

OFFERING CIRCULAR
Dated 17th July, 2002



SOCIETE NATIONALE DES CHEMINS DE FER FRANÇAIS

€7,000,000,000

Euro Medium Term Notes

Due from one day from the date of original issue

Under the Euro Medium Term Note Programme described in this Offering Circular (the "Programme"), Société Nationale des Chemins de fer Français (the "Issuer"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue outside the Republic of France Euro Medium Term Notes (the "Notes"). The aggregate nominal amount of Notes outstanding will not at any time exceed €7,000,000,000 (or its equivalent in other currencies) subject to increase as described herein.

This Offering Circular (the "Offering Circular") supersedes and replaces the Offering Circular dated 19th July, 2001. Any Notes issued under the Programme on or after the date of this Offering Circular are issued subject to the provisions described herein.

Notes will be issued in one or more series (each a "Series"). Each Series shall be in bearer form or in registered form and may be issued in one or more tranches (each a "Tranche") on different issue dates and on terms otherwise identical (except in relation to the interest commencement dates and matters related thereto).

Application has been made to list Notes issued under the Programme on the Luxembourg Stock Exchange (the "Luxembourg Stock Exchange") and application may be made in certain circumstances to list Notes on Euronext Paris S.A. ("Euronext Paris"). In relation to Notes listed on the Luxembourg Stock Exchange, this Offering Circular is valid for a period of one year from the date hereof. However, unlisted Notes may be issued pursuant to the Programme. The applicable Pricing Supplement (as defined below) in respect of the issue of any Notes will specify whether or not such Notes will be listed and, if so, the relevant stock exchange(s).

This Offering Circular has not been submitted to the clearance procedures of, nor registered by, the *Commission des Opérations de Bourse* (the "COB"), and no Notes may be listed on Euronext Paris unless and until a prospectus incorporating this Offering Circular (the "Document de Base") has been approved by the COB and a registration number granted with respect thereto.

Notes of each Tranche of each Series of Notes in bearer form will initially be represented by a temporary global note in bearer form (each a "Temporary Global Note") or a permanent global note in bearer form (each a "Permanent Global Note" and, collectively with any Temporary Global Note, the "Global Notes"), each without interest coupons. Global Notes may be deposited (a) in the case of a Tranche intended to be cleared through Euroclear and/or Clearstream Banking, société anonyme ("Clearstream, Luxembourg") on the issue date of the relevant Tranche of each Series with a common depositary on behalf of Euroclear Bank S.A./N.V., as operator of the Euroclear System ("Euroclear") and Clearstream, Luxembourg, (b) in the case of a Tranche intended to be cleared through Euroclear France and the *Intermédiaires financiers habilités*, authorised to maintain accounts therein (together, "Euroclear France"), on the issue date with Euroclear France, acting as central depositary, and (c) in the case of a Tranche intended to be cleared through a clearing system other than or in addition to Euroclear, Clearstream, Luxembourg or Euroclear France or delivered outside a clearing system, as agreed between the Issuer and the relevant Dealer. The provisions governing the exchange of interests in Global Notes for other Global Notes and definitive Notes are described in "Form of Notes and Transfer Restrictions".

Notes of each Tranche of each Series of Notes in registered form ("Registered Notes" comprising a "Registered Series") and which are sold in an "offshore transaction" within the meaning of Regulation S under the U.S. Securities Act of 1933 as amended (the "Securities Act") will initially be represented by one or more global certificates (each an "Unrestricted Global Certificate") in fully registered form without interest coupons which will be (a) in the case of a Tranche intended to be cleared through Euroclear and/or Clearstream, Luxembourg, deposited with, and registered in the name of a nominee of, a common depositary for Euroclear and Clearstream, Luxembourg and (b) in the case of a Tranche intended to be cleared through Euroclear France, deposited with, and registered in the name of, Euroclear France or as otherwise agreed with Euroclear France, which may in each case be exchangeable under their terms for definitive Registered Notes. Notes of each Tranche of each Registered Series sold to a qualified institutional buyer within the meaning of Rule 144A under the Securities Act, as referred to in, and subject to the transfer restrictions described in, "Form of Notes and Transfer Restrictions - Registered Notes" and "Subscription and Sale", will initially be represented by one or more global certificates (each a "Restricted Global Certificate" and, together with the Unrestricted Global Certificates, "Global Certificates") in fully registered form without interest coupons which will be deposited with a custodian for, and registered in the name of a nominee of, The Depository Trust Company ("DTC") on its issue date. See "Form of Notes and Transfer Restrictions - Registered Notes". Individual definitive Registered Notes will only be available in certain limited circumstances as described herein.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT TO QUALIFIED INSTITUTIONAL BUYERS PURSUANT TO RULE 144A UNDER THE SECURITIES ACT. FOR CERTAIN RESTRICTIONS ON TRANSFER OF THE NOTES, SEE "FORM OF NOTES AND TRANSFER RESTRICTIONS".

Arranger for the Programme

ABN AMRO

Dealers

ABN AMRO

**BNP PARIBAS
Deutsche Bank**

Dresdner Kleinwort Wasserstein

**Nomura International
Morgan Stanley
UBS Warburg**

The Issuer having made all reasonable enquiries confirms that this document contains or incorporates all information with respect to the Issuer, the Issuer and its consolidated subsidiaries taken as a whole (the "Group") and the Notes that is material in the context of the issue and offering of the Notes, the statements contained in it relating to the Issuer and the Group are in every material particular true and accurate and not misleading, the opinions and intentions expressed in this Offering Circular with regard to the Issuer and the Group are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and to the best of its knowledge and belief there are no other facts in relation to the Issuer, the Group or the Notes the omission of which would, in the context of the issue and offering of the Notes, make any statement in this Offering Circular misleading in any material respect and all reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements. The Issuer accepts responsibility accordingly.

No person has been authorised by the Issuer to give any information or to make any representation other than those contained in this Offering Circular in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers or the Arranger (as defined in "Summary of the Programme"). Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Notes shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Group since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer or the Group since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. The distribution of this Offering Circular and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, the Dealers and the Arrangers to inform themselves about and to observe any such restrictions. The Notes have not been and will not be registered under the Securities Act and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons. For a description of certain restrictions on offers and sales of Notes and on distribution of this Offering Circular, see "Subscription and Sale".

Prospective purchasers are hereby notified that a seller of the Notes may be relying on the exemption from the registration requirements of Section 5 of the Securities Act provided by Rule 144A thereunder ("Rule 144A").

This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Dealers to subscribe for, or purchase, any Notes.

Neither the Dealers nor the Arranger have independently verified the information contained in this Offering Circular. None of them makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Offering Circular. Neither this Offering Circular nor any document incorporated by reference nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arranger or the Dealers that any recipient of this Offering Circular or any other financial statements or any document incorporated by reference should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Offering Circular and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers or the Arranger undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.

In connection with the issue and distribution of any Tranche of Notes, one of the Dealers may act as a stabilising manager (the "Stabilising Manager"). The identity of the Stabilising Manager will be disclosed in the applicable Pricing Supplement. References in the next paragraph to "this issue" are to each Tranche in relation to which a Stabilisation Manager is appointed.

In connection with this issue, the Stabilising Manager, or any person acting for him, may over-allot or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail for a limited period after the issue date. However, there may be no obligation on the Stabilising Manager or any agent of his to do this. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period.

In this Offering Circular, unless otherwise specified or the context otherwise requires, references to "€", "EUR" and "euro" are to the lawful currency of the Member States of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union and as amended by the Treaty of Amsterdam. References to "U.S. dollars", "U.S.\$" and "\$" are to the lawful currency of the United States of America and to "Sterling" and "£" are to the lawful currency of the United Kingdom.

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THE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF NOTES OR THE ACCURACY OR THE ADEQUACY OF THIS OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

NOTICE TO NEW HAMPSHIRE RESIDENTS: NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENCE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA CHAPTER 421-B IS TRUE, COMPLETE AND NOT MISLEADING, NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT, ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

DOCUMENTS INCORPORATED BY REFERENCE

All amendments and supplements to this Offering Circular prepared by the Issuer from time to time, the most recently published audited annual accounts, and any interim accounts (whether audited or unaudited) published subsequently to such annual accounts, of the Issuer from time to time, shall be deemed to be incorporated in, and to form part of, this Offering Circular and shall be deemed to modify or supersede the contents of this Offering Circular to the extent that a statement contained in any such document is inconsistent with such contents. Copies of all the documents incorporated by reference shall be available to any interested person, free of charge, at the specified offices of each of the Paying Agents.

For Euronext Paris listing purposes, the most recently published annual accounts of the Issuer and the interim accounts (whether audited or unaudited) published subsequently to such annual accounts must be contained in a document submitted to the clearance procedures of the COB.

SUPPLEMENTAL OFFERING CIRCULAR

The Issuer has undertaken to the Dealers and the Luxembourg Stock Exchange that if at any time during the duration of the Programme there is a significant change affecting any matter contained in this Offering Circular whose inclusion would reasonably be required by investors and their professional advisers, and would reasonably be expected by them to be found in this Offering Circular, for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and the rights attaching to the Notes, the Issuer shall prepare an amendment or supplement to this Offering Circular or publish a replacement Offering Circular for use in connection with any offering of the Notes to be listed on the Luxembourg Stock Exchange or Euronext Paris, as the case may be, or otherwise and shall supply to each Dealer such number of copies of such supplement hereto as such Dealer may reasonably request.

AVAILABLE INFORMATION

For as long as any of the Notes remain outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer will, during any period in which it is not subject to Section 13 or 15(d) under the U.S. Securities Exchange Act of 1934 (the "Exchange Act") nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, make available, upon request, to any person in whose name a Global Certificate is registered, to any owner of a beneficial interest in a Global Certificate, to a prospective purchaser of a Registered Note (as defined below) or beneficial interest therein who is a qualified institutional buyer within the meaning of Rule 144A designated by any such person or beneficial owner, or to Deutsche Bank AG London as fiscal agent (the "Fiscal Agent") for delivery to any such person, beneficial owner or prospective purchaser, as the case may be, in connection with the resale of a beneficial interest in a Global Certificate by such person or beneficial owner, the information specified in Rule 144A(d)(4) under the Securities Act. In addition, the Issuer will furnish the Fiscal Agent, the Paying Agent and the Luxembourg Stock Exchange with copies of its audited annual accounts and unaudited semi-annual accounts, in each case prepared in accordance with accounting principles generally accepted in the Republic of France.

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

The Issuer is a corporation organised under the laws of the Republic of France. All of the officers and directors named herein reside outside the United States and all or a substantial portion of the assets of the Issuer and of such officers and directors are located outside the United States. As a result, it may not be possible for investors to effect service of process outside the Republic of France upon the Issuer or such persons, or to enforce judgments against them obtained in courts outside the Republic of France predicated upon civil liabilities of the Issuer or such directors and officers under laws other than French law, including any judgment predicated upon United States federal securities laws.

SUMMARY OF THE PROGRAMME

The following summary does not purport to be complete and is taken from, and is qualified in its entirety by the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Pricing Supplement. Words and expressions defined in the "Form of the Notes" and "Terms and Conditions of the Notes" shall have the same meaning in this summary.

Issuer:	Société Nationale des Chemins de fer Français
Description:	Euro Medium Term Note Programme (the "Programme")
Amount:	Up to €7,000,000,000 (or its equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time. The Issuer may increase the amount of the Programme in accordance with the terms of the Amended and Restated Dealer Agreement dated 17th July, 2002 between the Issuer, the Arranger and the Dealers.
Arranger:	ABN AMRO Bank N.V.
Dealers:	ABN AMRO Bank N.V., BNP PARIBAS, Deutsche Bank AG London, Dresdner Bank Aktiengesellschaft, Morgan Stanley & Co. International Limited, Nomura International plc, and UBS AG, acting through its business group UBS Warburg. The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Offering Circular to "Permanent Dealers" are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to "Dealers" are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.
Fiscal Agent and Principal Paying Agent:	Deutsche Bank AG London is the initial Fiscal Agent and Principal Paying Agent.
Paying Agent:	Deutsche Bank Luxembourg S.A.
Registrar:	Deutsche Bank Trust Company Americas
Transfer Agents:	Deutsche Bank AG London, Deutsche Bank Luxembourg S.A. and Deutsche Bank Trust Company Americas
Method of Issue:	The Notes will be issued in one or more Series having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in Tranches on the same or different issue dates with no minimum issue size. In addition, Notes listed on Euronext Paris will be issued in compliance with the <i>Principes Généraux</i> of the COB and the <i>Conseil des marchés</i> financiers published from time to time. Further Notes may be issued as part of an existing Series. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in a pricing supplement to this Offering Circular (a "Pricing Supplement").
Distribution:	The Notes may be distributed by way of private or public placement, in each case on a syndicated or non-syndicated basis.
Redenomination:	The applicable Pricing Supplement may provide that certain Notes may be redenominated in euro. The relevant provisions applicable to any

such redenomination are contained in "Terms and Conditions of the Notes – Form, Denomination, Title and Redenomination" below (see also "Consolidation" below).

Issue Price:

Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. Partly-paid Notes may be issued, the issue price of which will be payable in two or more instalments.

Form of Notes:

The Notes may be issued in bearer form ("Bearer Notes"), in bearer form exchangeable for Registered Notes ("Exchangeable Bearer Notes") or in registered form ("Registered Notes").

Each Tranche of Bearer Notes and Exchangeable Bearer Notes will initially be represented by interests in a Temporary Global Note in bearer form, without interest coupons, if (i) definitive Notes are to be made available to Noteholders following the expiry of 40 days after their issue date or (ii) such Notes have an initial maturity of more than one year and are being issued in compliance with the D Rules (as defined in "Summary of the Programme – Selling Restrictions"), otherwise such Tranche will be represented by interests in a Permanent Global Note in bearer form without interest coupons.

Registered Notes offered and sold outside the United States in reliance on Regulation S under the Securities Act ("Regulation S") will be represented by an Unrestricted Global Certificate, in registered form, without interest coupons attached, which will be deposited on or about the Issue Date (i) in the case of a Tranche intended to be cleared through Euroclear and/or Clearstream, Luxembourg, with Deutsche Bank AG London, as common depositary for, and registered in the name of BT Globenet Nominees Limited as nominee for such common depositary in respect of interests held through, Euroclear and Clearstream, Luxembourg and (ii) in the case of a Tranche intended to be cleared through Euroclear France, with, and registered in the name of, Euroclear France or as otherwise agreed with Euroclear France in respect of interests held through Approved Intermediaries (as defined below). A beneficial interest in the Unrestricted Global Certificate may at all times be held only through Euroclear and Clearstream, Luxembourg or Euroclear France, as the case may be.

Registered Notes offered and sold in reliance on Rule 144A will be represented by a Restricted Global Certificate, in registered form, without interest coupons attached, which will be deposited on or about the Issue Date with Deutsche Bank Trust Company Americas, as custodian for, and registered in the name of Cede & Co. as nominee for, DTC. The Restricted Global Certificate (and any definitive Registered Notes issued in exchange therefor) will be subject to certain restrictions on transfer contained in a legend appearing on the face of such Certificate.

Clearing Systems:

Clearstream, Luxembourg, Euroclear and Euroclear France for Bearer Notes and Clearstream, Luxembourg, Euroclear, Euroclear France and DTC for Registered Notes. Application will be made for trading of Registered Notes in Portal, as specified in the applicable Pricing Supplement. In relation to any Tranche, Notes may be cleared through such other clearing system or systems as may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer.

Currencies:

Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer and the relevant Dealers.

Issues of Notes denominated in Swiss francs or carrying a Swiss franc related element with a maturity of more than one year (other than Notes privately placed with a single investor with no publicity) will be

effected in compliance with the relevant regulations of the Swiss National Bank based on article 7 of the Federal Law on Banks and Savings Banks of 8th November, 1934 (as amended) and article 15 of the Federal Law on Stock Exchanges and Securities Trading of 24th March, 1995 in connection with article 2, paragraph 2 of the Ordinance of the Federal Banking Corporation on Stock Exchanges and Securities Trading of 2nd December, 1996. Under the said regulations, the relevant Dealer or, in the case of a syndicated issue the lead manager (the "Swiss Dealer"), must be a bank domiciled in Switzerland (which includes branches or subsidiaries of a foreign bank located in Switzerland or a securities dealer only licensed by the Swiss-Federal Banking Commission as per the Federal Law on Stock Exchanges, and Securities Trading of 24th March, 1995). The Swiss Dealer must report certain details of the relevant transaction to the Swiss National Bank no later than the relevant issue date for such a transaction.

Notes with a maturity of less than one year:

Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in the Section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent (see "Subscription and Sale").

Maturities:

Subject to compliance with all relevant laws, regulations and directives, any maturity greater than one day.

Denomination:

Notes will be in such denominations as may be agreed by the Issuer and the relevant Dealer(s) and specified in the applicable Pricing Supplement, subject to applicable laws and regulations. However, unless permitted by then current laws, regulations and directives, Registered Notes resold pursuant to Rule 144A shall be in denominations of U.S.\$500,000 (or its equivalent rounded upwards as agreed between the Issuer and the relevant Dealer(s)) and higher integral multiples of U.S.\$1,000 (or its equivalent rounded as aforesaid).

Fixed Rate Notes:

Fixed interest will be payable in arrear on the date or dates in each year specified in the applicable Pricing Supplement.

Floating Rate Notes:

Floating Rate Notes will bear interest determined separately for each Series as follows:

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2000 ISDA Definitions published by the International Swaps and Derivatives Association Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series; or
- (ii) by reference to LIBOR, LIBID, LIMEAN or EURIBOR (or such other benchmark as may be specified in the applicable Pricing Supplement) as adjusted for any applicable margin; or
- (iii) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or
- (iv) on such other basis as may be agreed between the Issuer and the relevant Dealer.

The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.

Interest periods will be defined in the applicable Pricing Supplement.

Zero Coupon Notes:	Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest.
Dual Currency Notes:	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange as may be specified in the applicable Pricing Supplement.
Index Linked Notes:	Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or such formula as may be specified in the applicable Pricing Supplement.
Variable Coupon Amount Notes:	The Pricing Supplement issued in respect of each issue of variable coupon amount Notes will specify the basis for calculating the amounts of interest payable, which may be by reference to a stock index or formula or as otherwise provided in the applicable Pricing Supplement.
Interest Periods and Interest Rates:	The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the applicable Pricing Supplement.
Redemption:	<p>The applicable Pricing Supplement will specify the basis for calculating the redemption amounts payable.</p> <p>Notes having a maturity of less than one year from the date of issue may be subject to restrictions on their denomination and distribution, see "Certain Restrictions – Notes with a maturity of less than one year" above.</p>
Redemption by Instalments:	The Pricing Supplement issued in respect of each issue of Notes that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed, see "Certain Restrictions – Notes with a maturity of less than one year" above.
Other Notes:	Terms applicable to high interest Notes, low interest Notes, step-up Notes, step-down Notes, dual currency Notes, reverse dual currency Notes, optional dual currency Notes, partly-paid Notes and any other type of Note that the Issuer, and any Dealer or Dealers may agree to issue under the Programme will be set out in the applicable Pricing Supplement.
Optional Redemption:	The Pricing Supplement issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the holders, and if so the terms applicable to such redemption.
Early Redemption:	Except as provided in "Optional Redemption" above, Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons. See "Terms and Conditions of the Notes – Redemption Purchase and Options".
Status of Notes:	Subject to "Terms and Conditions of the Notes – Negative Pledge", the Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank and will rank <i>pari passu</i> without any preference among themselves, all as described in "Terms and Conditions of the Notes – Status".
Negative Pledge:	There will be a negative pledge as set out in Condition 4 – see "Terms and Conditions of the Notes – Negative Pledge".

Cross Default:	There will be a cross default as set out in Condition 10(iii) – see “Terms and Conditions of the Notes – Events of Default”.
Rating:	The Issuer’s long term debt has been rated AAA by Standard & Poor’s, Aa1 by Moody’s Deutschland GmbH and AAA by Fitch Ratings Ltd. and its short term debt has been rated A1+ by Standard & Poor’s, Prime-1 by Moody’s Deutschland GmbH and F1+ by Fitch Ratings Ltd.
Withholding Tax:	<p>Subject as set out below and unless otherwise provided in the applicable Pricing Supplement, payments in respect of the Notes will be made without withholding or deduction for, or on account of, taxes imposed by or on behalf of the Republic of France as provided by article 131 quater of the French General Tax Code, to the extent that the Notes are issued (or deemed to be issued) outside France.</p> <p>Notes constituting <i>obligations</i> under French law will be issued (or deemed to be issued) outside France (i) in the case of Notes denominated in euro, as provided in the Circular of the <i>Direction Générale des Impôts</i> dated 30th September, 1998, (ii) in the case of syndicated issues of Notes denominated in currencies other than euro, if, <i>inter alia</i>, the Issuer and the relevant Dealers agree not to offer the Notes to the public in the Republic of France and such Notes are offered in the Republic of France only to “qualified investors” as described in articles L.411-1 and L.411-2 of the <i>Code Monétaire et Financier</i> or (iii) in the case of non-syndicated issues of Notes denominated in currencies other than euro if each of the subscribers of the Notes is domiciled or resident for tax purposes outside the Republic of France.</p> <p>The tax regime applicable to Notes which do not constitute <i>obligations</i> will be set out in the applicable Pricing Supplement.</p>
Consolidation:	Notes of one Series may be consolidated with those of another Series, all as described in “Terms and Conditions of the Notes – Further Issues and Consolidation”.
Governing Law:	The Notes will be governed by, and construed in accordance with, English law.
Listing:	<p>The Luxembourg Stock Exchange or as otherwise specified in the applicable Pricing Supplement. As specified in the applicable Pricing Supplement, a Series of Notes need not be listed on any stock exchange. Any listing of Notes on Euronext Paris will be subject to the requirements of the COB and Euronext Paris. It is a requirement of the COB that a prospectus in relation to the Programme incorporating this Offering Circular (<i>Document de Base</i>) be submitted to, and approved by, the COB and a registration number granted with respect thereto. As of the date of this Offering Circular, neither this Offering Circular nor any <i>Document de Base</i> has been approved by the COB. Application may be made to have one or more Series of Notes accepted for trading in The Portal Market (“Portal”) of The Nasdaq Stock Market, Inc.</p> <p>Unlisted Notes may also be issued.</p> <p>The applicable Pricing Supplement will state whether or not the relevant Notes are to be listed and, if so, on which stock exchange.</p>
Selling Restrictions:	<p>There are restrictions on the sale of Notes and the distribution of offering material in various jurisdictions. See “Subscription and Sale”.</p> <p>The Issuer is Category 2 for the purposes of Regulation S.</p> <p>The Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (the “D Rules”) unless (i) the applicable Pricing Supplement states that Notes are issued in compliance with U.S.</p>

Treas. Reg. §1.163- 5(c)(2)(i)(C) (the "C Rules") or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute "registration required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 ("TEFRA"), which circumstances will be referred to in the applicable Pricing Supplement as a transaction to which TEFRA is not applicable.

Transfer Restrictions:

There are restrictions on the transfer of Registered Notes sold pursuant to Rule 144A under the Securities Act. See "Form of Notes and Transfer Restrictions".

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the applicable Pricing Supplement, shall be applicable to the Notes, in definitive form (if any) issued in exchange for the Global Note(s) and the Global Certificates representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the applicable Pricing Supplement. Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be. References in the Conditions to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme.

The Notes are issued (or deemed to be issued) outside the Republic of France by Société Nationale des Chemins de fer Français (the "Issuer") pursuant to an amended and restated Agency Agreement dated 17th July, 2002 (as further amended or supplemented as at the date of issue of the Notes (the "Issue Date")) between the Issuer, Deutsche Bank AG London as successor to Bankers' Trust Company, London Branch, as *inter alia* fiscal agent and principal paying agent and the other agents named in it, the "Agency Agreement") with the benefit of a deed of covenant (as amended or supplemented at the Issue Date, the "Deed of Covenant") dated 17th July, 2002 and executed by the Issuer in relation to the Notes. The fiscal agent, the paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the "Fiscal Agent", the "Paying Agents" (which expression shall include the Fiscal Agent), the "Registrar", the "Transfer Agents" and the "Calculation Agent(s)". The Noteholders (as defined below), the holders of the interest coupons (the "Coupons") relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the "Talons") (the "Couponholders") and the holders of the receipts for the payment of instalments of principal (the "Receipts") relating to Notes in bearer form of which the principal is payable in instalments are deemed to have notice of all of the provisions of the Agency Agreement applicable to them.

Copies of the Agency Agreement and the Deed of Covenant are available for inspection at the specified offices of each of the Paying Agents, the Registrar and the Transfer Agents.

1. Form, Denomination, Title, Currency and Redenomination

(a) Form, Denomination and Title:

The Notes are issued in bearer form ("Bearer Notes", which expression includes Notes that are specified to be Exchangeable Bearer Notes), in registered form ("Registered Notes") or in bearer form exchangeable for Registered Notes ("Exchangeable Bearer Notes") in each case in the Specified Denomination(s) shown in the applicable Pricing Supplement.

All Registered Notes shall have the same Specified Denomination. Where Exchangeable Bearer Notes are issued, the Registered Notes for which they are exchangeable shall have the same Specified Denomination as the lowest denomination of Exchangeable Bearer Notes.

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, an Index Linked Redemption Note, an Instalment Note, a Dual Currency Note or a Partly Paid Note, a combination of any of the foregoing or any other kind of Note, depending upon the Interest and Redemption/Payment Basis shown in the applicable Pricing Supplement.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.

Registered Notes are represented by registered certificates ("Certificates") and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes and the Receipts, Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "Register"). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below)

of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In these Conditions, "Noteholder" means the bearer of any Bearer Note and the Receipts relating to it or the person in whose name a Registered Note is registered (as the case may be), "holder" (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be), "Series" means a series of Notes comprising one or more Tranches (as defined below), whether or not issued on the same date, that except in respect of the first payment of interest and their issue price) have identical terms on issue and are expressed to have the same series number, "Tranche" means, in relation to a Series, those Notes of that Series that are issued on the same date at the same issue price and in respect of which the first payment of interest is identical, and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

(b) *Redenomination:*

The Issuer may (if so specified in the applicable Pricing Supplement) without the consent of the holder of any Note, Receipt, Coupon or Talon, redenominate all, but not some only, of the Notes of any Series on or after the date on which the Member State of the European Union in whose national currency such Notes are denominated has become a participating Member State in the third stage of the European economic and monetary union ("EMU"), all as more fully provided in the applicable Pricing Supplement.

2. Exchanges of Exchangeable Bearer Notes and Transfers of Registered Notes

(a) *Exchange of Exchangeable Bearer Notes:*

Subject as provided in Condition 2(f), Exchangeable Bearer Notes may be exchanged for the same aggregate nominal amount of Registered Notes at the request in writing of the relevant Noteholder and upon surrender of each Exchangeable Bearer Note to be exchanged, together with all unmaturing Receipts, Coupons and Talons relating to it, at the specified office of any Transfer Agent; provided, however, that where an Exchangeable Bearer Note is surrendered for exchange after the Record Date (as defined in Condition 7(b)) for any payment of interest, the Coupon in respect of that payment of interest need not be surrendered with it. Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes that are not Exchangeable Bearer Notes may not be exchanged for Registered Notes.

(b) *Transfer of Registered Notes:*

One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor.

(c) *Exercise of Options or Partial Redemption in Respect of Registered Notes:*

In the case of an exercise of an Issuer's or Noteholders' option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate

representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(d) *Delivery of New Certificates:*

Each new Certificate to be issued pursuant to Conditions 2(a), (b) or (c) shall be available for delivery within three business days of receipt of the request for exchange, form of transfer or Exercise Notice (as defined in Condition 6(e)) and/or surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such request for exchange, form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant request for exchange, form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Agent (as defined in the Agency Agreement) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "business day" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(e) *Exchange Free of Charge:*

Exchange and transfer of Notes and Certificates on registration, transfer, partial redemption or exercise of an option shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).

(f) *Closed Periods:*

No Noteholder may require the transfer of a Registered Note to be registered or an Exchangeable Bearer Note to be exchanged for one or more Registered Note(s) (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 15 days before any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(d), (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date. An Exchangeable Bearer Note called for redemption may, however, be exchanged for one or more Registered Note(s) in respect of which the Certificate is simultaneously surrendered not later than the relevant Record Date.

3. Status

The Notes and the Receipts and Coupons relating to them constitute (subject to Condition 4) direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank and will rank *pari passu* without any preference among themselves and, save for statutorily preferred exceptions, equally with all its other obligations which are unsecured and unsubordinated.

4. Negative Pledge

So long as any of the Notes, Receipts or Coupons remain outstanding (as defined in the Agency Agreement) the Issuer will not secure or allow to be secured any loan, debt, guarantee or other obligation, now or hereafter existing, by any mortgage, lien (other than liens arising by operation of law), pledge or other charge upon any of the present or future revenues or assets of the Issuer (except for any mortgage, lien, pledge or other charge on property purchased by the Issuer as security for all or part of the purchase price thereof) without at the same time according to the Notes the same or equivalent security.

5. Interest and other Calculations

(a) *Interest on Fixed Rate Notes:*

Each Fixed Rate Note bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If a Fixed Coupon Amount or a Broken Amount is specified in the applicable Pricing Supplement, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified and in the case of the Broken Amount will be payable on the particular Interest Payment Date(s) specified in the applicable Pricing Supplement.

(b) *Interest on Floating Rate Notes and Index Linked Interest Notes:*

(i) *Interest Payment Dates:*

Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. Such Interest Payment Date(s) is/are either shown in the applicable Pricing Supplement as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown in the applicable Pricing Supplement, Interest Payment Date shall mean each date which falls the number of months or other period shown in the applicable Pricing Supplement as the Specified Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) *Business Day Convention:*

If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified in the applicable Pricing Supplement is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) *Rate of Interest for Floating Rate Notes:*

The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified in the applicable Pricing Supplement and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified in the applicable Pricing Supplement.

(A) *ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any). For the purposes of this sub-paragraph (A), "ISDA Rate" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (x) the Floating Rate Option is as specified in the applicable Pricing Supplement;
- (y) the Designated Maturity is a period specified in the applicable Pricing Supplement; and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified in the applicable Pricing Supplement.

For the purposes of this sub-paragraph (A), "Floating Rate", "Calculation Agent", "Floating Rate Option", "Designated Maturity", "Reset Date", and "Swap Transaction" have the meanings given to those terms in the ISDA Definitions.

(B) *Screen Rate Determination for Floating Rate Notes*

Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent at or about the Relevant Time on the Interest Determination Date in respect of such Interest Accrual Period in accordance with the following:

- (x) if the Primary Source for the Floating Rate is a Page, subject as provided below, the Rate of Interest shall be:
 - (I) the Relevant Rate (where such Relevant Rate on such Page is a composite quotation or is customarily supplied by one entity); or
 - (II) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Page,
in each case appearing on such Page at the Relevant Time on the Interest Determination Date;
- (y) if the Primary Source for the Floating Rate is Reference Banks or if sub-paragraph (x)(I) above applies and no Relevant Rate appears on the Page at the Relevant Time on the Interest Determination Date or if sub-paragraph (x)(II) above applies and fewer than two Relevant Rates appear on the Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the arithmetic mean of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent;
- (z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Benchmark) in respect of a Representative Amount of the Specified Currency that at least two out of five leading banks selected by the Calculation Agent in the principal financial centre of the country of the Specified Currency or, if the Specified Currency is euro, in the Euro-zone as selected by the Calculation Agent, (the "Principal Financial Centre") are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the Effective Date for a period equivalent to the Specified Duration (I) to leading banks carrying on business in Europe, or (if the Calculation Agent determines that fewer than two of such banks are so quoting to leading banks in Europe) (II) to leading banks carrying on business in the Principal Financial Centre; except that, if fewer than two of such banks are so quoting to leading banks in the Principal Financial Centre, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date (after readjustment for any difference between any Margin, Rate Multiplier or Maximum or Minimum Rate of Interest applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period);

(iv) *Rate of Interest for Index Linked Notes:*

The Rate of Interest in respect of Index Linked Notes for each Interest Accrual Period shall be determined in the manner specified in the applicable Pricing Supplement and interest will accrue by reference to an Index or Formula as specified in the applicable Pricing Supplement.

(c) *Zero Coupon Notes:*

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of

Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as defined in Condition 6(b)).

(d) *Dual Currency Notes:*

In the case of Dual Currency Notes, if the rate or amount of interest fails to be determined by reference to a Rate of Exchange or a method of calculating a Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified in the applicable Pricing Supplement.

(e) *Partly Paid Notes:*

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Pricing Supplement.

(f) *Accrual of Interest:*

Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8).

(g) *Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts, Rate Multipliers and Rounding:*

(i) If any Margin or Rate Multiplier is specified in the applicable Pricing Supplement (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with (b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin or multiplying by such Rate Multiplier, subject always to the next paragraph;

(ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified in the applicable Pricing Supplement, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be;

(iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "unit" means the lowest amount of such currency that is available as legal tender in the country or countries of such currency.

(h) *Calculations:*

The amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Rate of Interest and the outstanding nominal amount of such Note by the Day Count Fraction, unless an Interest Amount (or a formula for its calculation) is specified in respect of such period, in which case the amount of interest payable in respect of such Note for such period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period shall be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

(i) *Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts:*

As soon as practicable after the Relevant Time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, it shall determine such rate and calculate the Interest Amounts in respect of each Specified Denomination of the Notes for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment

Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange so require, such exchange as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

- (j) *Definitions: In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:*

“Benchmark” means the benchmark source specified in the applicable Pricing Supplement for the purposes of calculating the Relevant Rate in respect of Floating Rate Notes;

“Business Day” means:

- (i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; and/or
- (ii) in the case of euro, a day on which the TARGET system is operating (a “TARGET Business Day”); and/or
- (iii) in the case of a currency and/or one or more Additional Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Additional Business Centre(s) or, if no currency is indicated, generally in each of the Additional Business Centres;

“Day Count Fraction” means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period, the “Calculation Period”):

- (i) if “Actual/365” or “Actual/Actual – ISDA” is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if “Actual/365 (Fixed)” is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period divided by 365;
- (iii) if “Actual/360” is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period divided by 360;
- (iv) if “30/360”, “360/360” or “Bond Basis” is specified in the applicable Pricing Supplement, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the

Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month));

- (v) if "30E/360" or "Eurobond Basis" is specified in the applicable Pricing Supplement, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of a Calculation Period ending on the Maturity Date, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month);
- (vi) (I) if "Actual/Actual-ISMA" is specified in the applicable Pricing Supplement,
 - (a) in case of Notes where the number of days in the relevant period from and including the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "Accrual Period") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Pricing Supplement) that would occur in one calendar year; or
 - (b) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - 1. the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Pricing Supplement) that would occur in one calendar year; and
 - 2. the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (II) if "30/360" is specified in the applicable Pricing Supplement, the number of days in the period from and including the most recent Payment Date (or, if none, the Interest Commencement Date) to but excluding the relevant payment date (such number of days being calculated on the basis of 12 30-day months) divided by 360.

"Determination Period" means each period from (and including) a Determination Date to but excluding the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date prior to, and ending on the first Determination Date falling after, such date);

"Effective Date" means, with respect to any Floating Rate to be determined on an Interest Determination Date, the date specified as such in the applicable Pricing Supplement or, if none is so specified, the first day of the Interest Accrual Period to which such Interest Determination Date relates;

"Euro-zone" means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community as amended by the Treaty on European Union and by the Treaty of Amsterdam;

"Interest Accrual Period" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date;

"Interest Amount" means the amount of interest payable, and in the case of Fixed Rate Notes means the Fixed Coupon Amount or Broken Amount;

"Interest Commencement Date" means the Issue Date or such other date as may be specified in the applicable Pricing Supplement;

"Interest Determination Date" means, with respect to Rate of Interest and Interest Accrual Period, the date specified as such in the applicable Pricing Supplement or, if none is so specified, (i) the first

day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro;

"Interest Period" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date;

"Interest Period Date" means each Interest Payment Date unless otherwise specified in the applicable Pricing Supplement;

"ISDA Definitions" means the 2000 ISDA Definitions (as amended and updated as at the Issue Date of the first Tranche of the Notes) published by the International Swaps and Derivatives Association, Inc., unless otherwise specified in the applicable Pricing Supplement;

"Page" means such page, section, caption, column or other part of a particular information service (including, but not limited to, the Reuter Markets 3000 ("Reuters") and Bridge Telerate ("Telerate")) as may be specified in the applicable Pricing Supplement for the purpose of providing a Relevant Rate, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Relevant Rate;

"Rate of Interest" means the rate of interest payable from time to time in respect of this Note and that is either specified in the applicable Pricing Supplement or calculated in accordance with the provisions hereon;

"Reference Banks" means the institutions specified as such in the applicable Pricing Supplement or, if none, four major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Benchmark (which if EURIBOR is the relevant Benchmark, shall be the Euro-zone);

"Relevant Financial Centre" means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the financial centre as may be specified as such in the applicable Pricing Supplement or, if none is so specified, the financial centre with which the relevant Benchmark is most closely connected (which, in the case of EURIBOR shall be the Euro-zone) or, if none is so connected, London;

"Relevant Rate" means the Benchmark for a Representative Amount of the Specified Currency for a period (if applicable or appropriate to the Benchmark) equal to the Specified Duration commencing on the Effective Date;

"Relevant Time" means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified in the applicable Pricing Supplement or, if no time is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Specified Currency in the interbank market in the Relevant Financial Centre and for this purpose "local time" means, with respect to Europe and the Euro-zone as a Relevant Financial Centre, Central European Time;

"Representative Amount" means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the amount specified as such in the applicable Pricing Supplement or, if none is specified, an amount that is representative for a single transaction in the relevant market at the time;

"Specified Currency" means the currency specified as such in the applicable Pricing Supplement or, if none is specified, the currency in which the Notes are denominated;

"Specified Duration" means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the duration specified in the applicable Pricing Supplement or, if none is specified, a period of time equal to the relative Interest Accrual Period, ignoring any adjustment pursuant to Condition 5(b)(ii); and

"TARGET System" means the Trans-European Real-Time Gross-Settlement Express Transfer (TARGET) System or any successor thereto.

(k) *Calculation Agent and Reference Banks:*

The Issuer shall procure that there shall at all times be four Reference Banks (or such other number as may be required) with offices in the Relevant Financial Centre and one or more Calculation Agents if provision is made for them in the applicable Pricing Supplement and for so long as any Note is outstanding. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Issuer shall appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Period or Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

6. Redemption, Purchase and Options

(a) *Redemption by Instalments and Final Redemption:*

- (i) Unless previously redeemed, purchased and cancelled as provided in this Condition 6 or unless the relevant Instalment Date (being one of the dates so specified in the applicable Pricing Supplement) is extended pursuant to any Issuer's or Noteholder's option in accordance with Condition 6(d) or 6(e), each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified in the applicable Pricing Supplement. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused on presentation of the related Receipt, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.
- (ii) Unless previously redeemed, purchased and cancelled as provided below or unless its maturity is extended pursuant to any Issuer's or Noteholder's option in accordance with Condition 6(d) or 6(e), each Note shall be finally redeemed on the Maturity Date specified in the applicable Pricing Supplement at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount) or, in the case of a Note falling within sub-paragraph (i) above, its final Instalment Amount.

(b) *Early Redemption:*

(i) Zero Coupon Notes:

- (A) The Early Redemption Amount payable in respect of any Zero-Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10, shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified in the applicable Pricing Supplement.
- (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown in the applicable Pricing Supplement, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the reference therein to the date on which the Note becomes due and payable were replaced by a reference to the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(c).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction specified in the applicable Pricing Supplement.

(ii) Other Notes:

The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10, shall be the Final Redemption Amount unless otherwise specified in the applicable Pricing Supplement.

(c) *Redemption for Taxation Reasons:*

- (i) If by reason of any change in, or amendment to, the laws and regulations of the Republic of France or any political subdivision or any authority therein or thereof having power to tax, or any change in the official application or interpretation thereof, becoming effective after the Issue Date, the Issuer would become obliged to pay additional amounts as provided or referred to in Condition 8, the Issuer may (having given not more than 60 nor less than 30 days' notice to the Noteholders, which notice shall be irrevocable) redeem at their Early Redemption Amount (as described in Condition 6(b) above) together with interest accrued (if any) to the date fixed for redemption all (but not some only) of the Notes on any Interest Payment Date, or, if so specified in the applicable Pricing Supplement, at any time, at their Early Redemption Amount (together with interest accrued to the date fixed for redemption), provided that the due date for redemption of which notice hereunder shall be given shall be the latest practicable date at which the Issuer could make payment of principal and interest without withholding for French taxes.
- (ii) If, on the occasion of the next payment due in respect of the Notes, the Issuer would be prevented by French law from making payment to the Noteholders and the Couponholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts as provided in Condition 8(b), then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and shall redeem all, but not some only, of the Notes then outstanding at their Early Redemption Amount, together with interest accrued (if any) to the date of such redemption on (A) the latest practicable Interest Payment Date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes, provided that if such notice would expire after such Interest Payment Date the date for redemption pursuant to such notice of Noteholders shall be the later of (i) the latest practicable date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes and (ii) 14 days after giving notice to the Fiscal Agent as aforesaid or (B) if so specified on this Note, at any time, provided that the due date for redemption of which notice hereunder shall be given shall be the latest practicable date on which the Issuer could make payment of the full amount payable in respect of the Notes, Receipts or Coupons or, if that date is passed, as soon as practicable thereafter.

(d) *Redemption at the Option of the Issuer and Exercise of Issuer's Options:*

If Call Option is specified in the applicable Pricing Supplement, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified in the applicable Pricing Supplement) redeem, or exercise any Issuer's option (as may be described in the applicable Pricing Supplement) in relation to, all or, if so provided, some of the Notes on any Optional Redemption Date or Option Exercise Date, as the case may be. Any

such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the minimum nominal amount to be redeemed specified in the applicable Pricing Supplement and no greater than the maximum nominal amount to be redeemed specified in the applicable Pricing Supplement.

All Notes in respect of which any such notice is given shall be redeemed, or the Issuer's option shall be exercised, on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption or a partial exercise of an Issuer's option, the notice to Noteholders shall also contain the certificate numbers of the Notes to be redeemed or in respect of which such option has been exercised, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange requirements. So long as the Notes are listed on the Luxembourg Stock Exchange and the rules of that Stock Exchange so require, the Issuer shall, once in each year in which there has been a partial redemption of the Notes, cause to be published in a leading newspaper of general circulation in Luxembourg a notice specifying the aggregate nominal amount of Notes outstanding and a list of the Notes drawn for redemption but not surrendered.

(e) *Redemption at the Option of Noteholders and Exercise of Noteholders' Options:*

If Put Option is specified in the applicable Pricing Supplement, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified in the applicable Pricing Supplement) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option or any other Noteholders' option that may be set out in the applicable Pricing Supplement (which must be exercised on an Option Exercise Date) the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("Exercise Notice") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(f) *Partly Paid Notes:*

Partly Paid Notes will be redeemed whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the provisions specified in the applicable Pricing Supplement.

(g) *Purchases:*

The Issuer may at any time acquire Notes (provided that all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or by tender or by private treaty or otherwise at any price.

(h) *Cancellation:*

All Notes purchased by or on behalf of the Issuer will be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Fiscal Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

7. Payments and Talons

(a) Bearer Notes:

Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 7(f)(vi)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a bank in the principal financial centre for such currency, or, in the case of euro, in a city in which banks have access to the TARGET System.

(b) Registered Notes:

- (i) Payments of principal (which for the purposes of this Condition 7(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.
- (ii) Interest (which for the purpose of this Condition 7(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the "Record Date"). Payments of interest on each Registered Note shall be made in the relevant currency by cheque drawn on a bank in the principal financial centre of the country of the currency concerned, subject as provided in paragraph (a) above, and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, and, subject as provided in paragraph (a) above, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a bank in the principal financial centre of the country of that currency.

(c) Payments in the United States:

Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(d) Payments Subject to Fiscal Laws:

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(e) Appointment of Agents:

The Fiscal Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents, the Registrar, Transfer Agents and the Calculation Agent(s), act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and/or approve any change in the specified office through which any Paying Agent acts and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) a Registrar in relation to

Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) one or more Calculation Agent(s) where the Conditions so require, (v) a Redenomination Agent and a Consolidation Agent where the Conditions so require (and further provided that on a redenomination of the Notes pursuant to Condition 1(b) and a consolidation of the Notes with a further issue of Notes pursuant to Condition 12, the Issuer shall procure that the same entity shall be appointed as the Redenomination Agent and the Consolidation Agent in respect of both the Notes and such other issues of notes), (vi) at least one Paying Agent having a specified office in a continental European city and provided further that, (A) so long as the Notes are listed on the Luxembourg Stock Exchange, the Issuer will maintain a Paying Agent and Transfer Agent in Luxembourg and (B) if and so long as the Notes are listed on Euronext Paris, the Issuer will maintain a Paying Agent and Transfer Agent in Paris, (vii) the Issuer will maintain such other agents as may be required by any other stock exchange on which the Notes may be listed (or any other relevant authority) and (viii) if the proposed European Union Directive on the taxation of savings income is adopted or if any law implementing or complying with or introduced in order to conform to such Directive is introduced, the Issuer will ensure that it maintains a Paying Agent in an EU Member State that will not be obliged to withhold or deduct tax pursuant to any such Directive or law.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in paragraph (c) above.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

(f) *Unmatured Coupons and Receipts and unexchanged Talons:*

- (i) Unless the Notes provide that the relative Coupons are to become void upon the due date for redemption of those Notes, Bearer Notes should be surrendered for payment together with all unexpired Coupons (if any) appertaining thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).
- (ii) If the Notes so provide, upon the due date for redemption of any Bearer Note, unexpired Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Upon the due date for redemption of any Bearer Note that is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
- (v) Where any Bearer Note that provides that the relative unexpired Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unexpired Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

(g) *Talons:*

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

(h) *Non-Business Days:*

If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, "business day" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as "Additional Financial Centres" in the applicable Pricing Supplement and:

- (i) in the case of a payment in a currency other than euro, where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or
- (ii) in the case of a payment in euro, which is a TARGET Business Day.

8. Taxation

(a) *Tax Regime:*

The Notes being issued outside the Republic of France, interest and other revenues with respect to the Notes benefit from the exemption provided for in article 131 *quater* of the *Code Général des Impôts* (general tax code) from deduction of tax at source. Accordingly, such payments do not give the right to any tax credit from any French source.

(b) *Additional Amounts:*

If French law should require that payments of principal or interest in respect of any Note be subject to withholding or deduction with respect to any taxes or duties whatsoever, the Issuer will, to the fullest extent then permitted by French law, pay such additional amounts as may be necessary in order that the net amounts received by the holders of Notes, Receipts and Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would have been receivable in respect of the Notes, Receipts or Coupons, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

- (i) presented for payment in France; or
- (ii) presented for payment by or on behalf of a holder who is liable to such taxes or duties in respect of such Note or Coupon by reason of his having some connection with the Republic of France other than the mere holding of the Note, Receipt or Coupon; or
- (iii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to the new European Union Directive on the taxation of savings income, as and when the proposed directive is adopted, or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (iv) presented for payment by or on behalf of a holder who would be able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union; or
- (v) presented for payment more than 30 days after the Relevant Date, except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days.

As used in these Conditions, "Relevant Date" in respect of any Note, Receipt or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon

further presentation of the Note (or relative Certificate), Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) "principal" shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) "interest" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) "principal" and/or "interest" shall be deemed to include any additional amounts that may be payable under this Condition.

9. Prescription

Claims against the Issuer for payment in respect of the Notes, Receipts and Coupons (which for this purpose shall not include Talons) shall become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

10. Events of Default

Upon any of the following events (each an "Event of Default") taking place, the holder of any Note may give written notice to the Issuer through the Fiscal Agent at its specified office that such Note is immediately due and payable, whereupon the Early Redemption Amount of such Note together with accrued interest to the date of payment shall become immediately due and payable, unless such Event of Default shall have been remedied prior to the receipt of such notice by the Fiscal Agent:

- (i) default is made for more than 15 days in the payment of any principal and interest due in respect of the Notes; or
- (ii) default by the Issuer in the performance or observance of any other obligation on its part under the Notes and such default continuing for 30 days after written notice requiring such default to be remedied has been given by the holder of any Note through the Fiscal Agent to the Issuer; or
- (iii) any other indebtedness for money borrowed by the Issuer becoming prematurely repayable following a default, or steps being taken to enforce any security in respect thereof, or the Issuer defaulting in the repayment of any such indebtedness at the maturity thereof as extended by any applicable grace period, or any guarantee of any indebtedness for money borrowed given by the Issuer not being honoured when due and called upon; or
- (iv) the Issuer being dissolved or merged into a company, unless in such event the obligations of the Issuer pursuant to the Notes are assumed by such company either expressly by contract or by virtue of applicable law.

11. Replacement of Bearer Notes, Certificates, Receipts, Coupons and Talons

If a Bearer Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange regulations, at the specified office of the Paying Agent in Luxembourg (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Bearer Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Bearer Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Bearer Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

12. Further Issues and Consolidation

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes ranking *pari passu* with the Notes and having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with such Notes, and references in these Conditions to "Notes" shall be construed accordingly.

The Issuer may also from time to time upon not less than 30 days' prior notice to Noteholders, without the consent of the holders of the Notes or Coupons of any Series, consolidate the Notes with notes of one or more other Series issued by it provided that, in respect of all periods subsequent to such consolidation, the notes of all such other Series are denominated in the same currency as such Notes (irrespective of the currency in which any notes of such other Series were originally issued) and otherwise, have the same terms and conditions as such Notes. Notice of any such consolidation will be given to the Noteholders in accordance with Condition 14. The Fiscal Agent shall act as the consolidation agent (in such capacity, the "Consolidation Agent").

With effect from their consolidation, the Notes and the notes of such other Series will (if listed prior to such consolidation) be listed on at least one European stock exchange on which either such Notes or the notes of such other Series were listed immediately prior to consolidation.

The Issuer shall in dealing with the holders of such Notes following a consolidation pursuant to this Condition 12 have regard to the interests of the holders of such Notes and the holders of the notes of such other Series, taken together as a class, and shall treat them alike.

13. Meetings of Noteholders and Modifications

(a) Meetings of Noteholders:

The Agency Agreement contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Agency Agreement) of a modification of any of these Conditions. Such a meeting may be convened by Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (other than as specifically provided in these Conditions) (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal amount of, or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum and/or a Maximum Rate of Interest, Instalment Amount or Redemption Amount is shown in the applicable Pricing Supplement, to reduce any such Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, (vii) to take any steps that are specified in the applicable Pricing Supplement may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply or (viii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent, or at any adjourned meeting not less than 25 per cent. in nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

These Conditions may be amended, modified, or varied in relation to any Series of Notes by the terms of the applicable Pricing Supplement in relation to such Series.

(b) Modification of Agency Agreement:

The Issuer shall only permit any modification (including for the purposes of giving effect to the provisions of Conditions 1(b) and 12) of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the Noteholders.

14. Notices

Notices to the holders of Registered Notes will be valid (i) if sent by mail to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a

Saturday or a Sunday) after the date of mailing (ii) in addition, so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of that exchange so require, if published in a daily newspaper with general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) and (iii) (in respect of any Notes listed on Euronext Paris and so long as the rules of that exchange so require), if published in a daily newspaper with general circulation in Paris (which is expected to be *La Tribune*). Notices to the holders of Bearer Notes shall be valid if published (i) in a daily newspaper of general circulation in London (which is expected to be the *Financial Times*), (ii) so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of that exchange so require, in a daily newspaper with general circulation in Luxembourg, (which is expected to be the *Luxemburger Wort*) and (iii) (in respect of any Notes listed on Euronext Paris and so long as the rules of that exchange so require) in a daily newspaper of general circulation in Paris (which is expected to be *La Tribune*). If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe and so long as the Notes are listed on Euronext Paris and the rules of that exchange so require, in a French language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition 14. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any other stock exchange (or other relevant authority) on which the Notes are for the time being listed. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in each such newspaper.

Except in the case of Notes listed on the Luxembourg Stock Exchange or Euronext Paris, until such time as any definitive Notes are issued, there may (provided that in the case of Notes listed on any stock exchange, the rules of such stock exchange (or other relevant authority) so permit), so long as the global Note(s) is or are held in its/their entirety on behalf of Euroclear and Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and Clearstream, Luxembourg for communication by them to the Noteholders. Any such notice shall be deemed to have been given to the holders of the Notes on the seventh day after the day on which the said notice was given to Euroclear and Clearstream, Luxembourg.

Notices to be given by any holder of the Notes shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Agent. Whilst any of the Notes are represented by a global Note, such notice may be given by any holder of a Note to the Agent via Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

15. Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999 except and to the extent (if any) that the Notes expressly provide for such Act to apply to any of their terms.

16. Governing Law and Jurisdiction

(a) Governing Law:

The Notes, the Receipts, the Coupons, the Talons and the Agency Agreement are governed by, and shall be construed in accordance with, English law.

(b) Jurisdiction:

The courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Receipts, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons or Talons ("Proceedings") may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the holders of the Notes, Receipts, Coupons and Talons and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

(c) *Service of Process:*

The Issuer irrevocably appoints Rail Europe Limited of 34 Tower View, West Malling, Kent ME19 4ED, its authorised agent in England to receive, for it and on its behalf, service of process in any Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by the Issuer). If for any reason such process agent ceases to be able to act as such or no longer has an address in London, the Issuer irrevocably agrees to appoint a substitute process agent and shall immediately notify Noteholders of such appointment in accordance with Condition 14. Nothing shall affect the right to serve process in any manner permitted by law.

(d) *Immunity from Attachment:*

The assets and properties of the Issuer cannot be subject to any attachment or other enforcement proceedings in the Republic of France.

USE OF PROCEEDS

The net proceeds of each issue of Notes will be applied by the Issuer in refinancing existing debt and financing its operations.

FORM OF NOTES AND TRANSFER RESTRICTIONS

The Notes of each Series will be in either bearer form, with or without coupons attached, or registered form, without interest coupons attached. Bearer Notes will be issued outside the United States in reliance on Regulation S under the Securities Act ("**Regulation S**") and Registered Notes will be issued both outside the United States in reliance on the exemption from registration provided by Regulation S and within the United States in reliance on Rule 144A.

Initial Issue of Notes

Each Tranche of Bearer Notes having an original maturity of more than 365 days will initially be represented by a Temporary Global Note and each Tranche of Bearer Notes having an original maturity of 365 days or less will initially be represented by a Permanent Global Note. Upon the initial deposit of a Global Note with a common depositary for Euroclear and Clearstream, Luxembourg (the "Common Depositary") or registration of Registered Notes in the name of any nominee for Euroclear and Clearstream, Luxembourg and/or DTC and delivery of the relative Global Certificate to the Common Depositary and/or a custodian for DTC (the "Custodian"), Euroclear, Clearstream, Luxembourg or DTC (as the case may be) will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

Upon the initial deposit of a Global Note with, or registration of Registered Notes in the name of, or any nominee for, and delivery of the relative Global Certificate to, Euroclear France (including where Euroclear France is acting as central depositary), the *intermédiaires financiers habilités* (French banks or brokers authorised to maintain securities accounts on behalf of their clients (each an "Approved Intermediary")) who are entitled to such Notes according to the records of Euroclear France will credit each subscriber with a principal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

Notes that are initially deposited with the Common Depositary or the Custodian may also be credited to the accounts of subscribers with Approved Intermediaries or (if indicated in the applicable Pricing Supplement) other clearing systems through direct or indirect accounts with Euroclear, Clearstream, Luxembourg and DTC held by Euroclear France or other clearing systems. Conversely, Notes that are initially deposited with Euroclear France or any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg, DTC or other clearing systems.

Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg, an Approved Intermediary, DTC or any other clearing system (an "Alternative Clearing System") as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg, DTC, such Approved Intermediary or such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, DTC, Euroclear France or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

Exchange of Interests in Global Notes

1 Temporary Global Notes

Each Temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date (as defined below):

- (i) if the applicable Pricing Supplement indicates that such Global Note is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see "Summary of the Programme-Selling Restrictions"), in whole, but not in part, for the Definitive Notes defined and described below; and

- (ii) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a Permanent Global Note or, if so provided in the applicable Pricing Supplement, for Definitive Notes,

provided that purchasers in the United States and certain U.S. persons will not be able to receive Definitive Notes in bearer form.

Each Temporary Global Note that is also an Exchangeable Bearer Note will be exchangeable for Registered Notes in accordance with the Conditions in addition to any Permanent Global Note or Definitive Notes for which it may be exchangeable and, before its Exchange Date, will also be exchangeable in whole or in part for Registered Notes only.

2 Permanent Global Notes

Each Permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under "Partial Exchange of Permanent Global Notes", in part for Definitive Notes or, in the case of (iii) below, Registered Notes:

- (i) unless principal in respect of any Notes is not paid when due, by the Issuer giving notice to the Noteholders and the Fiscal Agent of its intention to effect such exchange;
- (ii) if the applicable Pricing Supplement provides that such Global Note is exchangeable at the request of the holder, by the holder giving notice to the Fiscal Agent of its election for such exchange;
- (iii) if the Permanent Global Note is an Exchangeable Bearer Note, by the holder giving notice to the Fiscal Agent of its election to exchange the whole or a part of such Global Note for Registered Notes; and
- (iv) otherwise, (1) if the Permanent Global Note is held on behalf of Euroclear, Clearstream, Luxembourg, Euroclear France or an Alternative Clearing System, and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so or (2) if principal in respect of any Notes is not paid when due, by the holder giving notice to the Fiscal Agent of its election for such exchange.

3 Partial Exchange of Permanent Global Notes

For so long as a Permanent Global Note is held on behalf of a clearing system and that clearing system so permits, such Permanent Global Note will be exchangeable in part on one or more occasions (1) for Registered Notes if the Permanent Global Note is an Exchangeable Bearer Note and the part submitted for exchange is to be exchanged for Registered Notes, or (2) for Definitive Notes (i) if principal in respect of any Notes is not paid when due or (ii) if so provided in, and in accordance with, the Conditions (which will be set out in the applicable Pricing Supplement) relating to Partly-paid Notes.

4 Delivery of Notes

On or after any due date for exchange the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Fiscal Agent. In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a Temporary Global Note exchangeable for a Permanent Global Note, deliver, or procure the delivery of, a Permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a Temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a Permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes or Registered Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes and/or Certificates, as the case may be. In this Offering Circular, "Definitive Notes" means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Agency Agreement. On exchange in full of each Permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

5 Exchange Date

"Exchange Date" means, in relation to a Temporary Global Note, the day falling after the expiry of 40 days after its issue and, in relation to a Permanent Global Note, a day falling not less than 60 days, or in the case of failure to pay principal in respect of any Notes when due, 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Fiscal Agent is located and in the city in which the relevant clearing system is located.

Modification of the Conditions of the Notes while in Global Form

The Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the terms and conditions of the Notes set out in this Offering Circular. The following is a summary of certain of those provisions:

1 Payments

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a Permanent Global Note or for Definitive Notes or Registered Notes is improperly withheld or refused. Payments on any Temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be endorsed on each Global Note, which endorsement will be prima facie evidence that such payment has been made in respect of the Notes.

2 Prescription

Claims against the Issuer in respect of principal and interest in respect of Notes that are represented by a Global Note will become void unless it is presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 8).

3 Meetings

The holder of a Permanent Global Note or of the Notes represented by a Global Certificate shall (unless such Permanent Global Note or Global Certificate represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and at any such meeting, as having one vote in respect of each minimum Specified Denomination of Notes for which such Global Note may be exchanged. (All holders of Registered Notes are entitled to one vote in respect of each Note comprising such Noteholder's holding, whether or not represented by a Global Certificate.)

4 Cancellation

Cancellation of any Note represented by a Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant Global Note.

5 Purchase

Notes represented by a Permanent Global Note may only be purchased by the Issuer if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.

6 Events of Default

Each Global Note and Global Certificate provides that the holder may cause such Global Note, or a portion of it, or Registered Notes represented by such Global Certificate, as the case may be, to become due and repayable in the circumstances described in Condition 10 by stating in the notice to the Fiscal Agent the nominal amount of such Global Note or Registered Notes which is becoming due and repayable. If principal in respect of any Note is not paid when due, the holder of a Global Note or Registered Notes represented by a Global Certificate may elect for direct enforcement rights against the Issuer under the terms of a Deed of Covenant executed as a deed by the Issuer on 17th July, 2002 (as supplemented from time to time) to come into effect in relation to the whole or a part of such Global

Note or such Registered Notes, as the case may be, as accountholders with a clearing system. Following any such acquisition of direct rights, the Global Note or, as the case may be, the Global Certificate and the corresponding entry in the register kept by the Registrar will become void as to the specified portion or Registered Notes, as the case may be. However, no such election may be made in respect of Notes represented by a Global Certificate unless the transfer of the whole or a part of the holding of Notes represented by that Global Certificate shall have been improperly withheld or refused.

7 Issuer's Option

Any option of the Issuer provided for in the Conditions of any Notes while such Notes are represented by a Permanent Global Note shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. If any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system or an Approved Intermediary in respect of the Notes will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg, Euroclear France or other relevant clearing system (as the case may be).

8 Noteholders' Options

Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a Permanent Global Note and such Global Note is held on behalf of Euroclear and/or Clearstream, Luxembourg, may be exercised by the holder of the Global Note giving a notice of exercise in relation to the principal amount of the Notes in respect of which such option is exercised within the time limits set forth in that Condition and/or as required by the relevant clearing system and at the same time presenting or procuring the presentation of the Global Note to the Principal Paying Agent for notation accordingly. Whilst all of the Notes are represented by a Permanent Global Note and such Global Note is held on behalf of Euroclear and/or Clearstream, Luxembourg, notices of exercise shall be given in accordance with the standard procedures of Euroclear and/or Clearstream, Luxembourg (which may include notice being given on the instruction of the relevant holder by the relevant clearing system or any common depository therefor to the Principal Paying Agent by electronic means) in a form acceptable to the relevant clearing system from time to time.

9 Notices

Notices to the holders of Registered Notes will be valid (i) if sent by mail to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing (ii) in addition, so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of that exchange so require, if published in a daily newspaper with general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) and (iii) (in respect of any Notes listed on Euronext Paris and so long as the rules of that exchange so require), if published in a daily newspaper with general circulation in Paris (which is expected to be *La Tribune*). Notices to the holders of Bearer Notes shall be valid if published (i) in a daily newspaper of general circulation in London (which is expected to be the *Financial Times*), (ii) so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of that exchange so require, in a daily newspaper with general circulation in Luxembourg, (which is expected to be the *Luxemburger Wort*) and (iii) (in respect of any Notes listed on Euronext Paris and so long as the rules of that exchange so require) in a daily newspaper of general circulation in Paris (which is expected to be *La Tribune*). If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe and so long as the Notes are listed on Euronext Paris and the rules of that exchange so require, in a French language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with Condition 14. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any other stock exchange (or other relevant authority) on which the Notes are for the time being listed. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in each such newspaper.

Except in the case of Notes listed on the Luxembourg Stock Exchange or Euronext Paris, until such time as any definitive Notes are issued, there may (provided that in the case of Notes listed on any stock exchange, the rules of such stock exchange (or other relevant authority) so permit), so long as the global Note(s) is or are held in its/their entirety on behalf of Euroclear and Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and Clearstream, Luxembourg for communication by them to the Noteholders. Any such notice shall be deemed to have been given to the holders of the Notes on the seventh day after the day on which the said notice was given to Euroclear and Clearstream, Luxembourg.

Notices to be given by any holder of the Notes shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Fiscal Agent. Whilst any of the Notes are represented by a global Note, such notice may be given by any holder of a Note to the Fiscal Agent via Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

10 Partly-Paid Notes

The provisions relating to Partly-Paid Notes are not set out in this Offering Circular, but will be contained in the applicable Pricing Supplement and thereby in the Global Notes. While any instalments of the subscription moneys due from the holder of Partly-Paid Notes are overdue, no interest in a Global Note representing such Notes may be exchanged for an interest in a Permanent Global Note or for Definitive Notes (as the case may be). If any Noteholder fails to pay any instalment due on any Partly-Paid Notes within the time specified, the Issuer may forfeit such Notes and shall have no further obligation to their holder in respect of them.

11 Redenomination and Consolidation

A Global Note or Global Certificate may be amended or replaced by the Issuer (in such manner as it considers necessary after consultation with the Redenomination Agent and/or the Consolidation Agent, as the case may be) for the purposes of taking account of the redenomination and/or consolidation of the Notes pursuant to Conditions 1(b) and 12. Any consolidation may, in such circumstances, require a change in the relevant common depositary or central depositary or custodian or nominee, as the case may be.

Form of Registered Notes

Registered Notes offered and sold outside the United States in reliance on Regulation S under the Securities Act will be represented by interests in an Unrestricted Global Certificate, in registered form, without interest coupons attached, which will be deposited on or about the Issue Date (i) in the case of a Tranche intended to be cleared through Euroclear and/or Clearstream, Luxembourg with, and registered in the name of, BT Globenet Nominees Limited, as nominee for, the Common Depositary and (ii) in the case of a Tranche intended to be cleared through Euroclear France, with, and registered in the name of Euroclear France or as otherwise agreed with Euroclear France. A beneficial interest in the Unrestricted Global Certificate may at all times be held only through Euroclear and Clearstream, Luxembourg or the Approved Intermediaries.

Registered Notes offered and sold to qualified institutional buyers as defined in, and in reliance on, Rule 144A will be represented by interests in a Restricted Global Certificate, in registered form, without interest coupons attached, which will be registered in the name of Cede & Co., as nominee for, and which will be deposited on or about the Issue Date with Deutsche Bank Trust Company Americas as custodian (the "Custodian") for, DTC. The Restricted Global Certificate (and any definitive Registered Notes issued in exchange therefor) will be subject to certain restrictions on transfer contained in a legend appearing on the face of such Note described under "Transfer Restrictions in respect of Registered Notes".

Each Unrestricted Global Certificate will have an ISIN and each Restricted Global Certificate will have a CUSIP number.

Transfer Restrictions in respect of Registered Notes

On or prior to the expiry of the distribution compliance period applicable to each Tranche of Notes, a beneficial interest in the Unrestricted Global Certificate may be transferred to a person who wishes to take delivery of such beneficial interest through the Restricted Global Certificate only upon receipt by the Registrar of a written certification from the transferor (in the applicable form provided in the Agency

Agreement) to the effect that such transfer is being made to a person whom the transferor reasonably believes is a qualified institutional buyer within the meaning of Rule 144A, in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. After the expiry of the distribution compliance period, such certification requirements will no longer apply to such transfers, but such transfers will continue to be subject to the transfer restrictions contained in the legend appearing on the face of such Notes, as set out below.

Distribution compliance period shall mean the period that ends (40) forty days after the completion of the distribution of each Tranche of Notes, as certified by the relevant Dealer (in the case of a non-syndicated issue) or the relevant Lead Manager (in the case of a syndicated issue).

A beneficial interest in the Restricted Global Certificate may also be transferred to a person who wishes to take delivery of such beneficial interest through the Unrestricted Global Certificate only upon receipt by the Registrar of a written certification from the transferor (in the applicable form provided in the Agency Agreement) to the effect that such transfer is being made in accordance with Regulation S or Rule 144 (if available) under the Securities Act.

Any beneficial interest in either the Restricted Global Certificate or the Unrestricted Global Certificate that is transferred to a person who takes delivery in the form of a beneficial interest in the other Global Certificate will, upon transfer, cease to be a beneficial interest in such Global Certificate and become a beneficial interest in the other Global Certificate and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to a beneficial interest in such other Global Certificate for so long as such person retains such an interest.

Each person purchasing Notes from a Dealer or its affiliate (the "Vendor") pursuant to Rule 144A acknowledges that (i) it has not relied on the Vendor in connection with its investigation of the accuracy of the information contained in this Offering Circular or its investment decision and (ii) no person has been authorised to give any information or to make any representation concerning the Issuer or the Notes other than those contained in this Offering Circular, and, if given or made, such other information or representation should not be relied upon as having been authorised by the Issuer or the Vendor. This Offering Circular has been prepared by the Issuer solely for use in connection with the offer and sale of the Notes outside the United States to non-U.S. persons and for resales of the Notes to qualified institutional buyers in the United States and for the listing of the Notes on the Luxembourg Stock Exchange and Euronext Paris. The Issuer and the Vendor reserve the right to reject any offer to purchase, in whole or in part, for any reason, or to sell less than the number of Notes which may be offered pursuant to Rule 144A. This Offering Circular does not constitute an offer to any person in the United States or to any U.S. person other than a qualified institutional buyer within the meaning of Rule 144A under the Securities Act to whom an offer has been made directly by the Vendor.

Each prospective purchaser of Notes offered in reliance on Rule 144A (a "144A Offeree"), by accepting delivery of this Offering Circular, will be deemed to have represented and agreed with respect to such Notes as follows:

- 1 such 144A Offeree acknowledges that this Offering Circular is personal to such 144A Offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Notes other than pursuant to Rule 144A or in offshore transactions in accordance with Regulation S. Distribution of this Offering Circular, or disclosure of any of its contents, to any person other than such 144A Offeree and those persons, if any, retained to advise such 144A Offeree with respect thereto and other persons meeting the requirements of Rule 144A or Regulation S is unauthorised, and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited; and
- 2 such 144A Offeree agrees to make no photocopies of this Offering Circular or any documents referred to therein and, if such 144A Offeree does not purchase Notes or the offering is terminated, to return this Offering Circular and all documents referred to herein to the Vendor.

Because of the following restrictions, purchasers of Notes offered in the United States in reliance on Rule 144A are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of such Notes.

Each purchaser of Registered Notes or person wishing to transfer an interest from one Registered Global Note to another or from global to definitive form or vice versa, will be required to represent, agree

and acknowledge as follows (terms used herein that are defined in Rule 144A or Regulation S are used herein as defined therein):

- 1 It is either (X) (A) a qualified institutional buyer within the meaning of Rule 144A, (B) acquiring the Notes for its own account or for the account of such a qualified institutional buyer and (C) aware, and each beneficial owner of such Notes has been advised, that the sale of the Notes to it is being made in reliance on Rule 144A, or (Y) outside the United States and is not a U.S. person.
- 2 It understands that the Notes are being offered and sold only in a transaction not involving any public offering in the United States within the meaning of the Securities Act, and the Notes offered hereby have not been and will not be registered under the Securities Act or other applicable securities laws of any state of the United States and may not be reoffered, resold, pledged or otherwise transferred within the United States or to, or for the account or benefit of U.S. persons except in accordance with the applicable legend set forth below.
- 3 It understands that the Restricted Global Certificate and any Definitive Notes issued in exchange for an interest in any Restricted Global Certificate, unless the Issuer determines otherwise in compliance with applicable law, will bear a legend to the following effect:

"THE NOTES IN RESPECT OF WHICH THIS CERTIFICATE HAS BEEN ISSUED HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT TO A PERSON THAT THE HOLDER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT, (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) OR (4) TO THE ISSUER, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATIONS CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR REALES OF THE NOTES IN RESPECT OF WHICH THIS CERTIFICATE HAS BEEN ISSUED."

- 4 It understands that the Unrestricted Global Certificate and any Definitive Notes issued in exchange for an interest in any Unrestricted Global Certificate, unless the Issuer determines otherwise in compliance with applicable law, will bear a legend to the following effect:

"THE NOTES IN RESPECT OF WHICH THIS CERTIFICATE HAS BEEN ISSUED HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, RESOLD PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE NOTES OF THE TRANCHE OF WHICH THIS NOTE FORMS PART."

- 5 The Issuer, the Registrar, and the Dealers and their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. If any purchaser of Notes offered in reliance on Rule 144A is acquiring any Restricted Notes for the account of one or more qualified institutional buyers it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

- 6 It will, and will require each subsequent holder to, notify any purchaser of the Notes from it of the resale restrictions referred to in the applicable legend above, if then applicable.
- 7 It understands that the Restricted Notes offered in reliance on Rule 144A will be represented by a Restricted Global Certificate and the Unrestricted Notes offered outside the United States in reliance on Regulation S will be represented by one or more Unrestricted Global Certificate. Before any interest in a Restricted Global Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in an Unrestricted Global Certificate, it will be required to provide the Issuer and the Registrar with a written certification (in the form provided in the Agency Agreement) as to compliance with applicable securities laws.

Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

Exchange of Interests in Global Certificates

Registration of title to Notes initially represented by a Restricted Global Certificate in a name other than DTC or a successor depositary or one of their respective nominees will not be permitted unless (i) DTC or such successor depositary notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to the Restricted Global Certificate or ceases to be a "clearing agency" registered under the Exchange Act, or is at any time no longer eligible to act as such, and the Issuer is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of such depositary, (ii) principal in respect of any Notes is not paid when due (provided that the rules of DTC so permit) or (iii) the applicable Pricing Supplement specifies that the Restricted Global Certificate is exchangeable for definitive Registered Notes, and in any such case the Fiscal Agent has received a notice from the registered holder of the Restricted Global Certificate requesting exchange of the Restricted Global Certificate in full for individual definitive certificates (the "Certificates").

Registration of title to Notes initially represented by an Unrestricted Global Certificate in a name other than the nominee of the Common Depositary or the name of Euroclear France (or its nominee), as the case may be, will not be permitted unless (i) Euroclear, Clearstream, Luxembourg or Euroclear France, as the case may be, is closed for business for a continuous period of 14 days (other than by reason of holidays statutory or otherwise) or announces an intention permanently to cease business or in fact does so, (ii) principal in respect of any Notes is not paid when due (provided that the rules of Euroclear, Clearstream, Luxembourg or Euroclear France, as the case may be, so permit) or (iii) the applicable Pricing Supplement specifies that the Unrestricted Global Certificate is exchangeable for definitive Registered Notes, and in any such case the Registrar or any Transfer Agent has received a notice from the registered holder of a specified amount of the Unrestricted Global Certificate requesting exchange of the Unrestricted Global Certificate for individual Certificates.

In such circumstances, the relevant Global Certificate shall be exchanged in full or in part, as the case may be, for Certificates and the Issuer will, at the cost of the Issuer (but against such indemnity as the Registrar or any relevant Transfer Agent may require in respect of any tax or other duty of whatever nature which may be levied or imposed in connection with such exchange), cause sufficient Certificates to be executed and delivered to the Registrar for completion, authentication and dispatch to the relevant Noteholders. A person having an interest in a Global Certificate must provide the Registrar with (i) a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such Certificates and (ii) in the case of the Restricted Global Certificate only, a fully completed, signed certificate substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange or, in the case of simultaneous sale pursuant to Rule 144A, that the transfer is being made in compliance with the provisions of Rule 144A. Certificates issued in exchange for a beneficial interest in the Restricted Global Certificate shall bear the legends applicable to transfers pursuant to Rule 144A, as set out under "Transfer Restrictions".

The holder of a Registered Note may transfer such Registered Note in accordance with the provisions of Condition 2. Certificates may not be eligible for trading in the clearing systems.

Upon the transfer, exchange or replacement of a Certificate bearing the Rule 144A legend referred to under "Transfer Restrictions", or upon specific request for removal of the Rule 144A legend on a Certificate, the Issuer will deliver only Certificates that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the Issuer and the Registrar such satisfactory

evidence, which may include an opinion of counsel, as may reasonably be required by the Issuer to ensure that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

The Registrar will not register the transfer of or exchange of interests in a Global Certificate for Certificates for a period of three business days ending on the due date for any payment of principal. For the purposes hereof and for payment of interest, "business day" means a day on which commercial banks and foreign exchange markets are open for business in London and New York City.

Euroclear, Clearstream, Luxembourg, Euroclear France and DTC Arrangements for Registered Notes

So long as DTC or its nominee or Euroclear, Clearstream, Luxembourg or the nominee of the Common Depositary or Euroclear France (or its nominees) is the registered holder of a Global Certificate, DTC, Euroclear, Clearstream, Luxembourg, Euroclear France or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Global Certificate for all purposes under the Agency Agreement and the Notes. Payments of principal, interest and additional amounts, if any, in respect of the Global Certificates will be made to DTC, Euroclear, Clearstream, Luxembourg, Euroclear France or such nominee, as the case may be, as the registered holder thereof. None of the Issuer, any Agent or any Dealer or any affiliate of any of the above or any person by whom any of the above is controlled for the purposes of the Securities Act will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the Global Certificates or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Distributions of principal and interest with respect to book-entry interests in the Notes held through Euroclear, Clearstream, Luxembourg or Euroclear France, as the case may be, will be credited, to the extent received by, or on behalf of, Euroclear, Clearstream, Luxembourg or Euroclear France, as the case may be, from the Fiscal Agent, to the cash accounts of Euroclear or Clearstream, Luxembourg customers or the accounts of Approved Intermediaries, as the case may be, in accordance with the relevant clearing system's rules and procedures.

Holders of book-entry interests in the Notes through DTC will receive, to the extent received by DTC from the Fiscal Agent, all distributions of principal and interest with respect to book-entry interests in the Notes from the Fiscal Agent through DTC. Distributions in the United States will be subject to relevant U.S. tax laws and regulations.

Interest on the Notes (other than interest payable on redemption) will be paid to the holder shown on the Register on the third business day before the due date for such payment so long as the Notes are represented by a Global Certificate, instead of on the fifteenth day before the due date for such payment (as provided by Condition 2(f)) so long as the Notes are in definitive form (the "Record Date"). Trading between a Restricted Global Certificate and a related Unrestricted Global Certificate will therefore be net of accrued interest from the relevant Record Date to the relevant Interest Payment Date.

The laws of some states of the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer interests in a Global Certificate to such persons will be limited. Because DTC, Euroclear, Clearstream, Luxembourg and Euroclear France (or Approved Intermediaries) can only act on behalf of participants, who in turn act on behalf of indirect participants, the ability of a person having an interest in a Global Certificate to pledge such interest to persons or entities which do not participate in the relevant clearing system, or otherwise take actions in respect of such interest, may be affected by the lack of a physical certificate in respect of such interest.

The holdings of book-entry interests in the Notes through Euroclear, Clearstream, Luxembourg and DTC will be reflected in the book-entry accounts of each such institution. As necessary, the Registrar will adjust the amounts of Notes on the Register for the accounts of (i) BT Globenet Nominees Limited and (ii) Cede & Co. to reflect the amounts of Notes held through Euroclear, Clearstream, Luxembourg, Euroclear France and DTC, respectively. Beneficial ownership of Notes will be held through financial institutions as direct and indirect participants in Euroclear, Clearstream, Luxembourg, Euroclear France and DTC, as the case may be.

Interests in each Unrestricted Global Certificate and Restricted Global Certificate will be in uncertified book-entry form.

Trading between Euroclear and/or Clearstream, Luxembourg Accountholders and/or Approved Intermediaries. Secondary market sales of book-entry interests in the Notes held through Euroclear,

Clearstream, Luxembourg or Euroclear France, as the case may be, to purchasers of book-entry interests in the Notes through Euroclear, Clearstream, Luxembourg or Euroclear France, as the case may be, will be conducted in accordance with the normal rules and operating procedures of Euroclear, Clearstream, Luxembourg or Euroclear France, as the case may be, and will be settled using the procedures applicable to conventional Eurobonds.

Trading between DTC Participants. Secondary market sales of book-entry interests in the Notes between DTC participants will occur in the ordinary way in accordance with DTC rules and will be settled using the procedures applicable to United States corporate debt obligations in DTC's Same-Day Funds Settlement System. Where payment is not effected in U.S. dollars, separate payments outside DTC are required to be made between the DTC participants.

Trading between DTC Seller and Euroclear/Clearstream, Luxembourg/Euroclear France Purchaser. When book-entry interests in Notes are to be transferred from the account of a DTC participant to the account of a Euroclear or Clearstream, Luxembourg accountholder, as the case may be, wishing to purchase a beneficial interest in an Unrestricted Global Certificate (subject to such certification procedures as are provided in the Agency Agreement), the DTC participant will deliver instructions for delivery to the relevant Euroclear or Clearstream, Luxembourg accountholder to DTC by 12 noon, New York City time, on the settlement date. Separate payment arrangements are required to be made between the DTC participant and the relevant Euroclear or Clearstream, Luxembourg accountholder, as the case may be. On the settlement date, the Custodian will instruct the Registrar to (i) decrease the amount of Notes registered in the name of the nominee for DTC and evidenced by the relevant Restricted Global Certificate and (ii) increase the amount of Notes registered in the name of the nominee for the Common Depositary and evidenced by the relevant Unrestricted Global Certificate. Certificate book-entry interests will be delivered free of payment to Euroclear or Clearstream, Luxembourg, as the case may be, for credit to the relevant accountholder on the first business day following the settlement date. See above for details of the Record Date for payments of interest.

The relevant procedures relating to transfers of book-entry interests in Notes to be transferred from the account of a DTC participant to the account of an Approved Intermediary will be in such manner as shall be agreed by DTC and Euroclear France at the relevant time.

Trading between Euroclear/Clearstream, Luxembourg/Euroclear France Seller and DTC Purchaser. When book-entry interests in Notes are to be transferred from the account of a Euroclear or Clearstream, Luxembourg accountholder, as the case may be, to the account of a DTC participant wishing to purchase a beneficial interest in a Restricted Global Certificate (subject to such certification procedures as are provided in the Agency Agreement), the Euroclear or Clearstream, Luxembourg accountholder must send to Euroclear or Clearstream, Luxembourg delivery free of payment instructions by 19.45 hours, Brussels or Luxembourg time, one business day prior to the settlement date. Separate payment arrangements are required to be made between the DTC participant and the relevant Euroclear or Clearstream, Luxembourg accountholders, as the case may be. On the settlement date, the Common Depositary will (i) transmit appropriate instructions to the Custodian who will in turn deliver such book-entry interests in the Notes free of payment to the relevant account of the DTC participant and (ii) instruct the Registrar to (a) decrease the amount of Notes registered in the name of the nominee of the Common Depositary and evidenced by the relevant Unrestricted Global Certificate and (b) increase the amount of Notes registered in the name of the nominee for DTC and evidenced by the relevant Restricted Global Certificate. See above for details of the Record Date for payments of interest.

The relevant procedures relating to transfers of book-entry interests in Notes to be transferred from the account of an Approved Intermediary to the account of a DTC participant will be in such manner as shall be agreed between Euroclear France and DTC at the relevant time.

DTC has advised the Issuer as follows: DTC is a limited purpose trust company organised under the laws of the State of New York, a "banking organisation" under the laws of the State of New York, a member of the U.S. Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its participants and facilitate the clearance and settlement of securities transactions between participants through electronic computerised book-entry changes in the accounts of its participants, thereby eliminating the need for physical movement of certificates. Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to DTC is available to others, such as banks, securities brokers, dealers and trust companies, that clear through or maintain a custodial relationship with a DTC direct participant, either directly or indirectly.

Although the foregoing sets out the procedures of Euroclear, Clearstream, Luxembourg, Euroclear France and DTC in order to facilitate the transfers of interests in the Notes among participants of DTC, Euroclear, Clearstream, Luxembourg and Euroclear France, none of Euroclear, Clearstream, Luxembourg, Euroclear France or DTC is under any obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, any Agent or any Arranger or Dealer or any affiliate of any of the above, or any person by whom any of the above is controlled for the purposes of the Securities Act, will have any responsibility for the performance by DTC, Euroclear, Clearstream, Luxembourg or Euroclear France (or any Approved Intermediary) or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations or for the sufficiency of any purpose of the arrangements described above.