forward its observations in reply, with the two months stipulated by the proceedings, and therefore produced a new report. The next stage is the Competition Authority's board hearing on 30 September 2015 following which conclusions will be rendered within eight weeks. Since the financial risk cannot be assessed, no provision was recognised as at 30 June 2015.

15.2.3. Disputes with ARAF

SNCF Mobilités is involved in legal proceedings with ARAF regarding a litigation with Syndicat des Transports d'Ile-de-France (see Note 2).

15.2.4. Ruling of the Paris Industrial Tribunal

The Paris Industrial Tribunal handed down its decisions on 21 September 2015 with respect to the appeals filed by railway employees of Moroccan nationality or origin who claimed unfair treatment regarding their careers and retirement. SNCF Mobilités has accounted for the consequences in its condensed half-year consolidated financial statements and will continue to analyse the impacts of these decisions in the coming weeks.

15.3. OTHER LEGAL PROCEEDINGS

Following the derailment on 12 July 2013 of Paris-Limoges intercity train no. 3657 in Brétigny-sur-Orge (Essonne) station, and after having filed the two expert reports requested by the investigating judges, RFF and SNCF, which became SNCF Réseau and SNCF Mobilités, respectively, on 1 January 2015 (see Note 2), were indicted for "involuntary manslaughter and unintentional injuries through carelessness, recklessness, inattention, negligence, or failure to observe an obligation of due care or precaution" and heard by the judges.

SNCF Réseau and SNCF Mobilités firmly challenged the expert reports, casting doubt on the seriousness of the metallurgical evaluation, and requested that additional work be carried out.

Since the accident, SNCF Mobilités has set up a dedicated team to assist the victims and their families. Under the aegis of the coordination authority designated by the Ministry of Transport, EPIC Mobilités immediately committed to a compensation programme for the human and material damages caused by the accident.

As a precautionary measure, on 8 October 2013, SNCF Mobilités and SNCF Réseau launched the Vigirail programme, designed to improve switching safety and upgrade track maintenance. This programme includes actions that meet the recommendations issued by the BEA-TT in its progress report of 10 January 2014. Following the conclusions of the final report made public by the BEA-TT on 18 September 2015, SNCF has pledged to implement three new recommendations.

16. SUBSEQUENT EVENTS

Other than the transfers carried out on 1 July 2015 pursuant to the rail system reform law and its application decrees, the resolution of the arbitration procedure with RTE in September 2015 and the decision handed down by the Paris Industrial Tribunal in connection with a litigation involving employees of Moroccan nationality or origin (see, respectively, Notes 2 and 15 to the condensed half-year consolidated financial statements), the main subsequent events are as follows.

16.1. INTERCITÉS CGU

The roadmap presented by the government on 7 July 2015 regarding a new future for the Trains d'Equilibre du Territoire (TET) stipulates that a new agreement between the State and SNCF Mobilités will be completed in the coming months for the 2016-2020 period. The consultation process underway will continue to develop the TET offering.

The initial discussions between SNCF Mobilités and the French State reveal that this new agreement will break-even over its duration. Accordingly, as the new agreement is not potentially loss-making, SNCF

Mobilités considers that it is not in a situation where it might have to record a provision for loss on completion or identify an indication of impairment for the Intercités CGU assets.

16.2. ACQUISITION OF OHL (OZBURN-HESSEY LOGISTICS) BY GEODIS

In August 2015, SNCF Logistics concluded an agreement through its wholly-owned subsidiary Geodis to acquire the American supply chain management solutions operator OHL (Ozburn-Hessey Logistics). Founded in 1951, OHL employs more than 8,000 transport and logistics professionals and operates more than 120 distribution centres in North America with more than 3.4 million squared meters of flexible storage space. It provides integrated global supply chain management services including transportation, warehousing, customs brokerage, freight forwarding (i.e. commissioning for transport organisation) and import and export consulting. With revenue of €1.2 billion, OHL is a perfect match for Geodis in terms of its geographical location and customer portfolio. The closing of this deal in US dollars, which was subject to a hedging transaction, will be effective after completion of the usual regulatory approvals.

16.3. HEDGING OF SWISS FRANC BORROWING PAYMENTS

At the end of August and in early September 2015, SNCF Mobilités conducted financial transactions in order to hedge against the foreign exchange risk on Swiss franc borrowing payments expected in October and November 2015 in the amount of CHF 68 million.

17. GROUP STRUCTURE

The substantial Group structure changes recorded in the first half of 2015 involve:

- The creation of the Thalys rail company which is fully consolidated with a 60% interest held (see Note 3).
- The change in consolidation method for EIL, from equity accounting to full consolidation, with the same 55% interest held (see Note 3).

SNCF Mobilités (formerly Société Nationale des Chemins de fer Français)

Statutory Auditors' review report on the 2015 interim financial information

(For the six months ended 30 June 2015)

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex

Ernst & Young Audit
1-2, place des Saisons
92400 Courbevoie - Paris- La Défense 1

Statutory Auditors' review report on the 2015 interim financial information

(For the six months ended 30 June 2015)

This is a free translation into English of the Statutory Auditors' review report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

SNCF Mobilités (formerly Société Nationale des Chemins de fer Français)
2, Place aux Etoiles
93633 La Plaine-Saint-Denis Cedex

In compliance with the assignment entrusted to us by the French Minister for the Economy, Industry and Digital Affairs on 18 April 2014 and in accordance with the requirements of Article L. 451-1-2 III of the French Monetary and Financial Code (*Code monétaire et financier*), we hereby report to you on:

- the review of the accompanying condensed interim consolidated financial statements of SNCF Mobilités for the six months ended 30 June 2015;
- the verification of the information contained in the interim management report.

These condensed interim consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I – Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France, with the exception of the item described in the following paragraph. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

In connection with the work to define the public rail group's new financial trajectory, a new strategic and financial plan has been drawn up by the management of SNCF Mobilités (Note 1.2.3 to the condensed interim consolidated financial statements). This new plan has enabled management to identify indicators of impairment on certain assets, the consequences of which are set out in Notes 2.3, 2.4, 6 and 9 to the condensed interim consolidated financial statements.
Notes 1.2.3, 2.3 and 9 to the condensed interim consolidated financial statements indicate that certain key assumptions of this plan are still under discussion between SNCF Mobilités and the French State with a view to drafting the public rail group's strategic framework agreement and SNCF Mobilités' performance agreement, as required by the French law of 4 August 2014. Within this framework, pending the French

State's decision and taking into account the significant sensitivity of the impairment test to these assumptions, no new impairment losses were recognised on the assets of the TGV France and Europe cash generating unit (with the exception of Eurostar and Thalys – Note 2.3) or on deferred tax assets (Note 9) in the six months ended 30 June 2015. Depending on the French State's decision regarding these key assumptions, the recoverable amount of these assets could differ significantly from the amount recognised at 30 June 2015. In light of this situation, we are unable to determine the value of the assets in question, which are recorded in the Company's statement of financial position for €4.8 billion.

Based on our review, and subject to the above qualification, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements have not been prepared, in all material respects, in accordance with IAS 34 – "Interim Financial Reporting", as adopted by the European Union.

Without qualifying our conclusion, we draw your attention to Notes 1.2.3, 2.4, 6 and 16.1 to the condensed interim consolidated financial statements which describe the context and the uncertainty as to certain economic and financial assumptions used by SNCF Mobilités to measure the recoverable amount of the assets of its Gares & Connexions and Intercités cash generating units. Given the uncertainty of these assumptions and the very high level of sensitivity of the impairment test to these assumptions, the valuation of these assets could vary significantly over time.

II - Specific verification

We have also verified the information given in the interim management report on the condensed interim consolidated financial statements subject to our review. With the exception of the possible impact of the matters set out in the first part of this report, we have no matters to report as to its fair presentation and its consistency with the condensed interim financial statements.

Neuilly-sur-Seine and Paris-La-Défense, 25 September 2015

The Statutory Auditors

PricewaterhouseCoopers Audit | Ernst & Young Audit

Laurent Daniel | Philippe Vincent | Christine Vitrac | Denis Thibon